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**TOWN OF HAMILTON
FINANCE AND ADVISORY COMMITTEE**

Minutes of Meeting

Via Zoom

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September 22, 2021

6:30 pm

Members Present: Christina Schenk-Hargrove (Chair), John McGrath, John Pruellage (6:48), Nick Tensen, and David Wanger.

Others Present: Alex Magee (Finance Director) and Joe Domelowicz (Town Manager).

Call to Order

This meeting was called to order by Christina Schenk-Hargrove at 6:34 pm with a quorum established via Zoom Roll Call: Nick Tensen - present, David Wanger - present. John McGrath – present, and Christina Schenk-Hargrove – present. John Pruellage joined the meeting at 6:48.

Public Comment

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

Alex Magee provided unaudited MUNIS reports to the FinCom. Mr. Magee explained that encumbrances included appropriated money (in the same account) from FY21 that had been carried into FY22. Encumbrances were for ongoing projects, including Master Planning, which was under the Town Manager's account (\$150,000). The American Rescue Plan Act (ARPA) would not reimburse costs associated with the Master Plan as funds had been approved prior to the pandemic. ARPA funds were designed to replenish revenue lost during the pandemic. In Hamilton, losses were limited to excise tax and meal's tax. The Town would be receiving \$2.4M, which would be maximized after Department Heads, key boards, and committees had been consulted. The ARPA fund could be used to hire a grant writer as tracking and reporting of previously applied grants would need to be accomplished.

Alex Magee explained the MUNIS reports. The expense report showed an account by account look at the General Fund accounts. The operating expense account, included Public Safety, Town Hall, and DPW. The revenue report captured the budget revenues versus revenues that had already been received. The expense report was a separate budget report of all non-General Fund accounts and all other funds. The prior year budgets had been posted on the FinCom page of the Town website. Mr. Magee would work on the Quarterly Reports using the prior templates. The revenue report showed the difference between the estimated and actual revenue. Motor vehicle excise tax received 137% of the budget in revenue. The Wenham assessment (\$129,000) would be forthcoming and even though it was not paid in FY21, it would be booked into the period 13 book. The numbers discussed were unaudited and not final.

Forecasting Model Update

John Pruellage had spoken with Bill Wilson (CapCom) regarding the need to update the CapCom's five year plan. The CapCom would also fill out capital priorities. Once the information had been received, the model would be updated. Mr. Pruellage would also adjust the School's capital line item. Currently the item was a percentage of the School budget but the model would allow for including large capital items. The model would be discussed at the CapCom/FinCom joint meeting on October 6, 2021. The meeting would be held via Zoom to allow for the model to be presented properly.

Joe Domelowicz said the Selectboard (previously known as the Board of Selectmen) would meet on October 4, 2021 to vote on the Warrant. The Warrant would go to the printer on October 8, 2021 and would be mailed on October 15, 2021. The FinCom would be finished with their recommendations on October 7, 2021. The FinCom would meet on October 4, 2021 and would meet again on October 6, 2021 to discuss the Warrant and meet with the CapCom.

Members agreed to wait until after Special Town Meeting to introduce the Forecasting Model to boards and committees. The five chairs (Hamilton FinCom, Wenham FinCom, Hamilton Selectboard, Wenham Selectmen, and School Committee chairs) would meet on October 13, or October 26, 2021. Joe Domelowicz and David Wanger were concerned about the general public's ability to understand and use the Model. Alex Magee said the new Government Financial Association (GFOA) budget model would help the public understand the situation the Town was facing as it would include expenses, revenue, and ultimate tax rate using narratives, graphs, and spreadsheets.

Rick Mitchell (Planning Board Chair, Hamilton Development Corporation Chair, and Master Plan Steering Committee member) was present. Christina Schenk-Hargrove explained that a workshop would be held when assumptions could be plugged into the model and projections regarding where the Town was heading would be made. Mr. Mitchell said the Master Plan would show where the Town was currently and where the Town was heading, which appeared to be bleak. Mr. Mitchell wondered if there was an interaction between the Model and the Master Plan consultant (Weston & Sampson). Joe Domelowicz said the consultants were not aware of the Model as it had not been shared outside the FinCom to date. Patrick Reffett would facilitate communication between John Pruellage and Eric Halvorson, who was doing the financial analysis for the Master Plan. Anyone interested in the progress of the Model was able to read the FinCom or Master Plan committee minutes.

Status of Legal Services Invoices.

According to Joe Domelowicz, invoices were reviewed by him and the Finance Department before they were paid. Mr. Domelowicz reported that a larger retainer had been set to cover many items and that he was aware of what should and should not be part of the retainer. David Wanger noted that the quest to obtain invoices had been tortuous.

David Wanger questioned the employment issue that had not been covered by the retainer. KP Law and another firm had been contracted to investigate, conduct an interview, and negotiate a settlement. Mr. Wanger questioned the \$11,645 fee that did not include the substantive

settlement and why it was necessary to subcontract for \$5,000 when another firm was billing under the investigation category for the same work. Mr. Domelowicz responded that it was a couple of different employment issues. Mr. Domelowicz requested that Mr. Wanger send him an e-mail to which Mr. Domelowicz could respond more fully as it was inappropriate for him to discuss personnel or legal issues in open meeting. Christina Schenk-Hargrove would be copied.

David Wanger questioned the Gordon Conwell and Chebacco Road billings, which were by retainer or hourly. Joe Domelowicz responded that often questions were asked under the retainer but advanced work was needed that was outside the parameters of the retainer. Mr. Wanger noted the tax assessment debate for Myopia Hunt Club and the expenses related to the litigation and appeal. Mr. Domelowicz said the Town had its own set of numbers to contrast with the appellant's numbers. The matter had been settled. Mr. Wanger noted that a lot of public money had been spent on the issue and tax revenue would be impacted.

Status of Gordon Conwell Property; Affordable Housing, Zoning

Legal invoices for reviewing the historic Zoning By-law for Gordon Conwell were discussed. Joe Domelowicz said the Task Force had been in contact with the Seminary regarding the development of affordable housing from the vacant dormitory rooms. KP Law had been consulted for their opinion of the Zoning By-law. Advancement of the proposal had been stalled between the Town's and Harborlight's attorneys. Gordon Conwell said they would not abandon the property but hoped to offload the expense of the dorms as they were no longer used. Mr. Domelowicz noted that there had been a 200 person drop in census from 2010 and 2020. While the town of Hamilton grew by 50 residents, Gordon Conwell population declined by 275 people.

David Wanger hoped that work with Gordon Conwell would be proactive. Rick Mitchell agreed that a proactive approach was needed to monetize the property while protecting the land, water, and air resources of the town rather than waiting to determine what Gordon Conwell decided to do. Mr. Mitchell did not think that Harborlight had the expertise in developing the project so other options should be considered. Joe Domelowicz said he would have the Task Force meet with the principals of the seminary.

David Smith would be invited to a future meeting to discuss progress with Gordon Conwell. Members discussed that it would be important to have a financial analysis as to the range of possibilities. Joe Domelowicz noted the financial benefit of not having a school on the site due to their tax exempt status. There would be various impacts if the property were developed as affordable housing. It would be beneficial if the Master Plan had stated goals for the property rather than not having the community in agreement with a specific plan. Charrettes could ask attendees what they prefer to happen to the dorms. It was important to have community input regarding the site's potential.

Rick Mitchell asserted that the Planning Board and Task Force did not have time to wait for the Master Plan to suggest options as it would be two years before any Zoning By-laws could be adopted. Mr. Mitchell suggested that the Town engage with them directly due to their financial

situation. Mr. Mitchell would be invited to a future FinCom meeting to discuss possibilities for development, such as 40B or rezoning. Joe Domelowicz debated how quickly Gordon Conwell would be leaving the town.

School Budget

John McGrath reported that he had met with Dana Allara (Hamilton Wenham Regional School District School Committee Chair). Ms. Allara's upmost goal was to increase transparency. David Wanger responded that he was concerned that certain costs were fixed and noted the high cost of personnel in the School Department. Joe Domelowicz said the teacher contracts had been signed in the summer with the first year starting at 1%, and another 1% at the halfway mark, which was a 1.5% increase. The following two years would experience a 2% increase each. Other items such as lane change step increases had been passed over. Mr. Domelowicz said the School Finance Director agreed that OPEB was a funding concern.

Special Town Meeting Calendar and Warrants – FinCom Action

Two new articles had recently been added. National Grid would require a utility easement for the cell tower. Work would not continue without it. The Selectboard voted unanimously to add it to the Warrant. The article needed a simple majority to pass. The second article was a prior year bill for \$39.25 for a signature stamp. A nine-tenths majority was needed to pass the article.

Another article for a special election would cost between \$14,000 and \$19,000. The Town expected to be reimbursed by the State for up to \$14,000. Members discussed using the FinCom Reserve Fund for the article but Joe Domelowicz thought it would be more transparent to present the request at Special Town Meeting. According to Alex Magee, \$38,441 had been spent out of the FinCom Reserve Fund in FY22.

The Home Rule petition was for approximately \$14,000 but would be paid for out of the Assessor's overlay fund. The fund had accumulated for several years and was available.

The article for the Zoning By-law changes that removed reference to the Board of Selectmen and inserted the Selectboard would require a two-thirds vote.

Members discussed which articles they would prepare a recommendation. David Wanger would cover articles 3.1 and 3.2. John McGrath would cover article 3.3. John Pruellage would cover article 2.2 and Nick Tensen would cover articles 2.1 and 2.3. Christina Schenk-Hargrove would cover article 3.4. Ms. Schenk-Hargrove would forward a prior draft of recommendations as a sample and the most recent Warrant to those who did not receive it.

Joe Domelowicz said he would hire additional help to resolve Zoom meeting issues. A resident had complained that access to Zoom meetings had been limited due to having too many cameras causing feedback. A technician had resolved the issue and a guide would be provided to those hosting a meeting. The long distance technological consultant would not have been

helpful in resolving issues even if he were on site. Mr. Domelowicz said he was considering a regional technological solution for planning moving forward.

Liaison Updates

David Wanger reported that the Master Plan Steering Committee was still in the organizational stage debating about process. Mr. Wanger was concerned about how to engage the public, in particular the seniors in town. Workshops and public forums would be used. While seniors comprised one-third of the town's population, the vacant Council on Aging (COA) Director position had not been filled. Mr. Wanger said the Master Plan consultant considered 10 to 12% participation acceptable. Mr. Wanger was concerned that a discreet group with a specific interest, such as those who go to Town Meeting for School issues, would comprise the small 10% group who would decide the future of the town via the Master Plan process. All Master Plan consultant contacts would be sent through Patrick Reffett.

Nick Tensen reported that he had met with Russ Stevens (Public Safety). Mr. Tensen said part time employees needed to be trained. The State would pay for the training but it was questionable who would pay for the salary (\$4,400) of the trainees. No new cruisers were purchased during the pandemic and the School Resource Officer (SRO) position had gone well even during the pandemic. The Public Safety Building was in good shape but the HVAC system would be looked at for the possibility of mold in the handlers. David Wanger questioned if the SRO saved summertime overtime but the data was not available due to the pandemic.

Christina Schenk-Hargrove reported that Hamilton and Wenham would consider merging the COA during the budget process. An offer letter had been sent to Tim Crocket as a part time council employee. David Wanger was concerned that seniors were divorced from the day to day functioning of the town. Mr. Wanger and Rosemary Kennedy had met with COA members to find that seniors did not have the ability to express their interest or concerns. The Town Manager would be encouraged to resolve the situation.

John Pruellage said the Planning Board had been focusing on the Chebacco Woods proposal.

Review and Approval of Available Minutes

Motion made by John McGrath to approve the minutes of September 8, 2021 as amended.
Seconded by Nick Tensen.

Roll Call Vote: Nick Tensen - aye, John Pruellage, – aye, David Wanger – aye, John McGrath – aye, Christina Schenk-Hargrove –aye. 4:1 in favor.

Adjournment

Motion made by David Wanger to adjourn at 9:27 pm.
Seconded by John Pruellage.

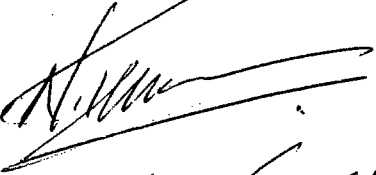
Roll Call Vote: David Wager – aye, Nick Tensen – aye, John Pruellage – aye, John McGrath – aye, and Christina Schenk-Hargrove – aye. Unanimous in favor.

Documents discussed

MUNIS reports.

Respectfully submitted as approved at the October 20, 2021 meeting.

Marcie Ricker



Nicholas TENSEN
11/1/2021