

HAMILTON BOARD OF SELECTMEN &
FINANCE ADVISORY COMMITTEE
MINUTES OF JOINT MEETING

March 12, 2018

Selectmen Present: Shawn Farrell, Allison Jenkins, Scott Maddern and Jeff Hubbard

Selectman Absent: Chair Bill Wilson

Finance Committee Members Present: Chair David Wanger, Nicholas Tensen, John Pruellage, Darcy Dale and Phillips Stearns

Town Staff Present: Town Manager Michael Lombardo, Finance Director Marisa Batista,

At 7:03 Shawn Farrell called the meeting to order for the Board of Selectmen (BOS). Chair David Wanger called the Finance Advisory Committee (FinCom) to order.

FY'19 School Budget & Related Warrant Articles

Mr. Wanger discussed Warrant Articles 2-4 and 2-5 dealing with the Schools' operating budget and capital expenses. Town Manager Michael Lombardo elaborated on some specifics and said he was going to inquire further into the Town of Wenham's calculations, which differed somewhat from Hamilton's. Finance Director Marissa Batista explained the Schools had included an E&D [excess or deficiency of revenues over expenses]. Hamilton's calculation was made by taking last year's FY'18 budget, subtracting the school debt, increasing that by 2.5%, and then including the school debt portion (existing debt) for FY '19. Wenham calculated it differently by including the additional amount for E&D, which Wenham had anticipated getting back from the Schools, but is now not getting back. Mr. Farrell asked if it was a significant difference. Ms. Batista said if Hamilton had calculated this way, its E&D amount would have been \$144K. But she stressed the bottom line needs to be the amount the Schools requested as the total, which is \$18 million. All calculations add up to the bottom-line. Phil Stearns said if that's the case, he's good with it.

Mr. Stearns proposed the two boards add language to each of the warrant articles so residents know exactly what they've voting for and how it affects their tax rate. For example, to say: "Adoption of this budget would yield a tax rate of x." Mr. Wanger agreed and thought this information should be disseminated well before Town Meeting. Other board members agreed, as well. Mr. Lombardo suggested a slide to cover it. Mr. Farrell said he thought it should be added to each article, as well as a slide. Ms. Batista said she thought

adding a comment section below each article would work. Nick Tensen noted there's a little over three weeks left prior to Town Meeting. Allison Jenkins said the Schools discussed putting articles in the newspaper and had named two members of their board to respond to questions on Facebook. Mr. Lombardo will work on a draft of the comments. It is his understanding that Mr. Stearns is going to present some of the financials at Town Meeting. Scott Maddern said he thought Bill Wilson needed to be in communication with the other entities so the presentations are in sync with each other and don't appear to be in too much conflict, although board members admitted there will be inherent conflict.

Jack Lawrence, 105 Rock Maple Ave., said by the time they get to Town Meeting it's too late to receive the appendices. They need to have them way in advance. Mr. Stearns agreed they needed to finalize information and get it out to the public.

Mr. Wanger brought the two boards back to a discussion of goals for the evening and asked if they wanted to vote on the warrant articles. Mr. Maddern suggested they wait to vote on the School budget and look at it March 19 when Mr. Wilson (who is the liaison to the Schools) will be present. Ms. Jenkins noted the warrant would be going to print March 20 or 21 and the only way for the two boards (BOS and FinCom) to vote in concert is now. Perhaps the FinCom can take their vote Wednesday, but if the BOS doesn't vote until next Monday, it doesn't leave much time to inform the public. Jeff Hubbard noted at the last BOS meeting, they decided to individually look at the articles and see what they could easily agree upon and send those articles to Mr. Maddern. FinCom members said they were expecting to vote tonight.

The two boards discussed their reason for having two separate warrant articles for the School budget and whether they ought to vote on those this evening. Mr. Stearns said it might be in everyone's interest to discuss their positions. Mr. Wanger said FinCom was supportive of Article 2-4, but not 2-5, which they thought took the budget well beyond the 2.5% increase and would cause certain conflict, morale issues, etc., between the two towns. Regarding capital expense items, Mr. Stearns referred them to the Schools' capital expense list presented Feb. 13, which is on the Schools' website. He highlighted some of the items—for example, a building energy management system, \$210K; classroom shades, \$135K; emergency generator, \$40K; Buker School side entryway and ramp replacement, \$80K; back-up server replacement, \$52K; auditorium/theater electrical system, \$75K; and kitchen equipment, \$373K.

William Dery, 356 Chebacco Rd., former School Committee member, said he's familiar with many of these on the list that were part of the \$4 million debt exclusion passed a couple of years ago and said the numbers were grossly inflated as to the construction part.

Need for a New Fire Truck

The pumper truck discussed at previous meetings did not pass inspection for emissions. It will be 23 years old in September. Darcy Dale said that was the word from Fire Chief Phil Stevens. Mr. Farrell asked what the time frame was for the study (of fire apparatus and whether it might be shared with Wenham). Mr. Lombardo responded it would be after Town Meeting. The two boards speculated on repairs that might be needed to keep the pumper in operation. Ms. Jenkins proposed adding a warrant article as a placeholder. Mr. Lombardo said he would invite the Fire Chief Stevens and Public Safety Director Russell Stevens to the March 19 BOS meeting.

Decision:

Ms. Jenkins made a motion to add the fire apparatus to the 2018 April Town Meeting warrant. Mr. Maddern seconded the motion. The BOS voted unanimously (4-0) to add the warrant article. (It will become Article 2-15.)

Article 2-1/Prior Year Bills

No discussion.

Decision:

Mr. Tensen made a motion to recommend favorable action on Article 2-1. Mr. Stearns seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action.

Mr. Hubbard made a motion to recommend favorable action on Article 2-1. Ms. Jenkins seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action.

Article 2-2/Compensation Classification Table

Ms. Jenkins asked Ms. Batista for clarification because she hasn't seen the table. Employees will be getting either a strictly 2% COLA (Cost-of-Living Adjustment) increase or a step (increase), but nobody will be getting both, she said. Ms. Batista confirmed that was correct.

Decision:

Ms. Jenkins made a motion to recommend favorable action on Article 2-2. Mr. Hubbard seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action.

Ms. Dale made a motion to recommend favorable action on Article 2-2. Mr. Stearns seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action.

Article 2-3/Capital Expenditures

The expected request is \$443,050. Ms. Batista detailed what was included. Ms. Jenkins inquired about the Town Hall ceiling (\$60K). She said it was previously approved within Community Preservation Act (CPA) funding, but hadn't been addressed yet because there are lighting issues. They didn't want to fix the ceiling then have to make holes in it to address the lighting. Ms. Batista clarified Ms. Jenkins was in favor of everything except for repairing the ceiling and addressing the sound control, which were separate items from the roof expense. The two boards removed \$60K from the total, making it \$383,050. Mr. Stearns suggested a comment be added to state what this vote does to the tax rate.

Mr. Lawrence wanted to know why they were insulating the Public Safety building. Mr. Farrell said it was for soundproofing. Mr. Dery added the ceiling was not thermally efficient or cost efficient in its design.

Decision:

Mr. Maddern made a motion to recommend favorable action on Article 2-3 (with the new amount of \$383,050). Mr. Hubbard seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action.

Mr. Stearns made a motion to recommend favorable action on Article 2-3 with the new amount. Ms. Dale seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action.

Article 2-4/General Town Departmental Appropriations

No discussion.

Decision:

Ms. Jenkins made a motion to recommend favorable action on Article 2-4. Mr. Hubbard seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action.

John Pruellage made a motion to recommend favorable action on Article 2-4. Ms. Dale seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action.

Article 2-5/Additional School Operating Appropriation

Ms. Batista explained the amounts for Articles 2-4 and 2-5 would equal the \$18 million budget ask by the Schools. This would be a 5.7% increase over last year's budget. The boards discussed the discrepancies in calculations (as was explained previously) and agreed it would be confusing to the public if presented that way at Town Meeting. Ms.

Jenkins suggested redoing the numbers so both use the same formula. Mr. Lombardo said he thought they should be able to calculate that by Wednesday.

Board members expressed concern that Wenham's OPEB fund isn't funded as it should be. For example, money was taken out of the fund to pay for a playground.

Mr. Wanger said he thinks it inappropriate for the Schools to look to the towns to supplement their operating budget when Hamilton is at a less than 1% increase. If the schools need additional funds, they should find the money within their budget. Mr. Tensen said they've talked for a number of years about requesting a level-services budget and have never gotten it; this forces the issue. Mr. Pruellage said there may be a great many reasons for going over the 2.5% increase, but this is the only vehicle they have for getting more detail. Mr. Tensen and Mr. Pruellage agreed the Schools have good ideas, but said they needed to sell the ideas and take a "hard edge." Mr. Stearns said the Schools are a huge asset for the Town. He said he supported them trying to do more for special education—to become an income generator instead of expense.

Decision:

Mr. Tensen made a motion *not* to recommend favorable action on Article 2-5. Ms. Dale seconded the motion. The FinCom voted unanimously (5-0) *not* to recommend favorable action.

Ms. Jenkins made a motion *not* to recommend favorable action on Article 2-5. Mr. Hubbard seconded the motion. The BOS voted unanimously (4-0) *not* to recommend favorable action.

Further Discussion:

Mr. Maddern said he wants to look further at declining enrollment numbers. There's been more than a 15% decline over the last 10 years and even more of a decline is projected over the next 10 years. Responding to that is important, he said. Mr. Wanger pointed out the population is getting older. Mr. Maddern added the "massive OPEB risk" needs to be addressed.

Article 2-6/School Debt—Winthrop Fire Suppression

Adding the fire suppression system (sprinkler system) to Winthrop School would cost \$850K. Mr. Wanger said he sought out and received information from the Public Safety Department and is aware of counter arguments about each classroom having outside egress and there being an appeal process to mandating this improvement. Mr. Lombardo noted Town Legal Counsel Donna Brewer hadn't ascertained yet whether they can adjust the assessed value of the school. Ms. Jenkins said the appeal process had a 45-day window, which isn't open any longer. The BOS was waiting on the answer from Ms. Brewer about

whether the Schools would need to spend the money on the sprinkler system if the assessed value were adjusted properly. The two boards also discussed the issue of School debt and how it pertains to a potential override in Wenham.

Mr. Dery said the law is based on added construction of structures of a certain square footage and not the percentage of work done dollar-wise. He said he and the School Committee had discussed the matter and decided that when the Town asked them to do something, they would appeal it to the State. That appeal process was set up, he said. But if he is wrong on it, he would push for people to vote no on the sprinklers (even if it means civil disobedience) because it is a waste of money. To install the sprinkler system, the Town would have to bring a four-inch main all the way in from the street. The quote they got for the Buker School was \$1.6 million. Ms. Jenkins asked if Buker was done. Mr. Dery responded no, they didn't replace the system.

Mr. Maddern posed the question what happens if they vote no on the sprinklers. He said he finds it hard to come up with the logic to spend a million dollars on a school when there's declining enrollment. Mr. Lombardo said if the Town does not vote the money, the Fire Department has the right to make it so they cannot occupy the school. Mr. Wanger concluded they had good reasons to defer the matter for further discussion after they have more info.

Article 2-7/School Debt—Safety, Accessibility, and Critical Infrastructure Capital Projects

The Schools are asking the Town to approve the borrowing of \$2.6 million for capital projects, outlined Feb. 13 and appearing on the Schools' website. Mr. Wanger said it didn't appear that all of these items are safety-oriented. Mr. Lombardo said he thought some of the numbers were low, for example, the surveillance cameras. Ms. Dale said the projects aren't going to be done simultaneously, but over years. Ms. Stearns said many of these capital plans were in place for the year 2020, but when the turf field came out of the plans, the items were moved up to the 2019 budget. The Schools had a lot of debt going off the books and thought to roll that debt over, essentially backfilling with new projects. He said the Schools haven't sold him on the need to do all these projects now. Board members discussed thoughts on whether the projects could be held off. Mr. Tensen and others thought the Schools needed to prioritize the projects and hadn't done so.

Decision:

Ms. Dale made a motion *not* to recommend favorable action on Article 2-7. Mr. Pruellage seconded the motion. The FinCom voted (4-1) *not* to recommend favorable action. Mr. Tensen was the opposing vote.

Mr. Farrell suggested the BOS table this vote until March 19 so that they can hear from Bill Wilson, liaison to the Schools. The BOS concurred.

Article 2-8/Water Enterprise Budget

The expected request is \$1,795,771. Mr. Wanger asked if this were derived from water fees. Ms. Batista responded yes, although part of it is a retainer.

Decision:

Mr. Tensen made a motion to recommend favorable action on Article 2-8. Mr. Pruellage seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action.

Mr. Farrell made a motion to recommend favorable action on Article 2-8. Mr. Hubbard seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action.

Mr. Lombardo said this action means the Town would be paying out of its water revenue what would otherwise have been paid out of general funds. Mr. Stearns noted for this article, a comment could be made that a favorable vote would reduce the tax rate by x. Ms. Batista qualified that this action is mandated by the State. She said they could put a comment that this is a state mandate and a favorable vote would have x effect. Ms. Jenkins asked Ms. Batista for a copy of the policy.

Article 2-9/Annual Financial Actions

No discussion.

Decision:

Mr. Stearns made a motion to recommend favorable action on Article 2-9. Ms. Dale seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action.

Mr. Maddern made a motion to recommend favorable action on Article 2-9. Mr. Hubbard seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action.

Articles 2-11/Annual Budget for Revolving Funds

Article 2-13/Hamilton Development Corporation

Article 2-14/OPEB Trust Fund

Mr. Farrell said that the BOS related through Mr. Maddern that they see favorable action on 2-11, 2-13 and 2-14. He suggested they skip voting on 2-10 and 2-12 for now. Mr. Wanger

said a new actuarial study of the OPEB situation is being done but is not completed, and it's possible that as a result of the study, that article will need to be reexamined.

Decision:

Mr. Hubbard made a motion to recommend favorable action on Articles 2-11, 2-13 and 2-14. Mr. Maddern seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action on the three articles.

Mr. Dale made a motion to recommend favorable action on Articles 2-11, 2-13 and 2-14. Mr. Pruellage seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action on the three articles.

Article 2-10/Community Preservation Budget

The two boards decided to table the vote and invite Community Preservation Committee (CPC) Coordinator Dorr Fox to the next meeting. Ms. Batista discussed CPC finances. They will have about \$500K at the end of FY'18, assuming they collect 100% of the surcharges. She said she is concerned she keeps hearing people saying they can fund things through the CPC, but the balance seems to be decreasing. Mr. Farrell said "it's not a deep well; it's a shallow puddle." They discussed what this year's State match might be; with Boston joining the pool, the match is going down. Mr. Wanger asked Ms. Batista for an assessment of CPC finances. Mr. Farrell, a CPC member, directed him to the Town's website, and said Mr. Fox can provide information, as well. Mr. Lawrence suggested the CPC balances be included in Article 2-10 for context. Mr. Farrell said they will be included.

Article 2-12/Unused Borrowing Authorization

Ms. Batista explained this article is for "clean-up" from when the Town completed projects without having to borrow the full amount allotted. The expected request was \$504,500.

Decision:

Mr. Tensen made a motion to recommend favorable action on Article 2-12. Ms. Dale seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action.

Mr. Hubbard made a motion to recommend favorable action on Article 2-12. Mr. Maddern seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action.

Article 2-15/Fire Truck

This discussion was tabled to the March 19 meeting.

Article 3-1/Delete Conservancy District

Rosemary Kennedy, 61 Rust St., said the Planning Board was going to withdraw this article. Mr. Farrell said he'd like to hear from the Planning Board regarding the matter. If they do withdraw it, the BOS can still move it forward. He'd like to discuss it at the March 19 meeting. Ms. Jenkins said she recommended removing it from the bylaws as it was deemed "illegal." Mr. Wanger asked Mr. Lombardo if the written legal opinion can be given to the FinCom.

Article 4-1 / Vacant/Unsafe/Dilapidated Building Bylaw

Article 4-2/ Demolition Delay Bylaw

Article 4-4/ Amend Solicitor/Canvasser Bylaw

Mr. Maddern said they don't have the final language on these bylaws yet. The board members weren't comfortable voting yet. Mr. Farrell said regarding Article 4-4, if anyone wants to solicit within the Town, they are charged a \$5 fee, which doesn't even cover the cost of the photo I.D. The bylaw proposes changing the language to state that the fee will be set by the Town Manager. The fees will most likely be adjusted to about \$25.

Article 4-3/ Renumber Departmental Revolving Fund Bylaw

Ms. Batista said a law was changed last year, which is why renumbering is needed. They don't need to revote the revolving fund, just the spending limit, and this has to do with the law.

Decision:

Mr. Tensen voted to recommend favorable action on Article 4-3. Ms. Dale seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action.

Mr. Hubbard voted to recommend favorable action on Article 4-3. Mr. Maddern seconded the motion. The BOS voted unanimously (4-0) to recommend favorable action.

Articles 5-1 through 5-6/Citizens Petitions

Mr. Farrell said they want some of the people who wrote these petitions to speak to the BOS about them. Mr. Wanger said FinCom will not vote on them this evening, but would like to understand the Selectmen's positions. Mr. Farrell invited Mr. Wanger and FinCom to the BOS meeting March 19 when they will discuss them. Ms. Jenkins applauded FinCom for already meeting with the citizens involved and noted FinCom already has insight from Legal Counsel that the BOS has not yet had.

Mr. Tensen brought up the issue of the cell tower. Ms. Jenkins said the BOS's position is that the Planning Board did not ask for representation, only three individual members did. Ms. Jenkins said they were, in essence, supporting the majority of the Planning Board by not funding legal counsel for the three. Mr. Wanger said nevertheless, the Town is being sued and its position seems to be supportive of the Planning Board's position, which is consistent with the plaintiff's position. Ms. Jenkins said the three members were the minority, and people should read what the three have said in Federal Court—that the Town lacks the need for the cell tower. She said the BOS had to go with the majority of the Planning Board and are representing the board. She said the Town interests have been consistent with those of Varsity Wireless. Mr. Wanger said he's troubled in terms of where it leaves Planning Board members who exercise their prerogative, and this kind of conflict and awkwardness would be best served by a mediation with the various stakeholders to find solutions. He said he would share that comment for a number of the citizen's petitions and sponsor an initiative to resolve issues rather than have them be a cause for unhealthy friction. Ms. Jenkins said once a citizen's petition is filed, it has to show up on the warrant unless everyone reneges the petitions. Mr. Wanger said if there is a process for reversing it, it would be worth the time and effort. FinCom will discuss the issue further at its meeting on Wednesday.

Article 6-1/ Free Cash Application

The expected request is \$375K. After this is applied to the operating budget to reduce the Town's tax rate, Ms. Batista said she thinks it will leave them with \$1.9 million. If this action does not get approved the tax rate would go up.

Decision:

Ms. Dale made a motion to recommend favorable action on Article 6-1. Mr. Pruellage seconded the motion. The FinCom voted unanimously (5-0) to recommend favorable action. (*The FinCom subsequently withdrew this action. See below.)

Further Discussion:

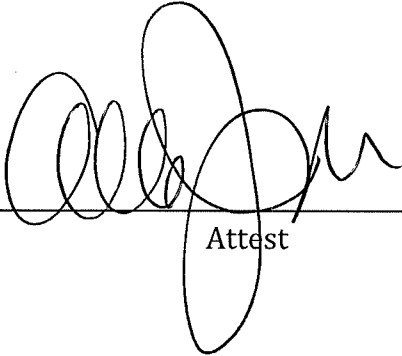
Ms. Jenkins suggested holding off on voting until they receive more detail regarding potential purchase of a fire truck, as Mr. Lombardo has said they could use money from free cash for the purchase. The FinCom decided to also hold up on voting and withdrew its action.

ADJOURNMENT

Mr. Hubbard made a motion to adjourn the meeting at 9:30 p.m. Ms. Jenkins seconded the motion. The BOS voted unanimously (4-0) to adjourn the meeting.

Mr. Tensen made a motion to adjourn the meeting. Mr. Stearns seconded the motion. The FinCom voted unanimously (5-0) to adjourn the meeting.

Prepared by:

A handwritten signature in black ink, appearing to be 'Mary Alice Cookson', written over a horizontal line.

4/18/18

Mary Alice Cookson

Attest

Date