

HAMILTON BOARD OF SELECTMEN
HAMILTON FINANCE AND ADVISORY COMMITTEE
Minutes of Joint Meeting
February 20, 2019

Selectmen Present: Shawn Farrell
(Chair), Allison Jenkins, Jeff Hubbard, and
Scott Maddern.

Finance Advisory Committee Members Present: Darcy Dale, John
Pruellage, Phil Stearns (Chair), and
Nick Tensen.

Others Present: Marisa Batista
(Finance Director) and Joe Domelowicz
(Town Manager).

Chair Shawn Farrell called the meeting to order for the Board of Selectmen at 7:02 pm. Chair Phil Stearns called the meeting to order for the Finance and Advisory Committee (FinCom) at 7:30 pm, at the Council on Aging Building, Hamilton, MA.

Public Comment

Town/School Budget discussion

Phil Stearns announced that the School Committee had voted on the School Budget. The budget was the one previously discussed including the \$73,000 for the Student Resource Officer and \$250,000 for Other Post Employment Benefits (OPEB). Mr. Stearns said the Town would provide the School with the paperwork to bind the Town for the Student Resource Officer. The School would be able to reduce the budget for the item. Currently the cost was in both budgets. The School failed to recommend a Capital Plan to date. The Town Budget was still being changed. Marisa Batista said she had additional information from the Veteran's Service and Essex North Shore Technical School. The renewal rate for health insurance was good news. There would be an increase in IT due to the e-mail changes. The joint program with Wenham would have a few adjustments. There was a noted \$10,000 savings in the assessor's program.

Allison Jenkins asked if the new DPW and Human Resource positions salaries would be consistent with current department heads. Marisa Batista said the salary was based on similar positions in other communities. The DPW position was a mid-step at \$83,000, which was more than some department heads. The position would supervise eight to ten employees while some department heads did not have that responsibility. The Human Resource position was placed in the middle. If the Inter-Municipal Agreement were not completed, the service could be purchased.

Second Quarter FY19 Finance Report update with the Finance Director, Marisa Batista

Marisa Batista presented the report. Ms. Batista said the General Fund revenues had decreased

in comparison with the second quarter of FY18 probably due to residents paying their real estate taxes early to avoid the Federal income tax changes. Local receipts were up. Ms. Batista indicated that major items such as blue bag purchases (\$7,000) had increased compared to the prior year. The police administration fee was \$5,000. \$10,000 had been collected for the host community agreement. Board of Health receipts increased (\$5,000). Selectmen licenses had increased from the previous year. Building permits (\$8,000) showed an increase compared to FY18.

General Fund expenditures were discussed. Expenditures were on target (49.09%) with the previous year (49.05%). Marisa Batista referred to seasonal bills that depended on projects as affecting expenditures. Nick Tensen noted the Hamilton Development Corporation transfer.

Reserves and available funds were discussed. Marisa Batista said there were no changes since the previous quarter. The General Stabilization Fund had \$800,000. There were no Reserve Fund transfers to date. The FinCom Reserve Fund had \$100,000. Ms. Batista said some funds were ongoing for capital projects such as water distribution, Chapter 90 and the landfill. The Bridge St. culvert project was not closed to date as the Town was still working with FEMA to obtain reimbursement. The field renovation project had been closed. Ms. Batista said she wanted to close the funds as soon as projects were completed. Ms. Batista noted that pool membership fees were collected in May and June while expenses were incurred in July and August. Ms. Batista said the Recreation Revolving Fund would need to increase its spending limit. The original approval was for \$250,000 but as of December, the fund was at \$142,000. As spring approached the amount might exceed the limit. The increase could be accomplished without Town Meeting approval. The Selectmen and FinCom would need to increase the spending limit.

The Stabilization Funds did not exhibit any changes except the addition of interest. Other funds noted were the Affordable Housing Trust Fund, the Patton Homestead Fund, and the Water Enterprise Fund. Marisa Batista added a footnote to the Patton Homestead Fund to include the taxes collected for the Patton Ridge properties for informational purposes. Ms. Batista said the intent was to show the development had generated revenue for the Town. Phil Stearns said taxes had been collected on the property before the development and that it might be fairer to show the delta of the two tax revenues. Jeff Hubbard said the revenue was part of the General Fund as with any other properties. Ms. Batista said she had many questions about the Patton Homestead. John Pruellage added that the information clouded the issue as it appeared to be revenue.

Allison Jenkins noted there was no payment in lieu of taxes to date from Gordon Conwell creating a decrease of \$30,000. Selectmen rentals showed no collection of \$8,600 from the ambulance in FY18 as the check was lost and not reissued until after the end of the fiscal year. The Gun Club paid \$9,000. Ms. Jenkins said there was no billing for PILOT, so a person needed to remember to look out for the payment. The Town parking lot was used for an event and received \$1,000. Revenue for dog licensing appeared to be down as of December 31 but payments might occur in the spring.

Allison Jenkins wondered why there were so many small accounts and asked why they were not closed down. Marisa Batista said she had closed a few special revenue funds and capital funds

as work was done and grants were completed. Ms. Batista wanted to put an article to close an old special revenue fund that was in deficit. Ms. Batista said trust funds hadn't been closed as she did not have enough information and people had donated to the fund for a specific purpose.

Capital Committee discussion

Joe Domelowicz described the genesis of the committee as one to gain input from the community about capital priorities and how to fund them. Mr. Domelowicz asked the Selectmen to pursue the concept. Scott Maddern gathered Department of Revenue (DOR) resources and made the proposal for the Capital Committee who would work with Mr. Domelowicz to create a five-year plan that would be renewed annually. Darcy Dale said there were four organizational structures to choose from and there had been no discussion. Ms. Dale said forming a committee was premature without knowing all the options and ramifications. Ms. Dale said she did not want to rush the process.

Joe Domelowicz responded that it was the Town Manager's job to ask for a Capital Plan. The Selectmen had asked other communities and department heads about the process. The proposal allowed for the Selectmen to appoint the committee and possibly have a liaison on the committee. The committee would be comprised of private citizens with specific skills to consider the issues. Darcy Dale requested that the four organizational structures be discussed rather than decided by one or two boards. Ms. Dale added that it had only been three weeks since she had learned about it and that there was not enough time for due diligence.

Scott Maddern said Selectmen had talked about it for five to six years. The DOR recommended the committee and provided training, which Mr. Maddern had attended. Mr. Maddern added that two to three years ago, grant money provided for advice on policies, capital policies, and prioritization of projects. Mr. Maddern referred to Arlington, which passed their Capital Plan every year. Ms. Dale reiterated that the Selectmen had chosen one organization structure without discussion. Mr. Maddern referred to the capital needs of the School including \$3M for the turf field and the \$2.5M request at 2018 Annual Town Meeting for urgent items. Mr. Maddern said the budget was not just the Town but included the School, library and recreation. Mr. Maddern discussed the middle school debt rolling off with no other capital to replace it even though there were stated needs.

Darcy Dale thought the committee would take the function from the FinCom and the Selectmen. Scott Maddern said nothing was being taken away. Mr. Maddern added that the Selectmen would be obtaining a positive vote for what the Town was presenting. Mr. Maddern said the committee would have people with experience with large municipal projects as they would be the most complicated. Members would need to understand the cadence of Town Meeting, planning cycles, Community Preservation Act funding, and the budget calendar. Allison Jenkins said the purpose was not to override the FinCom.

Darcy Dale suggested a Capital Improvement Planning hybrid system where residents come forward to work by collecting data, making suggestions, and come forward with findings similar to the Town Hall Building Committee. Findings would be brought to the Selectmen, FinCom and Town Manager. Joe Domelowicz wanted to ensure the committee would not work in a

vacuum. The group would ask for endorsement before Town Meeting. Phil Stearns read from the proposal that the committee "shall act as an effective advisory board to review anticipated capital projects and make the annual recommendations to the town to effect responsible capital planning and budgeting." Mr. Stearns suggested changing the word "town" to "FinCom and town." Mr. Stearns did not have the impression that anything proposed would diminish the jurisdiction and administration of the FinCom. Ms. Dale would redline changes to ensure the language she wanted was included.

Jack Lawrence (105 Rock Maple) thought it was critical to have an independent presentation to authorities to have the information out. Mr. Lawrence suggested that the Moderator appoint members rather than the Selectmen and that the committee could be a subcommittee of the FinCom. Mr. Lawrence wanted the committee to be independent of the existing government structure. Jay Butler said he thought the committee should be strictly advisory to help the Town Manager with budget processing. Mr. Butler added that the structure was not cast in stone and could be amended as the committee went forward. Joe Domelowicz said it was important to establish a plan and adapt the plan as situations required the Town to do.

Phil Stearns said the document would be reviewed every quarter with the FinCom and Selectmen. Scott Maddern said the Selectmen were looking for input from the FinCom. Nick Tensen said it was a good thing and that it was a benefit that the structure could change in time. Mr. Stearns said the Town had made good progress with capital planning in the last five years, especially when funding sources were added last year. Mr. Tensen said the communication tool was an important piece of the equation. Joe Domelowicz said it was a good opportunity for Town staff to converse with the community. Darcy Dale thought it was a good idea, especially if the structure could be modified as the process went along. John Pruellage wanted an agreement as soon as possible.

Motion made by Scott Maddern that the Board of Selectmen adjourn.

Seconded by Jeff Hubbard.

Vote: Unanimous to adjourn at 8:03 pm.

Discussion with the Director of Planning and Inspections, Patrick Reffett regarding upcoming issues relevant to Annual Town Meeting.

Patrick Reffett was present to discuss the Planning Board articles. The first article was in regard to Inclusionary Housing, which would apply to developers of over seven units. The second Planning Board article was for changes to the Sign By-law. Town Counsel found serious issues that needed to be rectified. The third article was in regard to wireless technology and microcell technology.

The Zoning By-law focused on towers and needed to be amended to accommodate projects such as the recently retracted project at 216 Bay Road. The Planning Board was reviewing other Town's By-laws for microcell technology as well as a recent finding with guidelines relative to timing and size, which would be included in the new By-law language. One Planning Board member was a wireless engineer. The new poles were 100% dependent on taller towers and as a booster system, were good for 4G and 5G applications. The microcell system would not transmit

long distance and would be within .5 mile of each other. The current By-law would force the Board to include findings in the decision stating all the requirements that did not apply to microcell technology.

The change to the Inclusionary Housing By-law was in regard to the State saying there cannot be an age restriction for the affordable units in a senior housing development due to age discrimination. The other element of the By-law was the payment in lieu of providing units formula, which currently yielded \$146,000 per unit. After consulting with other towns, MAPC, and housing consultants, the Planning Board developed a formula that allowed for \$273,000 per unit. Developers had the option of offering land, units on site, or a payment.

Patrick Reffett said the Master Plan was still in the engage the public mode with an upcoming forum planned for March 20, 2019. The survey had 527 respondents, 40 people were in the focus group, and 30 people were in the working session.

Patrick Reffett said the Road Acceptance Policy would not be ready for Town Meeting. The Planning Board had recommended that the existing policy be discontinued as it allowed for a 50/50 payment between property owners and the Town for engineering and improvements. The previous decisions had allowed for roads to be constructed to rural standards with minimal drainage. Joe Domelowicz noted the cost of future maintenance of the roadways. A new General By-law would replace the existing policy, which would put the burden on the property owners.

Rosemary Kennedy (Rust St.) asked Patrick Reffett to rephrase the State policy on age restricted affordable housing in senior housing projects, which Mr. Reffett did. Ms. Kennedy said she called the State and asked about the issue with Canterbrook, which was restricted to at least one person being over 55 years old. Ms. Kennedy said a senior was 62 plus and that the Town could still have a restriction on seniors without a prohibition on age restricted housing for affordable units if 62 was used. Mr. Reffett responded that there was a difference for projects restricted to 55 versus 62 years old. Ms. Kennedy suggested that the Town consider using 62 years old as the restriction as an effort to plan for seniors. Mr. Reffett said developers said the marketability for those 55 and over was better than 62 and over. Darcy Dale suggested grants for senior housing. Even though the payment in lieu of construction price would be increased to \$273,000, Ms. Kennedy did not think the Town could build much with that amount and that mandating construction of affordable units would be better.

In response to Jack Lawrence's question about the level of upgrade for the acceptance of private roads, Joe Domelowicz responded that roadways would need to be 24' wide to ensure the implementation of utilities. Patrick Reffett agreed that roads needed to be upgraded to Town standards. Mr. Domelowicz said every neighbor needed to be able to make the investment.

Patrick Reffett said the Air B&B By-Law was not ready. Joe Domelowicz said facilities were operating in town already and the Town needed to have a vehicle to tax them.

CPC Overview of three grant requests, presented by Jay Butler, and actions for Annual

Town Meeting including Town Hall Building Committee requests.

Grant requests for annual Town Meeting were presented by Jay Butler. There was a 19% State match to the Town's surcharge. After reviewing projects and debts, Marisa Batista had predicted there would be \$502,000 in the fund at the end of FY19. Debt service for the Donovan field was \$21,200 but the bond would be retired at the end of the year. There was also debt service of \$112,300 for Sagamore Hill, which would run until 2031. Administrative expenses were 5% or \$23,500, which paid for the CPC coordinator, CPA Coalition dues, signage, etc.

Two grants had been approved. The Community house was starting a \$2M capital campaign for renovations of the building and expansion of space. Jay Butler read the list of improvements for the \$295,000 project. The 2/3 to 1/3 formula was used to split the costs between the Hamilton CPC and the Wenham CPC. Hamilton approved \$197,000, which would appear in the Warrant. Wenham was asked for \$98,000 but only approved \$50,000. Jack Lawrence questioned the elevator to the basement. Mr. Butler responded that it would make the basement usable space. Mr. Butler did not think the project required an Owner's Project Manager (OPM). Community support would occur. In response to Darcy Dale's question about Wenham's shortfall, Mr. Butler said The Community House would look for contributions.

The second grant of \$150,000 was for the Town Hall Building Committee for the continuation of design services and the OPM. Jay Butler said the funding would keep the project alive until Fall Town Meeting when a larger ask would occur. Marisa Batista reportedly estimated the fund balance as \$582,000. The CPC received \$493,000 each year in surcharge collected and State match. Jay Butler noted Charlie Baker's understanding that there had not been an increase in funding since CPC's inception and the hope to increase support to the 30% mark. Mr. Butler said the CPC was allowed to bond with the support of the town for large projects. In response to Susan Lawrence's question if 3% had more priority, Mr. Butler said they received more funding as there were three distribution rounds. Mr. Butler explained that Wenham was 4th decile while Hamilton was in a less advantageous 7th decile. Wenham received \$80,000 in rounds two and three while Hamilton did not participate in those rounds. If Hamilton increased their percentage to 3%, they would receive an additional \$57,000. The Governor intended to increase recording fees to fully fund the Community Preservation Act.

Rosemary Kennedy discussed the parameters of what was allowed for funding and the State's consideration of reining in those uses. Jay Butler described the three categories: historic preservation, open space and recreation, and community housing, adding that there were specific rules for each category as being well defined. Mr. Butler recalled that \$10,000 had been used to replace basketball hoops and \$5,000 had been used to refurbish cannons, which could have been in the budget but were eligible for funding. Phil Stearns cautioned that that the topic was becoming outside the limits of the topic.

Update on liaison assignments and committees.

Phil Stearns gave a review of the Town Hall Building Committee presentation from the architect, who reduced the number of nine drawings and a couple of variants down to two contenders. While excellent progress had been made, the Committee was not completely happy with either choice. The two contenders, Options 6.1 and 8.1 would be on the website. Mr. Stearns said the

project needed more funding to keep the process going to pay the OPM and architect to have a good estimate and plan. Community and committee outreach was planned next.

Review and approve minutes from January 26, 2019 Joint Meeting,

Motion made by Darcy Dale to approve the minutes of January 26, 2019.

John Pruellage seconded.

Vote: Unanimous in favor.

Other topics not reasonably anticipated by the Chairman

Phil Stearns wanted to plan for preliminary looks at the Warrant to start deliberation and recommendations for preparing summaries. The final vote on the Warrant would be March 18, 2019 with the document going to print on March 19, 2019. Town Meeting would be April 6, 2019. Mr. Stearns said there were no controversial issues. Mr. Stearns thought Wenham would take a similar approach as last year by splitting the Warrant because there would be an override in the \$500,000 to \$600,000 range. Wenham could do their Operating Budget without an override and include \$135,000 of their existing budget to the School article. The next article would be an override for the Schools. Mr. Stearns did not know if the Selectmen had decided to do the same. Mr. Stearns did not think they should. John Pruellage thought communication from the School Committee and administration was better than the previous year. Mr. Stearns thought about including a summary that noted the lack of a capital plan for the School.

Chebacco Road was discussed. Joe Domelowicz wanted to pave the road and construct a water main, dependent upon discussions with Manchester. Mr. Domelowicz considered paving the road and adding a water main later but his concern was obtaining water security for the community. Mr. Domelowicz noted that DEP did not want water sources from different watersheds to be mixed. It appeared that Manchester's long term goal was to connect to the Salem/Beverly water supply, which already served Gordon College.

No Citizen's Petitions had been filed to date.

Determinate agenda for next meeting,

The FinCom would discuss any draft Warrant Articles received. Joe Domelowicz said he would ask for funding from the FinCom reserve for e-mail migration. Of the three quotes, two were below State bids. The cost of subscription would be \$15,000 and migration would be \$10,000. The topic would be on the agenda. Discussion on the Patton Homestead would be on the agenda.

Adjournment


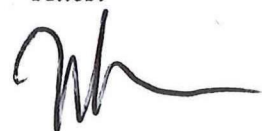
Motion to adjourn by John Pruellage.

Seconded by Darcy Dale.

Vote: Unanimous in favor to adjourn at 9:20.

Prepared by:

Marcie Ricker

 03-07-19
Attest  Date 3/03/19