

APPROVED 6/28/18

Phil Stearns

HAMILTON FINANCE AND ADVISORY COMMITTEE

Minutes of Meeting

June 27, 2018

Members Present: Darcy Dale, John Pruellage, Phil Stearns (Chair), Nick Tensen, and David Wanger.

Others Present:

This Hamilton Finance and Advisory Committee meeting was called to order at 7:02 pm at the Public Safety Building.

Public Comments

Discussion regarding outstanding items for Quarter 4.

The topic was deferred to the next meeting (July 11, 2018) when Marisa Batista attend. Draft Financial Policies will also be discussed at that time.

Discussion regarding FY19 Goals and Policies.

Phil Stearns had distributed a list of goals from the last meeting as well as a copy of the Board of Selectmen's goals and priorities. Items included: an upgraded water treatment facility (FinCom's role being only the budgetary perspective), regional inspection services (Darcy would follow upon the inspector position and progress), financial policies and goals, and the Patton Homestead. The \$250,000 grant had not been granted to Patton Homestead, Inc. (PHI) so \$200,000 could be requested at Town Meeting. David Wanger requested that MA Cultural Council or the Patton Homestead Committee be contacted to determine why the grant had not been received. It was assumed the rationale was that it was a startup as other grantees had been on-going operations. Nick Tensen would follow up. John Pruellage noted that the fund granting spoke to the viability of the project. Mr. Tensen suggested investigating grants for startups. The topic would be included as part of the FinCom goals.

Other goals and priorities included medical marijuana. Darcy Dale noted that if the facility would be bringing money to the Town, it was important to have a good host community agreement. Once the medical marijuana facility was up and running, a portion of the proceeds would fund the Patton Homestead rehabilitation as well. David Wanger asked to have the FinCom in the loop of information. Phil Stearns would take action. The other priority topic and goal included the landfill capping and approval of the solar project. The FinCom requested to remain in the loop of information.

Secondary projects included the Land Use Master Plan updates and the potential for funding requests. It was questioned if working on the housing aspect alone was the best solution. According to David Wanger, the Planning Board was finalizing the RFP for the housing study. Mr. Wanger noted the aging community program, which should be part of the Council on Aging as well as Town Meeting improvements, including a calendar, randomized Warrant Articles, and

auto counters. Phil Stearns would follow up on the electrical aggregation program. Darcy Dale explained the program and said the Town Energy Coordinator was knowledgeable regarding aspects of the program. The deadline for the Sustainable Water Initiative Grant would be a few days away. Textile recycling was already on-going. Weaver Pond drainage was under the purview of the Town Manager's goals. Members of the FinCom requested seeing the employee survey before it was released so they could offer ideas. Phil Stearns would ask Scott Maddern.

FinCom goals included: Financial policies, shared services, articles for the Chronicle, solar field site at the landfill and other solar projects, PILOT payments, Town Meeting voting system, planning for distribution of Town Meeting books well in advance as well as the Patton Homestead.

Discussion of FY 19 Calendar of Important Events.

Phil Stearns had distributed Robin Crosby's version of the calendar, dated August 1, 2018 and noted things to target. The final chance for budget adjustments for FY18 would be July 11, 2018. A joint meeting for the Fourth Quarter Report would be September 5, 2018. On September 19, 2018, there would be a meeting with Bartholomew, the investment planners. The First Quarter 2019 Report Joint Meeting with the Selectmen would be mid-November.

David Wanger wanted to add a slot for information for the Warrant Book. September 20, 2018 would be the soft date for publishing the Warrant. The real date might be closer to September 29, 2018. The Selectmen would be voting on articles on September 10, 2018. Phil Stearns thought the FinCom would receive a draft on September 4, 2018 with the following meeting allowing for discussion and a vote on recommendations. The Warrant was scheduled to close on September 6, 2018. Mr. Stearns would discuss publication dates with Scott Maddern and Robin Crosby. Warrant issues could be discussed as they arose so when the FinCom had the final version, they would have already seen all the items and had meetings with those involved.

David Wanger thought the Patton Homestead would be an issue with the denial of the grant. Mr. Wanger said he was reluctant to positively consider an ask absent new information regarding why the grant was not issued. Mr. Wanger added that the Town was now going into the hospitality business and was being asked to self-fund the project rather than what had been anticipated. Mr. Wanger suggested that the Patton Homestead business plan must have been submitted to the MA Cultural Council and wondered if the grant had been denied based on it being a startup or was the business plan viewed as deficient. Phil Stearns responded that the plan discussed a year ago was good on expenses but not on revenues such as how many functions were needed, what price per function, and how it would become a sustainable model. The number of functions proposed was considered aggressive, according to John Pruellage. Mr. Wanger concluded that it was FinCom's job to help the Patton Homestead Committee achieve the proper projections.

November would signal the beginning of budget deliberations. A joint meeting between the two Town's FinComs and the Regional School District would be determined. The meetings between the FinCom liaison and Managers/Department Heads had been listed in the schedule for the first week of December. The FinCom meeting of December 26, 2018 would be deleted.

Draft articles for Annual Town meeting were due February 22, 2019, which would be sent to the FinCom after the Warrant closed on February 25, 2019. The Second Quarter Report meeting with the Selectmen would be held mid-February with the following one in mid-May. If regular meeting dates were not convenient, John Pruellage suggested a Saturday workshop.

Discussion regarding the HWRSD Budget processes and "Asks" for School Committee and Administration.

Items of discussion were Other Post-Employment Benefits (OPEB), a school resource officer, the FY 20 budget target, organic recycling, the three to five year operating budget, a capital stabilization fund for the School, an update on Teachers' contracts and a facilities master plan. Nick Tensen wondered about the new hires and revenues for special needs teachers and the special needs initiative. Members of the FinCom discussed exploring shared services with the Schools. A discussion with Tim Olson would occur to determine how Town grounds crews might be taking away from municipal personnel power. John Pruellage considered how a potential part-time position could become a full-time position if it were shared with the Town. Information Technology was considered to be a perfect example, but the Schools had exhibited no interest in sharing expertise.

John Pruellage and Phil Stearns had investigated the Regional School Agreement, which they thought had little substance. In theory, the Schools were to send a monthly finance report to the chairs of the FinCom and Selectmen. Mr. Stearns agreed with John Pruellage's suggestion of not pointing out obligations. If the FinCom was not notified regarding financial requests, they would likely vote against recommending the Budget to counter what was considered a binary situation.

Phil Stearns said he had met with David Polito (HWRSD Committee Chair) who thought the School Committee was open and transparent. While Mr. Stearns indicated that the budget meetings were acceptable, there was no way of understanding where the money went. Funding for OPEB was in the budget one year and there was no explanation about where the money went when it did not fund OPEB. Mr. Stearns would be meeting with Jeff Sands and would explain the FinCom's concerns. David Wanger suggested the FY 19 budget be level funded. Nick Tensen questioned what would be cut away to create a level funded budget.

Phil Stearns referred to the Essex Manchester School report wherein it was shown that Hamilton Wenham spent more per pupil than Manchester Essex while numbers from the School budget indicated the opposite. The Manchester Essex report was more qualitative and more consistent with an advocacy document or annual report than the Hamilton Wenham report. John Pruellage would list the key metrics. Manchester was ranked 9th while Hamilton was 24th according to the Boston Magazine report of 125 schools. The report was based on costs per pupil and student

teacher ratios. John Pruellage noted that some of the Department of Education information was 1.5 years old. Mr. Stearns added that by looking at the higher cost ratios, some of the schools were not the best including Cambridge, which was expensive but not highly ranked. Phil Stearns would discuss cost per pupil costs and cooperative disbursement of information.

John Pruellage wanted to know if there were a level budget, what would be eliminated and hoped the school would offer examples of the sacrifices the School would make. David Wanger referred to the multi-year teacher contracts, as personnel was a large part of the budget. Mr. Wanger noted that 80 people had not voted or had not been counted and that the adoption of the School budget was not by an overwhelming majority. Mr. Pruellage suggested that the School provide information so the FinCom could become advocates of their budget. Mr. Stearns said Manchester's School budget increases over a three year period were less than 4% each year. Manchester also had a declining enrollment but were funding OPEB from the savings on teacher benefit reductions.

It was determined that the Police Department rather than the School wanted to have a resource officer. Darcy Dale indicated that she did not think Hamilton should fund it on their own especially if the Schools didn't want it. Ms. Dale referred to the increase in benefits, liability, as well as wages to the Town of Hamilton. John Pruellage noted the \$15,000 surplus for the Schools at year end.

OPEB Article discussion for publication in the Chronicle

Darcy Dale had a draft, which focused on goodnews. The Schools had not funded their \$30M OPEB obligation, which would be mentioned at the end of the article. The article was distributed for comments, which would be sent to Ms. Dale who would incorporate them. The revised document would be presented at the next meeting.

Committee member reports on liaison assignments and other projects.

Darcy Dale reported on the Town Manager Search Committee progress and the documents she had distributed at the first meeting. Ms. Dale noted that Hamilton was considered to be a town with baggage due to the 20% reduction of Town Manager salary proposal that had occurred. Ms. Dale noted that the new Town Manager would need to be cooperative with the FinCom and accessible to the public. There were 13 applicants.

David Wanger recalled that he had contacted Brian Stein who did not respond regarding the Planning Board meeting. Mr. Wanger offered the history of attempts to negotiate the PILOT with Gordon Conwell. There had been two productive meetings with the Seminary, John Pruellage, Jeff Hubbard and Mr. Wanger. Meetings were set to discuss the 20 acres of land along Bridge St. and Miles River Road. The Seminary needed six weeks to discuss affordable housing options with their developers and lawyers. According to Mr. Pruellage, the original plan was to sell lots to a developer for homes as the intent was to take tax free land and create taxable lots but after the costs of service, including the student apportionment issues were considered,

the discussion had turned to affordable housing, which was an obligation. The Seminary had not made a commitment to the concept but the discussion was not rejected.

Jeff Hubbard was to make a report regarding the three people having discussions and list a larger group of citizens that would advise them. After May 31, 2018, Scott Maddern determined that the Board of Selectmen needed a charge for the discussions to go forward and decided that members of the FinCom could not participate as members of the FinCom could not be a member of a committee or Board that would cost the Town money. David Wanger had e-mailed Shawn Farrell if he could be of assistance with no response. Mr. Hubbard and Mr. Wanger were to draft the charge, which was distributed to Allison Jenkins and citizen advisors for changes and editing.

Allison Jenkins modified the charge itself while keeping the background section. David Wanger did not find the differences to be significant. Robin Crosby interjected with an unworkable document for a task force. The document did not allow for the flexibility necessary for the group to be effective in the discussions, according to Mr. Wanger. After meeting with Ms. Crosby and Jeff Hubbard, Mr. Wanger explained that collective bargaining required more flexibility and that the group was only making recommendations to the Selectmen who would do as they wished. Mr. Wanger said he would accept Ms. Jenkin's draft but had not heard back to date.

It was questioned who could attend the meetings as it was a task force rather than a committee. Phil Stearns had met with Scott Maddern and showed Mr. Maddern the By-law for the Finance Committee. The By-law indicated that a member of the FinCom could be on a committee but not on a committee that might be spending money for the Town. Mr. Maddern disagreed but later understood the language of the By-law. Mr. Maddern and Allison Jenkins had reportedly wondered who would approach Gordon Conwell regarding their annual PILOT contribution. The previously year, they had contributed \$35,000. David Wanger said he did not want to get involved, especially as the year end was a few days away.

David Wanger said he was worried about Hamilton's government process. Darcy Dale wondered if people in the town knew they were losing an opportunity, they should know about it. John Pruellage cautioned that the timing was difficult as negotiations were in process with Gordon Conwell. Mr. Wanger wondered how to achieve positive results with so many obstacles in the way. Ms. Dale added that the town was having a hard time moving forward with so much nonsense taking time from progress. Mr. Wanger expressed his hope that a new Town Manager would create a positive influence.

The affordable housing project at Longmeadow Way was discussed. David Wanger had heard that Harborlight was partnering with a private developer to create a 200 unit project at Longmeadow. John Pruellage said it was a straight 40B. The possible development at Gordon Conwell would be affected. Late September had been set as the date of commitment for Longmeadow. It appeared that the 20 affordable senior units had been a lost opportunity at Willow St. as Harborlight needed to link them to the Longmeadow site. State support had fallen

through for the Willow St. project. The current option was for seven family units at Willow St. The Town would be funding \$85,000 per unit for the development. If the project was not funded, the Affordable Housing Trust money would be sent back to the Community Preservation Community and would need to be reallocated.

Phil Stearns noted that the Town Hall Building Committee looked at Request for Qualifications (RFQ) proposals and discussed how to evaluate them based on information supplied in response to the RFQ proposal. The committee planned on deciding in July.

Phil Stearns asked for suggestions for his meeting with the Wenham FinCom chair and Jeff Sands.

Review and approval of May 30, 2018 minutes

Motion made by Darcy Dale to approve the minutes from May 30, 2018.

John Pruellage seconded.

Vote: Unanimous in favor.

Members would review the minutes of June 13, 2018 and send any changes.

Other topics not reasonably anticipated by the Chair.

Phil Stearns would follow up on the Legion Post flags.

550 Highland St. was discussed. Peter Britton had reportedly been at the Selectmen's meeting to inform them that the case was in land court, and if the Town won the case, they would be liable for the lease, which included \$730,000 worth of improvement obligations to the site. The topic would be an agenda item for the next meeting with members from both sides being present. It was noted that Town Meeting had voted as an advisory vote, to not tax the lease holders.

Phil Stearns said the Selectmen executive session minutes had been released regarding the cell tower situation. While Town Meeting voted that the Town should pay for the legal counsel of the three Planning Board members, the Selectmen concluded that legally they were not able to pay for them. David Wanger said it had been discussed that the Selectmen had discretion but Phil Stearns noted that the money had been spent without competitive bid or authorization from the Town. The Selectmen also denied the hiring of counsel but did agree to investigate how the situation arose and write a report regarding same. Bill Shields was reportedly at the Selectmen's meeting and was not pleased with the results as the Selectmen had gone in the face of the wishes of Town Meeting. The votes for the decisions were unanimous among the Selectmen. Bill Olson was reportedly called out for a Conflict of Interest for voting as he had been a member of the Planning Board during the time the incident occurred. Town Counsel had opined that all advisory votes could not be binding.

Nick Tensen stated the situation was a product of bad government with both groups behaving improperly. Phil Stearns thought it was dysfunctional. John Pruellage said the agreement to settle was in front of a judge. The Town and Varsity Wireless had negotiated a settlement. David Wanger noted the case was a sham.

Adjournment

David Wanger made motion to adjourn the meeting.

Seconded by Darcy Dale.

Vote Unanimous to adjourn at 8:48 pm.

Prepared by:

Marcie Ricker

Attest

Date