

**TOWN OF HAMILTON
FINANCE AND ADVISORY COMMITTEE
Minutes of Meeting
June 30, 2021
6:30 p.m.**

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**This meeting was held in person at the Council on Aging
299 Bay Road, Hamilton, MA**

Members Present: John Pruellage, Christina Schenk Hargrove, Nick Tensen, and David Wanger.

Others Present: Alex Magee (Finance Director), Dyan Katz (Assistant Finance Director), Dave Thompson of 103 Essex Street, and John McGrath of Hickory Lane.

The meeting was called to order by John Pruellage at 6:35 p.m. with a quorum established.

Roll Call: Nick Tensen – aye, Dave Wanger – aye, Christina Schenk-Hargrove – aye, and John Pruellage – aye.

Discussion with Town Manager and Finance Director regarding any finance related updates

Mr. Pruellage welcomed new Finance Director, Alex Magee. Mr. Magee commented that today was the last day of FY21 and that they had been working on closing the books for FY21. Mr. Magee shared with the Committee that John Speidel, the Director of Assessors' last day would be on Friday and that they were working on contingency plans with consultants until the vacancy was filled.

John. Pruellage explained how the Finance Committee functioned and their relationship with the Finance Director and Town Manager, either of which should attend the Committee's bi-weekly meetings with financial updates. Alex Magee commented that the Municipal Modernization Act had removed some Financial Committee responsibilities and that there were expenses that the Town Manager could now sign off on. He told the Committee he would keep them informed of those decisions.

The Committee also discussed the importance of Special Town Meetings and what the Finance Committee's role would be. Alex Magee explained that there was a Government Finance Officers Association that set the standard for municipal budgets which could be applied for and they would determine who would receive it. John Pruellage shared that Hamilton had been reviewed by a DOR group that had recommendations for financial policies and that several accounting policies were adopted as well as stabilization fund recommendations.

The second quarter report was done on December 31, 2021 and it was decided that the next quarterly report would be for year end.

Discussion regarding Cemetery rate review

Christina Schenk-Hargrove reported that discussions with the Select Board and the Town Manager were held with regard to the Cemetery Department fees. The two aspects being reviewed were lot prices and the work the Town does during the burials. The rates had not been reviewed since 2003. DPW Director, Tim Olson had done a study of how Hamilton rates compared to other towns and found that Hamilton was well below the standard rate and they needed to be sure the Town was not losing money on internments. The lot prices would have less impact but the burial prices would have more of an impact on the Town.

Dave Thompson of 103 Essex Street commented that he visited the cemetery frequently and was not happy about the condition of it. Mr. Thompson attended a Select Board meeting where Mr. Olson requested an appropriation for grub control and he wondered why they did not have the means to do that on their own. Mr. Thompson felt the staff at the cemetery work hard but that more work needed to be done and questioned how the funds to do the work could be appropriated.

Dyan Katz explained that the Select Board had the voting authority to use money from the Perpetual Care Trust Fund and that there was a cemetery budget that paid for routine maintenance but when expenses went beyond the scope of that budget, they needed permission from the Select Board. Mr. Pruellage suggested that the Finance Committee invite Mr. Olson to a future meeting to better understand the cemetery finances and what their constraints were as well as the cost of the current upkeep with the ultimate goal of having a better working cemetery.

Christina Schenk-Hargrove raised the issue of the cemetery running out of space and that there was land there that could potentially be purchased to create more lots but funds would be needed for that.

Motion made by David Wanger that the Finance Committee recommend the changes as noted regarding fees charged at the cemetery.

Seconded by Nick Tensen.

Roll Call Vote: Christina Schenk-Hargrove – aye, Nick Tensen – aye, David Wanger – aye, and John Pruellage – aye.

Unanimous in favor of voting members.

The Committee and Mr. Magee agreed that cemetery rates should be reviewed biannually in order to keep things current and that grant opportunities should be explored as well.

Discussion regarding Town forecasting models

John Pruellage explained that he had extended the forecasting model out five years as was decided at a previous meeting and then gave Alex Magee an overview of how they would use the model. The forecasting model would look at past spending as an indication of building out projections. The model went beyond the prior year's results and looked at scenarios and then built on historical results in the way that it was reported as well as for budgetary results.

Assumptions were then added to project out five years to determine if there was an override situation as well as what the indicative tax rate would be.

John Pruellage added that one of the key components tied in with the Capital Committee and how to look five years out with big projects. The Capital Committee had identified and prioritized projects and the project model had fused the two together. They would then need to incorporate how to take big ticket items that were debt funded and come up with an easy way to look at the assumption on debt service for them. Mr. Pruellage told Alex Magee that he would need the current debt schedule and what assumptions should be used to come up with an annual debt service. David Wanger added that informing citizens at Town Meeting would be critical so they could understand how one thing affected others.

Nick Tensen added that they would also needed to add where the revenue came from for long term planning. The expense side seemed predictable with the schools at about 5 percent and the Town at about 2 ½-3 percent. Members wondered where the revenue would come from to offset the costs.

David Thompson pointed out that it would be useful to see how the projects would be funded, whether it would be free cash or debt service. John Pruellage said that he had added the capital plan to the model with a funding source column that the Finance Committee and the Capital Committee could collaborate on to come up with policies or views when going into the budget season so that they would understand what the expectation should be.

David Wanger suggested that the new Finance Director, Alex Magee tour the town to find that the average home was \$600,000 and outsiders might not realize that some people were living in a variety of inexpensive to expensive homes.

Discussion regarding composition of FINCOM membership and meeting with potential interested members.

John McGrath was present and introduced himself. Mr. McGrath had moved to Hamilton in 1983 and his wife, Cathy Martel who had lived in Hamilton her whole life. When Mr. McGrath's children were in school, he helped raise \$300,000 to offer to the schools. Mr. McGrath hoped to find a committee where he could help. Mr. McGrath had an MBA with a Finance emphasis and currently worked at Fidelity as a consultant. Mr. McGrath was positively inclined to help

the FinCom and would fill out an application of interest. The Town Moderator would appoint the applicant after receiving the FinCom's recommendation.

David Wanger asked if Mr. McGrath had any preconceived notions or agenda to be advanced. John McGrath answered no. John Pruellage said the Committee had kept an open mind and generally formed a consensus on issues. Recommendations regarding articles were published and if a consensus of the committee was not reached, different viewpoints were presented. The reasoning behind the recommendation was important. Mr. McGrath referred to scenario analysis as a way to consider various points of view.

Discussion ensued regarding members covering various departments. Mr. Pruellage described the liaison appointments that were valuable through the year as well as budget season. Some articles in the past had been negatively recommended. The Committee hoped to hear both proponents and opponents for each article before determining their recommendation. Nick Tensen said the Committee looked at the forecast rather than having a preconceived agenda and further noted the importance of being committed to the Committee.

John Pruellage thanked Dyan Katz for the work she had completed as Interim Finance Director.

Committee Member and Liaison Updates

David Wanger said the Council on Aging Director retired. A search for a replacement had not yet begun and a possible reorganization solution was also being considered. Joe Domelowicz would meet with the Wenham Town Administrator the following week. Mr. Wanger said he was on the Master Plan Steering Committee and would meet to determine a Mission Statement and a selection of officers. Weston and Sampson was working with the committee.

John Pruellage said the Umbrella of Chairs meeting would engage with the School Committee in July. There would be a joint meeting with CapCom regarding the Model in July. Christina Schenk-Hargrove met with Joe Domelowicz and Darcy Dale and chose October 23, 2021 for Special Town Meeting. The calendar would be set soon. David Wanger added that the potential warrant article regarding 550 Highland St. had been resolved by a Home Rule Petition, which indicated that property taxes would not be assessed for the State owned property. The conservator wanted to be refunded the \$13,000 he had already paid. Mr. Pruellage did not think the article included what the conservator had already paid. A Citizen's Petition for a refund had been filed late for the Annual Town Meeting. Mr. Wanger said he would facilitate/mediate a resolution. The Town might make a proposal to the conservator in an attempt to resolve the matter.

According to Alex Magee, Cares Act money (March 2020) and American Rescue Plan Act (ARPA) were available for Municipal use. Cares funds could be used for Town Meeting but needed to be expended by October 29, 2021. Funds could be used for all COVID related uses. ARPA had constrained uses such as underground infrastructure uses and economic development. The first amount would be \$400,000 expected in the next month or two. Cares would be a couple of hundred thousand dollars. Contact tracing was still ongoing in the town through a North

Shore Coalition. Mr. Magee found determining where money was spent to be a challenge. Mr. Magee was in contact with Tim Olson regarding the Town's needs and determine if ARPA could be used. Design fees could be covered by the fund. Federal funds might become available as well. Members suggested that Mr. Magee become acquainted with Brad Hill (State Representative).

Christina Schenk Hargrove noted many events were happening at the Patton Homestead. Office members were renting out the shared office space. David Wanger noted that there were factions in the town that believe the Homestead was using too much money and should be sold. The Hamilton Development Corporation and the Patton Homestead administration would be invited to discuss progress with the FinCom. The empty Patton Homestead Director position had not yet been filled.

Review and approval of available minutes

To be approved at the next meeting.

Discussion regarding FINCOM FY22 Membership, roles and elections

John Pruellage thanked Christina Schenk-Hargrove for her assistance during his tenure as Chairman and made motion to nominate Ms. Schenk-Hargrove to the Chairman position. David Wanger seconded. Ms. Schenk Hargrove accepted the nomination.

Vote: Unanimous in favor. John Pruellage handed Ms. Schenk-Hargrove the gavel.

Members discussed David Wanger's roles on the Master Plan and Umbrella Committee as well as his previous terms as Chairman.

David Wager made motion to nominate John Pruellage as Vice Chairman

Christina Schenk Hargrove seconded.

Vote: Unanimous in favor.

David Wanger made motion to nominate Nick Tensen as secretary.

John Pruellage seconded.

Vote: Unanimous in favor.

Discussions regarding FINCOM FY22 Meeting Schedule and continuation of virtual meetings.

Alex Magee announced that the Town Hall Meeting Room had upgraded video conferencing capabilities. Members discussed the value of meeting in person versus Zoom. John Pruellage suggested using a hybrid model. Presentation capabilities, resident participation, and out of town member attendance were noted as benefits of Zoom meetings. Christina Schenk-Hargrove would look at the availability of Town Hall but suggested alternating in person and remote meeting. Venues could be changed upon availability and need.

Members discussed Wednesday meetings and decided to keep the present day but would accommodate using Zoom when possible. The Committee would meet via Zoom on Wednesday, July 14, 2021 at 8:00 am to accommodate Christina Schenk-Hargrove who would be in Europe.

Determine/Discuss agenda for next meeting

The agenda for the next meeting would include: minutes, liaison assignments, the calendar, goals/projects, and the forecast. Alex Magee said CLA would be scheduled for mid-August or early September for the annual audit. The books would be closed mid-July and an informal extract of the MUNIS report would be available. Discussion at the next meeting would include the forecasting model. John Pruellage would send line items to Mr. Magee to plug into the forecast calculator.

Other Topics Not Reasonably Anticipated as Determined by the Chair

Adjournment

Motion made by Nick Tensen to adjourn at 9:35

Seconded by David Wanger.

Vote: Unanimous in favor.

Documents:

1. Cemetery rate review

Respectfully submitted as approved at the August 25, 2021 meeting.

Marcie Ricker

