

HAMILTON FINANCE AND ADVISORY COMMITTEE

Minutes of Meeting

October 31, 2018

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

This Hamilton Finance and Advisory Committee meeting was called to order at 7:00 pm at the Council on Aging Building.

Public Comments

Discuss OPEB/Irrevocable Trust

Marisa Batista had sent an e-mail regarding the irrevocable trust. Ms. Batista wrote in the e-mail that Donna Brewer said the establishment of the irrevocable trust was pursuant to M.G.L. 32B, page 20, which was part of the 2016 Municipal Modernization Act. Eric Rustall would offer the FinCom the benefit of his past experience but Ms. Batista had not had time to pursue the topic. Further discussion was deferred to the next meeting.

Discuss Canterbrook development

Darcy Dale said \$430,000 would be contributed to the Affordable Housing Trust from the Canterbrook Development. David Wanger recalled that Rick Mitchell had sent an explanation regarding the contribution. The funds could only be used for affordable housing purposes.

Discussion regarding the Host Community Agreement with Green Meadows Farm.

Darcy Dale wished the FinCom had input into the subject as the five year project would produce \$380,000. Ms. Dale said the residents should have been able to offer their input. Phil Stearns said he reminded Scott Maddern in front of the Town Manager that Mr. Maddern said he would include the FinCom in the process, which had not occurred. Mr. Stearns said he had the opportunity to read the agreement and it was well done. The School Resource Officer would be one of the benefits. Ms. Dale wondered if Wenham would pay for their share of the expense. Mr. Stearns responded that Wenham's FinCom chair verbally mentioned they did not want Hamilton to bear the full burden of the expense. Ms. Dale suggested finding other ways to use the proceeds. Mr. Stearns noted the School Committee had not agreed to the School Resource Officer to date. The Police Chief was pushing the issue. Nick Tensen and David Wanger agreed that the resource officer would be fully taken up by the schools with summer being more open when the officer could cover the police force's summer vacation schedule.

David Wanger was troubled that the FinCom was excluded from the Host Community Agreement discussion as it was in regard to the use of funds. The Agreement was reached without the FinCom's participation. The topic was part of FinCom's proper role, according to Mr. Wanger. Darcy Dale added that the By-laws gave the right for the FinCom to give input and advice. Nick Tensen said he was troubled by hiring another staff person who would be committed to into the future once the Host Agreement stopped.

Darcy Dale suggested taking money from the Police Budget. The Police Chief did not want to tap into a grant, according to David Wanger. Phil Stearns said the Host Community Agreement had been signed by both parties. Russ Stevens would be working on the School Resource Officer part and the topic would be part of upcoming budget discussions. Phil Stearns would meet with the Town Manager and Nick Tensen would call Chief Stevens. Mr. Stearns said the \$380,000 fund was based on a complicated formula, which was based on sales with an average of \$65,000 per year minimum whether the business was successful or not. Percentages would increase over milestones. Mr. Tensen recalled that funds would also be available for the Patton Homestead as Bob Patton verbally agreed to contribute to the property. Mr. Stearns would look into whether the business was profit or non-profit.

Discussion on HWRSD "asks"

David Wanger suggested to Marisa Batista that Joe Domelowicz be informed regarding the tri-partite meeting. Ms. Batista would bring the situation to his attention. Phil Stearns said he understood that Mr. Domelowicz wanted to raise the profile of the FinCom at Town Meeting, allowing them to produce their own publication of recommendations for the residents. Darcy Dale thought Mr. Domelowicz had said the FinCom had become too much involved in some things while not enough in other things. Mr. Wanger stated the statute would be relevant.

David Wanger noted that the FinCom or Selectmen had not met to discuss their own budgetary expectations, which should be accomplished prior to the joint meeting with Wenham and the Schools. Nick Tensen asked if the Committee wanted to move forward on a FY20 budget target as listed as point C on the list of "School Asks". Mr. Tensen was in favor of merging points C and K. Phil Stearns responded that point K was a no starter. It was questioned if the point would move forward again as it had been rejected previously at Town Meeting. Mr. Tensen said the School appeared to be expecting a 2% to 3% increase but would likely start with 2.5% with add-ons. Peter Lombardi had reportedly been the liaison to the Schools for collective bargaining and had met with the Hamilton Selectmen in Executive Session. While the information was not yet public, it

was assumed the increase would be 2.5%.

David Wanger wondered why the FinCom was treated as the public and not in the information loop when the School budget was such a significant part of the Town's budget. Phil Stearns suggested that the elected Selectmen might be the only Board referenced in the School contract agreement. John Pruellage previously said he would investigate the agreement. Mr. Wanger recalled that he was outshouted by Scott Maddern when the school was negotiating their lease at the Winthrop School and that if he had been heard, the Town might be further along regarding affordable housing. Darcy Dale agreed. Mr. Wanger said the FinCom was included in the conversation years ago. Mr. Wanger said if the FinCom's observations were not heard by the Selectmen, the FinCom should go public with the situation. Phil Stearns would read the statute and by-law.

The Capital Stabilization Fund for the school was discussed. Nick Tensen noted the Schools did not have a policy for the fund including the purpose or how to fund it. Phil Stearns wondered if the Schools had financial policies. Mr. Tensen said the Excess and Deficiencies would tie together with the Master Plan.

Phil Stearns explained that there was five years left on the Winthrop School lease and that even if the Schools developed a facilities plan, it would take at least five years to build an alternative. David Wanger recalled that he had participated in a meeting with the superintendent of schools and Longmeadow people when the subject of the meeting was discussing building a new school. The superintendent said it was politically impossible because Wenham would want a new building also.

Discussion ensued regarding the \$2.6M ask at Annual Town Meeting. Phil Stearns noted it gave him an opportunity to meet with Jeff Sands to talk about urgent needs. David Wanger recalled the 82 people who did not vote or whose votes were not counted. Mr. Stearns had asked Jeff Sands if teachers would take a cut in medical insurance via deductibles with the provision that whatever was saved would fund their retirement. Mr. Sands reportedly said it was already done with refunds being presented as Excess and Deficiencies. Mr. Sands thought a solution to the OPEB situation might be found in a bond issue. Mr. Stearns concluded that if the Schools did not fund OPEB, the Towns would be responsible. Mr. Wanger added that the advisor had explained that borrowing to fund OPEB was inappropriate.

Discussion on senior housing

Darcy Dale was concerned with the Hamilton Development Corporation and the

Affordable Housing Trust's failure to accomplish affordable housing goals. Nick Tensen wondered if the FinCom should become involved with policy making in another department. Phil Stearns said it would not become a FinCom issue until a Town Meeting proposal was pending.

Discussion regarding employee selection process and vendor due diligence.

Darcy Dale reviewed the history of the search and chronicled her concerns via various e-mails. It was noted that a simple Google search of the candidates had not been conducted. According to Ms. Dale, Bernie Lynch had indicated that it would not be legally sustainable for Hamilton if the Town rescinded its offer. Discussion ensued as to whether the candidate had applied for another position the first time or the most recent time. The candidate had not been chosen the first time. Ms. Dale felt the process was tainted as a social media search had not been conducted. It was agreed that practices and procedures should be reviewed. Ms. Dale did not want to have the Town use Paradigm as a vendor again as they did not do what they were supposed to do. The third concern was that Russ Stevens might have a business relationship with Paradigm.

It was agreed that no one wanted to tarnish the Town Manager. Darcy Dale found it irresponsible that Shawn Farrell was in the loop regarding the issues but remained silent. Phil Stearns suggested creating a short document on lessons learned, which would go to the Selectmen. It was noted that the FinCom was pushed out of the Search Committee but was a financial overseer for the Town. Warnings were not heeded. Phil Stearns had spoken with the Town Manager regarding the concerns. Scott Maddern reportedly reacted defensively and Joe Domelowicz was concerned about his reputation. Reportedly Mr. Maddern had said a social media search had been conducted. David Wanger concluded that it was important that the Search Committee was unaware that Mr. Domelowicz had applied for the Town Manager position in the town where he was Assistant Town Manager and did not get the position.

Committee member reports on liaison assignments and other projects.

Darcy Dale reported that she and Vicky Masoni worked together with the solar vendor to gather data to put together a grant request. The \$12,500 request was granted to study solar possibilities on municipal buildings. Ms. Dale said the study would open the door for more funding. Nick Tensen reviewed the CPC grants for the Patton Park cannon and wheels, Buker School playground, and Habitat for Humanity. The balustrades at Town Hall were cut off. The Brooks House was hiring an architectural contractor to renovate the building. Renovations to remove rot and replace clapboards had begun at the Patton Estate. Mr. Tensen described the Gordon Conwell Theological Seminary Task Force's work on trying to develop resources at the school for town residents. Phil Stearns said the

Town Hall Building Committee was interviewing three design firms out of about nine firms that had all made proposals. The project would cost between \$6M and \$9M.

David Wanger asked about the business plan for the Patton Estate in the hopes that the group would not request more funding at Town Meeting. Nick Tensen responded that funding previously approved would pay for a Director who would start in January. Mr. Tensen thought the Director would look to other agencies for funding. The goal was to make the Homestead self-sustaining by having events and donors or partners. The Homestead would be used as a town and cultural resource. Mr. Stearns issued his concern that the property would become an economic liability on the town to the Patton Estate Committee. The response was that property had been sold generating tax revenue from the condos. Mr. Stearns responded that Town Meeting supported the effort with \$90,000 for six months, giving them \$180,000 for a full year operating budget, which was more than the total of the condo taxes. It was also important to back out the taxes that had been collected when the property was a private residence. If the property were sold, \$900,000 would be available to the Town. Mr. Stearns wanted the Homestead to be successful but also wanted an accurate analysis and no tax increases to fund the resource.

Oher topics not reasonably anticipated by the Chair.

Darcy Dale announced that Allison Jenkins had submitted an Open Meeting Law complaint against three Selectmen who attended the FinCom's September 5, 2018 meeting. While three Selectmen had attended and participated in the meeting, no meeting agenda had been posted by the Selectmen. The Affordable Housing Trust also attended but had posted the meeting. Ms. Dale recalled that she had discussed the Open Meeting Law violation with Ms. Jenkins to find that the offending Selectmen came up with reasons why the Open Meeting Law was not violated. Ms. Dale informed Ms. Jenkins that when she left the building, the Selectmen had continued their meeting outside. The group scattered when Ms. Dale exited the building. Joe Domelowicz was with the Selectmen. Ms. Jenkins took the information and audio from the meeting and sent it to the Attorney General. Ms. Jenkins informed Town Counsel that Town Counsel's presentation of events at the following Selectmen's meeting was incorrect when she was determining that the Open Meeting Law had not been violated. Town Counsel said if the Town Manager had been present, he would have noted the violation. Town Counsel thought he was not present, but he was, according to Ms. Dale. The Selectmen never apologized, which was apparently all Ms. Jenkins was hoping for.

The Affordable Housing Trust did not open or close their portion of the meeting even though it had been posted. Phil Stearns thought the Selectmen were deliberating even though Town Counsel said there were situations where they could meet. Darcy Dale

found the situation disrespectful to people in town.

Discuss/determine agenda for next meeting.

Topics for the next FinCom meeting would include OPEB Irrevocable Trust, Green Meadow Host Community Agreement, and employee selection process and lessons learned. The next meeting with the Selectmen (November 5, 2018) would be the discussion of the budget and quarterly report. Discussion regarding the possible OPEB deficit due to life expectancy would be discussed.

Adjournment

David Wanger made motion to adjourn the meeting.

Seconded by Darcy Dale.

Vote Unanimous to adjourn at 8:54 pm.

Prepared by:

Darcy Dale 12-12-18

Marcie Ricker

Attest

Date