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**TOWN OF HAMILTON
FINANCE AND ADVISORY COMMITTEE**

Minutes of Meeting

Via Zoom

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September 8, 2021

6:30 pm

Members Present: Christina Schenk-Hargrove (Chair), John McGrath, John Pruellage, Nick Tensen, and David Wanger.

Others Present: Alex Magee (Finance Director).

Call to Order

This meeting was called to order by Christina Schenk-Hargrove at 6:30 pm with a quorum established via Zoom Roll Call: David Wanger - present, John Pruellage - present. Nick Tensen – present, John McGrath – present, and Christina Schenk-Hargrove – present.

Public Comment

Discuss any finance related updates with the Town Manager and/or Finance Director

According to Alex Magee, the audit was going well. The top five financial policies would be implemented in the next few months after the FinCom reviewed and the Selectboard (formally known as the Board of Selectmen) approved them. The FinCom would follow Mr. Magee’s recommendation regarding policy rankings. Mr. Magee preferred to wait until the audit report was available (November) before producing a financial report for the FinCom. A MUNIS report could be provided earlier but would not provide the same level of detail.

Alex Magee reported that the Assistant to the Town Manager position and Public Health Coordinator positions had been filled. The destiny of the Council on Aging remained unclear.

Status of 550 Highland Street’s tax issue

Members had received an email (dated September 5, 2021) regarding the Selectboard’s decision to leave a placeholder article regarding the issue. Another Home Rule petition seeking voter approval to return the paid property taxes to the tenant may be forthcoming. Peter Britton (466 Highland St.), who had sent the email was present. Mr. Britton reviewed the CPC discovery that the project could not be funded with CPC funds. The Selectboard was in favor of including a Warrant article that would return the funds by a 4:1 vote. Town Counsel had opined that the Warrant article would not suffice even though it was going to Town Meeting. The previous Home Rule Petition was deficient to not describe what would happen to funds paid in the past and if they could be refunded. Mr. Britton was concerned about the book and page reference of 000/000, dated July 1, 2013, which listed a non-existent sale of the property.

Christina Schenk-Hargrove said there was an article on the Warrant to pay \$13,256.07 to the tenants. The FinCom would review the article to determine if they supported it or not. Peter Britton noted the errors of the previous Home Rule Petition. Ms. Schenk-Hargrove said the Selectboard would be writing the article and it was not a citizen's petition. Discussion ensued regarding if the payment would be in one payment or paid over three years. Mr. Britton asserted that the money should have earned interest as well.

Peter Britton described the curatorship program, indicating that the property was owned by the Commonwealth. The tenants were being taxed on equity that was not held as it was not a private property. Mr. Britton said the previous assessor had no intention of taxing the property but a concerned citizen demanded the tax be applied. Christina Schenk-Hargrove asked if there was a lease that said the tenant would pay any applicable taxes. Mr. Britton responded that the PILOT program paid \$144,000 per year already and the current tax was based on a false sale. The new property card code was listed as 9:10, which was tax exempt. The Commonwealth of Massachusetts was listed as the owner. Town Counsel opined that the tax exempt property was being leased as a non-exempt site and the property was taxable. Topsfield, who also had KP Law as Town Counsel, taxed a curatorship property even though the property was tax exempt. Mr. Britton wanted to bring forward the same lawyer who wrote the first Home Rule petition to create a tool to deliver to the legislature and government to do what was intended. The FinCom would hear the debate regarding the article when it was presented as part of the Warrant. Members agreed that the Department of Conservation and Recreation curatorship program served a public purpose.

Forecasting Model Update

The model had been changed based on discussion from two meetings ago. The model offered five scenarios of growth and spending levels. A sixth, do-it-yourself scenario, was also added. The legend would define the capital plan priority. The output was on a separate tab. The biggest change was that now if the cells for assumptions changed, it would apply to all five layers. Each assumption could be changed for one year. While the model was straightforward, it could be more granular. The School expense was a percentage increase that applied to the total School expense. Going forward, it could be changed to being similar to the Capital Plan. A huge School capital item would flow through the model. A line item for the CPC surcharge would show how a change would affect tax bills.

Due to the changes within the School Committee and administration, updates regarding the capital needs of the Schools had not been available. Members discussed how important it was to have the Schools' capital needs be part of the Capital Committee's plan in the future. The item was flagged as being in need of attention. The Capital Committee plan needed to be rolled forward to include another year as one year of the five year plan had already passed. John Pruellage would incorporate the changes.

Members discussed the benefit of having a workshop to present the complex tool. Christine Schenk-Hargrove suggested starting the presentation process by first presenting to the Hamilton Leadership Conference. Once input was received from the Conference, the public

would be introduced to the model. Ms. Schenk-Hargrove would alert the Town Manager that the model was ready to be presented and a meeting should be forthcoming. John Pruellage would send the model to members of the Committee, who all thanked him for his work on the project.

Status of Legal Services Invoices.

The MUNIS report had been distributed to members. The legal retainer was \$6,500 per month. The invoices did not illustrate what amounts totaled the retainer and what amounts were additional to the retainer. Christina Schenk-Hargrove noted that invoices that exceeded the \$6,500 monthly retainer were noted but wondered if there was a savings for on months where the total did not exceed \$6,500. Ms. Schenk-Hargrove intended on reviewing each month to determine what was included and what was not. Items outside the retainer were lumped together and listed under litigation services even if they were not litigation. Ms. Schenk-Hargrove wanted to review the invoices to determine how much and what categories were listed with an "R" (within the retainer) and without an "R". David Wanger questioned the employment matters as he believed another firm did employment matters. Nick Tensen wanted to understand how the retainers aligned with the contract. Members would discuss further at the next meeting.

School Budget

Members discussed that there were three layers of discussion with the Schools: the Hamilton Town Manager/the Wenham Town Administrator, the Hamilton Leadership Committee, and the FinCom liaisons. David Wanger and John McGrath would reach out to Dana Allara to check in regarding the FY 23 budget schedule. The Hamilton Wenham Regional High School principal would be the interim superintendent.

Status of Gordon Conwell Property; Affordable Housing, Zoning

According to Christina Schenk-Hargrove, the Town Manager and David Smith said Gordon Conwell would be taking a phased approach to its redevelopment but information regarding which buildings would be developed first were not available. Nick Tensen said he would follow up with the Affordable Housing Trust. Members questioned if recommending an official committee to focus on the redevelopment would be beneficial as the site and its financial impact would be important to the town. David Wanger said the Leadership Committee had agreed that the Town should be proactive regarding the site, including commercial development and zoning issues. Members discussed that a two person committee would be benefited by an expansion of members. David Wanger recalled that he had requested Joe Domelowicz consider expanding the jurisdiction of the Hamilton Development Corporation, even though there was political impacts involved in that decision. Ms. Schenk-Hargrove suggested that the Selectboard pick up this charge. Mr. Tensen noted that Gordon Conwell fell under the parameters of the Great Estate Overlay District. John Pruellage said the Planning Board needed to become involved in the planning process.

Special Town Meeting Calendar and Warrants – FinCom Action

The updated list of articles had been provided the morning of the meeting. The language would be provided at the next Selectboard meeting. Members discussed whether the special election funding needed to be raised and appropriated at a Special Town Meeting when they would be reimbursed. Alex Magee would ask Town Counsel. Members discussed that reimbursing 550 Highland St. should finally be completed. The assessor should consider how to proceed in the future. Discussion would proceed once the Warrant was available.

Liaison Updates

Nick Tensen recalled that Myopia Hunt Club had filed a tax abatement, which had been turned down, then appealed. The property had been assessed at \$24M. Members discussed the impact on the budget but the re-assessment was confidential so the discussion would resume at a later date.

John McGrath said the CPC had discussed increasing the surcharge from 2% to 3% but no action had been taken. A financial case could be made as there were benefits to the town if an increase were approved. John Pruellage noted that no projects were proposed that would illustrate how the formula would offset costs to the town. The lack of projects would appear to become an additional tax burden.

David Wanger said the Master Plan Steering Committee would have a booth at the September event downtown. Mr. Wanger offered his concern that a Master Plan would be designed by a select group of interested parties rather than the public in general. Christina Schenk-Hargrove would have a booth at the event for her firm and offered to distribute a flier for Special Town Meeting. Ms. Schenk-Hargrove would contact the Town Manager and Bill Olsen regarding having a separate booth that educated residents regarding Town government.

Christina Schenk-Hargrove reported on a meeting with Darcy Dale, Bill Joyce, Brad Hill, Bruce Tarr, Bill Olson, and an official from the Architectural Access Board. The topic was the Town Hall Building project. The requirements for accessibility would be triggered by improving 30% of the assessed value of the building, which had not been done. The requirement would also be triggered by access to areas that the public could access. The upstairs and the basement were currently not accessible to the public, therefore there was no violation. The existing ramp was in accordance with code when it was installed. There was very little legal exposure to the town. Funding was discussed and it appeared there might be grants available for future improvements. Currently the first floor of Town Hall was in compliance. The Historic District Commission had purview over any elevator improvements that might be proposed as an inexpensive solution. The low assessed value of the Town Hall would trigger the 30% threshold for minor improvements.

Review and Approval of Available Minutes

Motion made by John Pruellage to approve the minutes of August 25, 2021.

Seconded by Nick Tensen.

Roll Call Vote: John Pruellage – aye, David Wanger – abstain due to absence, John McGrath – aye, Nick Tense – aye, Christina Schenk-Hargrove – aye. 4:1 in favor.

Motion made by John Pruellage to approve the minutes of July 14, 2021.

Seconded by David Wanger

Roll call vote: Nick Tensen – abstain due to absence, John Pruellage – aye, David Wanger – aye, Christina Schenk-Hargrove, 3:1 in favor.

Determine/Discuss Agenda for Next Meeting

All current articles, excepting the status of 550 Highland St. would be reconsidered at the next meeting. The meeting would be held via Zoom.

Other Topics Not Reasonably Anticipated as Determined by the Chair.

Adjournment

Motion made by John Pruellage to adjourn at 9:15 pm.

Seconded by David Wanger.

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

Respectfully submitted as approved at the September 22, 2021 meeting.

Marcie Ricker