



Hamilton Community Preservation Committee

2022 Joint Annual Meeting with Select Board

July 18, 2022

Jay Butler, Chair, CPC

Hamilton CPC 2022 Annual Meeting

- **Hamilton CPC Committee**

- Coordinator - Laurie Wilson
- Jay Butler - at-large - Chair
- Robert Preston - at large - Vice-Chair
- Kim Dietel - at-large
- Rick Johanson - at-large
- Kirstin Bridier - Historic District Commission Rep.
- Sandy Coddling - Conservation Commission Rep.
- Richard Boroff - Planning Board Rep.
- Michelle Horgan - Housing Authority Rep.
- Shawn Farrell – Select Board Rep.
- Recently Leaving the Committee: Sherry Leonard

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MA Community Preservation Act (CPA)

- CPA signed into law in MA in September 2000 by Governor Paul Cellucci
- Championed by Gretel and Peter Clark, Hamilton adopted the CPA in May 2005 with a 2% surcharge via ballot at the polls, after failing to adopt with a 3% surcharge in 2002.
- 189 of 351 MA communities now participate with 75 communities having the max 3% surcharge, with 10 new communities in the process of adopting the CPA.
- Communities adopting the CPA choose from a 1% to 3% surcharge on their property taxes, billed quarterly with the property tax bill.
- The CPA Trust Fund is managed by the MA Dept. of Revenue (DOR) which sets the state match and distributes the funds.
- The CPA Trust Fund monies come from the 21 Registry of Deeds offices via property transaction fees, and any potential year-end state budget surplus voted by the MA legislature.

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Hamilton 2021 CPA Trust Fund Distribution

- FY21 2% Surcharge Revenue = \$493,937
- 29% State Match = \$137,651
- Total FY21 CPA Revenue = \$631,588

Hamilton 2022 CPA Trust Fund Distribution

- FY22 2% Surcharge Revenue = \$523,025
- 43.8% State Match = \$216,540
- Total FY22 CPA Revenue = \$739,565

NOTE: On July 18, 2022, the MA legislature passed a bill that will add \$20M in budget surplus to make the 2023 state match over 40%. Senator Bruce Tarr continues to be a strong supporter and sponsor of the CPA budget surplus bills.

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CPA Trust Distribution Years	No. of Communities	State Match
2002 - 2007	34 - 113	100%
2008	127	67.62%
2009 - 2012	135 - 148	34.81% - 26.83%
2013	148	52.23% (\$25M state surplus)
2014	155	31.46% (\$11.4M state surplus)
2015	156	29.67% (\$10M state surplus)
2016 - 2017	157 - 162	20.58% - 17.2%
2018	172	19.01% (\$10M state surplus)
2019	173	23.9%
2020	176	28.63%
2021	177	43.84% (\$10M state surplus)

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Essex County Communities CPA Status

- **No Participation** – Amesbury, Andover, Danvers, Haverhill, Ipswich, Lawrence, Lynn, Lynnfield, Marblehead, Merrimac, Methuen, Newbury, Salisbury, Swampscott, Topsfield
- **1% Surcharge** – Beverly, Gloucester, Middleton, Peabody, Salem, Tewksbury
- **1.5% Surcharge** – Essex, Manchester
- **2% Surcharge** – **Hamilton**, Newburyport
- **3% Surcharge** – Boxford, Georgetown, Groveland, Nahant, North Andover, Rockport, Rowley, **Wenham**, West Newbury

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Select Essex County Communities 2022 Tax Rate (and CPA Info)

- **Highest** – Wenham @ \$19.58 (3% surcharge)
- **2nd Highest** – Hamilton @ \$17.88 (2% surcharge)
- **3rd Highest** – Amesbury @ \$17.69 (0% surcharge)

- **Lowest** – Newbury @ \$9.73 (0% surcharge)
- **2nd Lowest** – Nahant @ \$9.79 (3% surcharge)
- **3rd Lowest** – Rockport @ \$9.82 (3% surcharge)

- **Highest in MA** – Longmeadow @ \$24.64 (1% surcharge)
- **Lowest in MA** – Chilmark @ \$2.82 (3% surcharge)
- **Median in MA** - \$14.58

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Hamilton CPA Surcharge and State Match Revenues History				
Year	Local Surcharge	State Match	% State Match	Total
FY06	\$287,075	\$0	N/A	\$287,075
FY07	\$306,399	\$287,075	100%	\$593,474
FY08	\$323,332	\$306,399	100%	\$629,731
FY09	\$351,809	\$218,638	68%	\$570,447
FY10	\$352,154	\$122,482	35%	\$474,636
FY11	\$355,452	\$95,793	27%	\$451,245
FY12	\$345,568	\$94,689	27%	\$440,257
FY13	\$340,816	\$92,731	27%	\$433,547
FY14	\$351,527	\$177,992	52%	\$529,519
FY15	\$365,041	\$110,608	32%	\$475,649
FY16	\$394,876	\$108,237	30%	\$503,113
FY17	\$405,380	\$81,253	21%	\$486,633
FY18	\$414,402	\$69,734	17%	\$484,136
FY19	\$454,083	\$78,798	19%	\$532,881
FY20	\$480,851	\$108,610	24%	\$589,461
FY21	\$493,937	\$137,651	29%	\$631,588
FY22	\$523,025	\$216,540	44%	\$739,565
Totals	\$6,545,727	\$2,307,230		\$8,852,957

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Wenham 2021 CPA Trust Fund Distribution

- FY21 3% Surcharge Revenue = \$450,611
- 43.8% State Match = \$177,406
- Additional Round 2 = \$109,486
- Additional Round 3 = \$72,206
- Total FY21 CPA Revenue = \$809,709

(\$99,232 more than Hamilton with 2% surcharge)

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What would our CPA revenue be if Hamilton had a 3% surcharge in 2021?

- 3% Surcharge Revenue = \$740,905
- State Match @ 43.8% = \$324,517
- Round 2 Distribution = \$79,626
- Round 3 Distribution = \$52,514
- Estimated Total CPA revenue = \$1,197,562

(Revenue increase with 3% vs. 2% Surcharge = \$487,085)

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CPA Trust Fund Distributions in Rounds Two and Three for Communities with 3% Surcharge

- DOR analysis of population and property taxes results in an Equalized Property Valuation (EPV).
- All 351 MA communities are divided into 10 deciles based on their EPV.
- Communities with the lowest EPV are placed in the top deciles and receive more money.
- The amount of money available is a fixed amount established annually based on the decile.

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**CPA Communities in the Fourth Decile as
Determined by MA DOR**

Amherst, Carver, Dunstable, Groveland, Hatfield,
Mendon, Sturbridge, **Wenham**

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CPA Communities in the Seventh Decile as Determined by MA DOR

Attleboro, Bellingham, Boxford, Carlisle, Dracut, Erving, Everett, Grafton, Great Barrington, **Hamilton**, Haverhill, Hudson, Lenox, Middleton, Malden, Marion, Mattapoisett, Medway, Methuen, Middleton, Milford, Newbury, Northampton, Pembroke, Provincetown, Raynham, Rehoboth, Salisbury, Seekonk, Sherborn, Stockbridge, Topsfield, Truro, Wellfleet, West Tisbury

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What would be the increased cost to the average property if Hamilton had a 3% surcharge in 2021?

- Value of the Average Property in Hamilton = \$632k
- Annual Property Taxes at \$17.88 = \$11,300
- 2% CPA Surcharge = \$190
- 3% CPA Surcharge = \$285

**Cost increase for 3% vs. 2% Surcharge = \$95
annually = \$24 per quarter**

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Property Assessed Valuation	Annual Property Tax at \$17.88	Annual 2% Surcharge	Annual 3% Surcharge	Annual Increase
\$400k	\$7,152	\$143	\$215	\$72
\$500k	\$8,940	\$179	\$268	\$89
\$600k	\$10,728	\$215	\$322	\$107
\$700k	\$12,516	\$250	\$375	\$125
\$800k	\$14,304	\$286	\$429	\$143
\$900k	\$16,092	\$322	\$483	\$161
\$1M	\$17,880	\$358	\$536	\$178
\$1.3M	\$23,244	\$465	\$697	\$232
\$1.5M	\$26,820	\$536	\$805	\$269

(Property Assessed Value - \$100k) x tax rate x 2% surcharge = CPA Surcharge

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Exemptions in 2022 to CPA Surcharge

- CPA Residential exemption for all – first \$100k valuation of property
- Taxpayers over 65 who receive the annual \$1000 Elderly 41D exemption from the state (determined by residency requirements and annual income limits) – full CPA exemption
- Hamilton CPC Exemptions for seniors 60+ and low-income non-senior families - full CPA exemptions based on income limits

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Full Exemptions to CPA Surcharge

Property Owned by Low Income Non-Senior

- 2022 Income Limits:
- 1-Person Household: \$67,660
- 2-Person Household: \$77,320
- 3-Person Household: \$86,990
- 4-Person Household: \$96,650

Property Owned by Senior (60+)

- 2022 Income Limits:
- 1-Person Household: \$84,600
- 2-Person Household: \$96,700
- 3-Person Household: \$108,800
- 4-Person Household: \$120,800

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Eligibility Categories for CPA Grants

- Historic Preservation
- Community Housing
- Open Space and Recreation

Eligibility Determination of Projects

- First of a two-step application process
- CPC regularly solicits advice from:
 - Community Preservation Coalition, Executive Director, Stuart Saginor
 - Town Counsel, KP Law, Tom McEnaney

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Community Preservation Coalition

- Non-profit coalition of all communities who adopted CPA
 - Formed in 1990 to help passage of the CPA
 - Annual dues and some reporting requirements
 - Maintains data on all CPA adoptions, all approved grants, and information on all CPC's statewide
 - Helps communities with understanding, adoption, and implementation of the CPA, and advocates for the CPA at the state level
- Support organizations: The Trust for Public Lands; MA Audubon; Citizens' Housing and Planning Alliance; MA Affordable Housing Alliance; Preservation MA; and The Trustees

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Allowable Eligibility Categories

	Open Space	Historic	Recreation	Housing
Acquire	Yes	Yes	Yes	Yes
Create	Yes	No	Yes	Yes
Preserve	Yes	Yes	Yes	Yes
Support	No	No	No	Yes
Rehabilitate and/or Restore	No (unless acquired or created with CPA \$\$)	Yes	Yes	No (unless acquired or created with CPA \$\$)

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CPC Reserves

- Managed by Dyan Katz, Assistant Finance Director/Town Accountant

As of June 30, 2022:

- Open Space and Recreation = \$0 (FY23: \$65,061.52)
- Community Housing = \$239,945
- Historical Preservation = \$172,676
- Unreserved = \$795,895
- Total Available = \$1,208,516
- Open Grants from FY21 = \$75,000 (not included in total available)

- **CPA Reserves Investment** – MA Municipal Depository Trust (MMDT) managed by Treasurer/Collector, Peggy McLoughlin

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CPA Accounting Requirements

- The Finance Dept. is required to set up an accounting system that has, at a minimum, 5 “buckets” of CPA reserve funds, i.e., Historic Preservation, Open Space and Recreation, Community Housing, Unreserved, and Administration Expenses
- An internal accounting transfer of 10% of the total CPA revenues must be made each year to the three eligibility categories and 5% for administrative. (Accomplished via warrant articles at the Annual Town Meeting)
- The 10% transfer is waived if a grant is approved or a bond repayment is made in a category and in an amount that satisfies the required amount of funds transfer.

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CPA Bonding Requirements

- Annual repayment premiums for bonds can only be paid from surcharge revenues and not from revenues from the state match.
- The first full year repayment amount of a proposed bond must be established as affordable
- Approval at Town Meeting must be by a 2/3's vote. No required vote at the polls.
- The CPC must remain in existence until all bond repayments have been made, otherwise the bonds become the responsibility of the Town.

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CPC Outstanding Bonds

- **Sagamore Hill (John J. Donovan Recreation Area)**
 - FY 2022 Premium = \$107.2k
 - Matures in 2032. Original 2015 Grant was \$1.25M bond for 15 years plus \$500k in cash
- **Hamilton Town Hall Renovation, Addition, and Preservation Project**
 - \$3M + \$1M = \$4M grant. First year full premium for a \$4M, 5%, 30-year, municipal bond = \$333.3k
 - This bond will be enacted if:
 - Project approved at Town Meeting by a 2/3's vote
 - Project approved at polls by simple majority
 - Construction starts prior to November 15, 2022
 - The CPC would consider a warrant article to extend this date, if necessary

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Future CPC Bonding Availability

- Annual estimated funds in FY23 available for annual bond repayments = \$493,937 (surcharge revenue)
 - Less \$107,200 (Sagamore Hill)
 - Less \$333,300 (Town Hall Renovation)
- Remaining funds for annual bond repayments = \$53,437

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Open Grants from FY21

- First Congregational Church of Hamilton – Historical Preservation - \$75k for Belfry and Clock Tower Renovation

CPC Grants Approved in FY22

- The Community House - Open Space and Recreation - \$150k for Centennial Square
- HW Recreation Department – Open Space and Recreation - \$30k for Patton Park Master Plan

Potential CPC Grant Requests Anticipated for FY23

- Hamilton Wenham School Department – Open Space and Recreation - \$500k for the Middle School/High School Athletic Facilities Improvement Project

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Future Anticipated Potential Grants

Anticipated Projects – Category A:

Eligible Project, Cost Estimate, Strong Support

Historic Preservation	Town of Hamilton	Renovation of Town Hall	\$4,000,000	2022
Open Space and Recreation	HW School Department	MS/HS Athletic Facilities Improvement	\$500,000	2023

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Future Anticipated Potential Grants

Anticipated Projects – Category B:

Some Question on Eligibility, Cost Guesstimate, Project Needs More Definition

Community Housing	Affordable Housing Trust	Construction of New Community Housing	\$250,000	2023
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Future Anticipated Potential Grants

Anticipated Projects – Category C:

No Project, Costs Unclear, Project Support in Question

Open Space and Recreation	Friends Group	Feasibility Study for Skate Park at Pingree Park Tennis Courts	\$25,000	2024
Historic Preservation	A.P. Gardner Post 194 American Legion	Replace Roof on Legion on School Street	\$50,000	2024

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Historical Distribution of CPA Grants Since 2006

Category	Total Number of Grants	Per Cent of Total Number	Total Dollars of Grants	Per Cent of Total Dollars
Open Space and Recreation	33	35%	\$4,756,46	39%
Historic Preservation	47	50%	\$5,884,290	48%
Community Housing	14	15%	\$1,644,591	13%
Total	94	100%	\$12,280,348	100%

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Ranking by Dollars	Organizations Receiving Grants since 2006	Total Grant Dollars	Per Cent of Total Dollars	Number of Grants	Per Cent of Total Number
1	Hamilton Department of Public Works	\$4,918,744	40%	23	24%
2	Hamilton Wenham Recreation Department	\$2,426,120	20%	12	13%
3	Essex County Greenbelt Association	\$1,750,000	14%	1	1%
4	Hamilton Affordable Housing Trust	\$1,110,000	9%	8	9%
5	Hamilton Housing Authority	\$514,591	4%	6	6%
6	The Community House	\$431,050	4%	7	7%
7	Patton Homestead	\$379,000	2%	5	5%
8	American Legion A.P. Gardner Post 194	\$204,300	2%	3	3%
9	Hamilton Council on Aging	\$134,125	1%	6	6%
11	Hamilton Wenham School Department	\$94,647	1%	3	3%
12	First Congregational Church of Hamilton	\$86,000	1%	2	2%
13	Hamilton Historical Society	\$62,071	1%	6	6%
14	Hamilton Conservation Commission	\$36,200		6	6%
15	Hamilton Planning Board	\$30,000		1	1%
16	Asbury Grove Camp Meeting Association	\$26,000		1	1%
17	Essex County Trails Association	\$25,000		1	1%
18	Chebacco Woods Land Management Committee	\$25,000		1	1%
19	Pleasant Pond Association	\$23,300		1	1%
20	Boy Scout Troop 35	\$4,200		1	1%
	Total	\$12,280,348	98%	94	100%

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Historical Distribution of CPC Grants

- Total number of grants = 94
- Total dollars in grants = \$12,280,348
- Number of organizations receiving grants = 19
- Number of Town organizations receiving grants = 10 (50%)
- Number of grants received by Town organizations = 64 (68%)
- Total dollars received by Town organizations = \$9,128,836 (74% of total)

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CPA Grant Application - A Two-Step Process

- **Application for Eligibility**
 - Determination of project eligibility and verification that the requestor can do the project
- **Application for Funding**
 - Review of the project cost estimate and identification of additional sources of funding
- **Approved Grants**
 - CPC approved grants are placed on the warrant for the following Town meeting
 - Subsequent reviews by the Select Board and Finance and Advisory Committee are advisory only
 - Grants approved at Town Meeting must start the project within two years

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- More detailed information on the CPA and CPC activities is available in the 2022 Annual CPC Report to be posted soon on the CPC web page.
- CPC Meetings are at 7:00 PM on the second Thursday of each month where public input is encouraged.

Thank you,

Jay Butler, Chair, CPC

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