

HAMILTON FINANCE AND ADVISORY COMMITTEE  
CAPITAL COMMITTEE  
Minutes of Meeting  
August 28, 2019

FinCom members present: John Pruellage, Christina Schenk-Hargrove, Nick Tensen, and David Wanger (Chair).  
CapCom members present: Heather Ford (Chair), Jack Lawrence, Dave Thompson, and Bob Woodbury.  
Others Present: Rosemary Kennedy and Darcy Dale (Selectmen).

This Hamilton Finance and Advisory Committee (FinCom) meeting was called to order at 6:02 pm at the Hamilton Wenham Regional Library, 14 Union St., Hamilton. This Hamilton Capital Committee (CapCom) meeting was called to order at 6:02 pm at the Hamilton Wenham Regional Library, 14 Union St., Hamilton.

**Public Comment**

**Procedure and Policies discussion for evaluating and/or recommending capital projects/ Initial review of known project requests of substance.**

Heather Ford stated that the CapCom was focused on having recommendations ready for Annual Town Meeting. While the FinCom considered one-year projects, the CapCom considered five-year projects. Each CapCom member had spoken with their appointed group except Bill Wilson who had a difficult time connecting with the new School administration. Jack Lawrence suggested contacting Gene Lee and then Michelle Horgan. Ms. Ford and David Wanger suggested starting with the administration. Jack Lawrence noted the School Board had been involved longer than the new administration.

According to John Pruellage, the School usually formulated its Operating Budget in the fall. A \$2.6M Capital Budget was produced two years ago. David Wanger recalled that the School was asked to triage their requests but they had refused to do so causing a rejection at Town Meeting. The following year, there was no request. Heather Ford said the DPW created a template and Joe Domelowicz would ask all departments to use the form for capital requests. The School may also be asked to use the template. Bob Woodbury and Jack Lawrence had met with Alex Begin (Wenham FinCom) to discuss how to address the School's long-term capital needs, including buildings that had depreciated. The buildings improvements would be fully depreciated in seven to eight years and planning should be considered for ten years into the future. Mr. Lawrence added that the Center School could be removed to make way for expansion at the Buker School while Winthrop could be used as a smart growth site for housing and commercial development. Mr. Lawrence suggested using the turf field at Pingree as part of their unfulfilled PILOT to test the assumptions regarding how much use the turf field could accommodate. Heather Ford said the first step would be to have the School focus on their needs.

Dave Thompson reviewed the DPW's water needs indicating that there was an apparent requirement for new water storage tanks including either one small tank on Cilly's Hill and one small tank on Brown's Hill or one large tank on Brown's Hill. The cost would be ~\$8M for a large tank and ~\$6M for two smaller tanks including the costs for permitting, design, and 30% contingency. Timing would be within the next two to three years. The Chebacco Road water main to connect with Manchester would cost \$1.5M if needed in the future. The construction of the \$1M paving project of Chebacco Road is in the budget and since the right-of-way is 40 ft wide the water main could be constructed after the road pavement, if is needed. Water treatment costs would be forthcoming.

The DPW requested road and sidewalk repairs at \$190,000 a year. The National Pollution Discharge Elimination System (NPDES) would cost approximately \$30,000 in FY 20, \$80,000 in FY21, and \$50,000 in FY22,. The DPW listed the need for a new lawnmower (\$16,000) and a new salt shed (\$50,000). Nothing was included for fuel tank replacement. It was assumed the cost was included in the Town Hall Renovation Proposal. The tanks, which were last tested in 1994 or 1995, did not appear to be leaking. Jack Lawrence noted the fueling system proposal for \$250,000 did not happen as the fuel station was not open all night and did not have a generator for emergency situations. Discussion ensued regarding coordinating with Wenham for fueling solutions.

Jack Lawrence recalled that the Essex St. pathways for \$850,000 were rejected at Town Meeting but continued to be on the list. John Pruellage said the paving for Chebacco Road had been approved but the water main was put on hold until the water source situation was resolved. Dave Thompson added that even if the road were paved, the 40' right of way would accommodate space to the side for the water main without disturbing the paving. Future connections to Manchester or Salem/Beverly were discussed. David Wanger noted that hooking up to another town would be more costly than drilling a new well. Mr. Lawrence said the Town owned the 48-acre Idlewood wellfield that was previously claimed by Audubon. Mr. Thompson said drilling a new or replacement well was not on the DPW list and that there was sufficient quantity of water but quality of the Idlewood well was an issue as it required additional treatment. Drilling a satellite well would be a capital expenditure.

Heather Ford described the process. Each department would submit their prioritized template and the CapCom would combine and review them with the Town Manager. FinCom would be advised. It was noted that the School and DPW had many upcoming expenses and items such as \$8M for a Town Hall rehabilitation and a water storage tank would need to be considered and prioritized. Nick Tensen said there was a need to consider the Planning Board's philosophy regarding density and Winthrop School potential. Dave Thompson said the growth assumed by the DPW consultant (Dewberry) and used to project water storage needs for the town was at 3% annually with a 15-year horizon. He thought the projection might be very conservative (high) and should be considered in regard to the DPW and water use issues. Jack Lawrence noted the

need to construct 200 affordable units and was concerned that the Planning Board changing the Master Plan did not consider the comparison of development, taxes, and quality of life. Mr. Lawrence questioned the 3% projected rate and its impact on water since the growth rate in Town was only a total of 4% over the past decade. Mr. Lawrence also questioned whether a senior would sell their downtown home for \$450,000 and buy a cottage in a development for \$650,000.

Members discussed the Task Force for Gordon Theological Seminary and their attempt to negotiate a suitable arrangement in respect of missing PILOT payments. The preliminary meeting between the Task Force and the new President of the Seminary had occurred. The Task Force discussed using some of their extra space for a 40B housing conversion on a long-term lease arrangement and having a cell tower on Brown's Hill. The college offered space within the steeple, but there is conflicting information regarding adequate room. The tower might be built on reservoir land, which was next to the library. The hope was that the seminary might offer land in the dump area for cell tower use. Jack Lawrence did not think the college would approve of the long-term deed restriction for the 50 vacant units.

The Town would need additional office space during the town hall renovation process, which was discussed at the preliminary meeting. A positive response was received for the Pilgrim Hall building. Water storage tanks were not yet discussed in detail. Dave Thompson said one way to mitigate the appearance of the tank would be to bury it underground, which was expensive. As Gordon Seminary would be the beneficiary of the burying of the tank, Mr. Thompson thought they might be willing to pay for the extra cost. David Wanger said the college could also give land in the woods in exchange. The previously approved lot on Bridge St. should be put on the list of discussion topics with the school. While some thought the college was dollar poor and land rich, it was announced that the school had close to \$100M in assets. Mr. Pruellage has the financial statements. The Town has educated about 45 elementary students living on the campus per year at a marginal cost of \$10,000 per year without compensation. The original permit approval was conditioned on the school paying for the cost of their children's education, which has not been done. The school has represented that they need to close their kindergarten due to financial constraints but a banner currently flies at the college entrance advertising enrollment openings. Nick Tensen said he thought the college might close and the site would become an office park generating a tax revenue. Jack Lawrence thought the Selectmen should change the charge of the Task Force to accommodate the larger policy decisions.

The Town Hall Renovation proposal was discussed. Jack Lawrence reviewed the history of the 1896 building and the analysis process. David Wanger noted that the FinCom voted to keep the stairs and that the Town Hall Building Committee originally did as well. Mr. Lawrence responded that the Committee was advisory to the Select Board who were concerned about price and Town Meeting passage. Reportedly Phil Stearns calculated the difference between the two proposals (Options A and B) would be \$.04 on the tax rate, which would be reduced with the declining balance of the principal. Historical elements such as carved woodwork and

wainscoting would be kept on the first floor. In order to retain stairs, an elevator needed to be constructed on the back of the building, which would cost an additional \$750,000. Along with concerns that too many architectural designs would need to be evaluated, the addition would take up space in the DPW yard. Currently, there are projected to be 58 parking spaces on the site.

The Town Hall Building Committee will have a working session when options for finishes, insulation, HVAC, and windows would be discussed. Realistic estimates would be developed. The estimate of \$8.5M included construction costs and renting office space for Town Hall personnel at another location during construction but Pilgrim Hall at Gordon Conwell Seminary might offer a lesser cost alternative. Actual drawings would be available in a week. Jack Lawrence said the cell tower case was lost by default on August 16, 2019. Mr. Lawrence noted it made little sense to spend \$8.5M to keep the historical aspects of the Town Hall and locate a cell tower right behind it. Russ Tanzer (not at meeting) reportedly suggested putting the antenna in the Town hall cupola. Verizon has FIOS wiring in the basement, which will be moved to the northeast corner. Locating at Brown's Hill would require Verizon to buy a brand-new generator for %G but locating in Town Hall would allow for use of the Town Hall's new generator.

Jack Lawrence said the Town Hall Building Committee was preparing a Special Town Meeting presentation to ask for enough money to develop construction documents. \$650,000 would be needed. \$200,000 would be gifted by the Community Preservation Committee. If approved at the Special Town Meeting, the proposal would be ready to bid for Spring Town Meeting approval. Mr. Lawrence said a price would be available for Options A and B. David Wanger said approving the funding at Special Town Meeting would be allowing "part of the train" to move. It would be difficult at Annual Town Meeting for residents to defer what they already had funded at Special Town Meeting. Mr. Lawrence discussed Americans with Disability compliance at the main entrance. All records would be digitized and kept in the cloud so storage access to the mezzanine floor was less important.

Discussion regarding reaching maximum capacity ensued. It was agreed that Hamilton could soon face a tax rate similar to Wenham's \$18.39. The working partnership with Wenham would be affected in relationship to School funding. Jack Lawrence said regional systems for departments such as human resources might be one way to keep the tax rate down. David Wanger said valuations and water rates would create a downward pressure on the ability to spend for capital improvements.

Two international sanders would cost \$150,000 each. Pick-up trucks were \$48,000 each. A new fire engine would cost \$500,000. While Wenham needed a ladder truck for Gordon College, it was questioned if both towns needed one. David Wanger recalled the pick-up trucks for the School, which could be shared. Darcy Dale responded that policies and procedures needed to be considered and referred to the two stabilization funds that would be used for funding priorities, which would be included in the planning process. John Pruellage said the fund would need a couple of years to get up to a recommended level.

The shared OPEB responsibility was discussed. David Wanger said the Town of Hamilton was responsible for 2/3rds of the \$30M School liability. Nick Tensen suggested that since the School did not set up a fund, Hamilton should set one up and Wenham could catch up in the future. Members discussed School involvement with the Town's planning. As Wenham did not approve funding for OPEB, Special Town Meeting in Hamilton would have an article to retrieve the Town's previously approved portion of its share.

Bob Woodbury discussed his meeting with Alex Begin. Mr. Woodbury said the CapCom and FinCom would meet with department heads to question and challenge the priorities to understand their justification. John Pruellage hoped to understand what might happen if funds were not spent on the request. Heather Ford said one department's first priority would not automatically trump another department's third priority. Jack Lawrence recalled the \$1.5M heating system for Cutler School and wondered if it was a good idea to replicate the 1954 steam system, which was why the planning aspect was critical.

Members discussed the assumption of 3% growth. Darcy Dale said the Boston Globe reported the Town of Hamilton had grown 4% in total over the last ten years. Nick Tensen discussed the need for infrastructure in comparison to growth when the Town was not looking for growth. Dave Thompson responded that the Planning Board wanted growth via the cottage housing concept, which was rejected by Town Meeting and wondered why we plan for growth when the Town does not want it. Mr. Tensen discussed the sewer system downtown, which would allow for a denser environment in that area. Winthrop School could become an appropriate pocket of growth. Jack Lawrence said a sewage treatment plant would be sized to exceed any projected use and that someone would need to pay for it. Mr. Lawrence suggested a package system with pipes to Patton Park and ultra violet treatment at the schooling field. The plan would allow green open space to remain.

Jack Lawrence was concerned with the 200 affordable units needed, but Rosemary Kennedy said the law was 50 years old and would not be met realistically in a small town. David Wanger recalled that the consultants had said Hamilton's population was declining while surrounding communities were increasing. Mr. Wanger said the Finance Director was concerned about a structural deficit which would not help the population grow with a high tax rate already. Mr. Lawrence said there were 400 students in town that went to private school. Bob Woodbury said there was not a lot of land left in Hamilton to develop but Darcy Dale stated there was 20 acres of land on Chebacco Road that might experience commercial development. The land abutts Manchester.

David Wanger wanted to triage the objectives instead of making a laundry list that was discussed year after year. Mr. Wanger suggested the many committees in town develop a list of a few items that everyone would concentrate on. Nick Tensen said it would be a Selectmen's goal. Heather Ford wanted to understand how the Planning Board responded to the 3% growth

potential. Rosemary Kennedy was distressed that the Planning Board did not respond to the town-wide survey. The survey indicated that 87% of people did not want the downtown developed. Mr. Wanger said it would be difficult to maintain a level tax rate without commercial development. Winthrop School is 14 acres. Bob Woodbury said it would be a smart growth extension of the downtown area with a path down the gas pipeline to downtown. Jack Lawrence noted the high cost of three administrations for three elementary schools. The Winthrop School lease expires in six to seven years. MA Development could help decide what was feasible and what financing options would be available. Mr. Tensen said if Winthrop School were torn down, another school would need an addition. Jack Lawrence said the Central School could be removed with an addition built onto Buker School. Cutler could be expanded. Mr. Tensen said the elementary school population was increasing and the high school population was decreasing.

David Wanger would communicate with Joe Domelowicz regarding committees with discreet and common objectives.

#### **April 2020 Town Meeting presentations.**

#### **Other Topics Not Reasonably Anticipated as Determined by the Chair.**

#### **Adjournment**

John Pruellage made motion to adjourn the FinCom meeting.

Seconded by Christine Schenk-Hargrove.

Vote: Unanimous in favor to adjourn at 7:52

The CapCom set its next meeting for, September 30, 2019.

Jack Lawrence made motion to adjourn

Heather seconded

Motion made by Dave Thompson to approve the minutes of August 5, 2019 with minor changes.

Seconded by Bob Woodbury.

Vote: Unanimous in favor to approve the minutes and to adjourn at 7:52.