



Hamilton Community Preservation Committee (CPC)

**2023 Joint Annual Meeting
CPC, Select Board, and Finance and Advisory Committee
July 17, 2023
Jay Butler, Chair, CPC**

Hamilton CPC 2023 Annual Meeting

Hamilton CPC Committee – 9 members

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

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MA Community Preservation Act (CPA)

- CPA signed into law in MA in September 2000 by Governor Paul Cellucci.
- Hamilton adopted the CPA in May 2005 with a 2% surcharge via ballot at the polls. A previous attempt for a 3% surcharge failed.
- 195 of 351 or 56% of MA communities now participate.
- 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 in November.
- 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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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
- **1.5% Surcharge** – Essex, Manchester, Tewksbury
- **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 2023 Tax Rate (CPA Info)

- **Highest** – Wenham @ \$17.35 (3% surcharge)
- **2nd Highest** – Hamilton @ \$16.34 (2% surcharge) and Amesbury @ \$16.34 (0% surcharge)
- **3rd Highest** – Topsfield @ \$15.20 (0% surcharge)

- **Lowest** – Newbury @ \$8.67 (0% surcharge)
- **2nd Lowest** – Nahant @ \$9.09 (3% surcharge)
- **3rd Lowest** – Rockport @ \$9.43 (3% surcharge)

- **Highest in MA** – Longmeadow @ \$22.11 (1% surcharge)
- **Lowest in MA** – Edgartown @ \$2.52 (3% surcharge)

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Historical CPA Trust Fund Distributions

CPA Trust Distribution Years	Number 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% (includes \$25M state match)
2014	155	31.46% (includes \$11.4M state match)
2015	156	29.67% (includes \$10M state match)
2016-2017	157 -162	20.58% - 17.2%
2018	172	19.01% (includes \$10M state match)
2019	173	23.9%
2020	176	28.63%
2021	177	43.84% (includes \$10M state match)
2022	187	38.51% (includes \$20M state match)

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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
FY23	\$517,755	\$199,395	39%	\$717,150
Totals	\$7,063,482	\$2,506,625		\$9,570,107

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Financial Trends Affecting State Match for 2023

- MA Registry of Deeds collections down 33.8% at the end of May 2023 compared to 2022
- MA Senate Budget Amendment #66 - Community Preservation Trust Fund
 - Adds \$30M from the state budget surplus funds to the CPA Trust Fund
 - Needs to survive Senate/House budget reconciliations in July 2023
 - Similar budget amendment in MA House previously failed

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Hamilton 2022 CPA Trust Fund Distribution

- 2% Surcharge Revenue = \$517,755
- 38.51% State Match = \$199,395
- Total FY23 CPA Revenue = \$717,150

Wenham 2022 CPA Trust Fund Distribution

- 3% Surcharge Revenue = \$471,770
- 38.51% State Match = \$143,020
- Round 2 Distribution = \$87,032
- Round 3 Distribution = \$58,381
- Total FY23 CPA Revenue = \$760,203

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CPA Surcharge Calculation

Property Assessed Valuation	Annual Property Tax at \$16.34 per Thousand	Annual 2% Surcharge
\$300k	\$4902	\$65
\$400k	\$6536	\$98
\$500k	\$8170	\$131
\$600k	\$9804	\$163
\$700k	\$11,438	\$196
\$800k	\$13,072	\$229
\$900k	\$14,706	\$261
\$1M	\$16,340	\$294
\$1.5M	\$24,510	\$458

CPC Surcharge Calculation

$(\text{Assessed Value} - \$100\text{k}) \times (\text{Tax Rate}/\$1\text{k}) \times 2\% \text{ Surcharge} = \text{Annual Surcharge}$

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Exemptions in 2023 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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Hamilton Full Exemptions to CPA Surcharge

Property Owned by Low Income Non-Senior 2023 Income Limits:

- 1-Person Household: \$78,300
- 2-Person Household: \$89,480
- 3-Person Household: \$100,670
- 4-Person Household: \$111,850

Property Owned by Senior (60+) 2023 Income Limits:

- 1-Person Household: \$98,200
- 2-Person Household: \$112,200
- 3-Person Household: \$126,200
- 4-Person Household: \$140,200

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CPA Accounting Requirements

- Five subaccounts 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 at the ATM to the three eligibility categories and 5% for administrative.
- The 10% transfer requirement is waived if a grant has been approved or a bond repayment is made in a category that satisfies the required amount of funds transfer.

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CPA Reserves Approximated as of June 30, 2023:

- Open Space and Recreation = \$336,000.00
- Community Housing = \$239,945.00
- Historical Preservation = \$172,675.00
- Unreserved = \$822,205.38
- Administrative = \$434,552.94
- Total Available = \$2,005,379.14

- Open Grants from FY23 = \$0

- **CPA Reserves Investment** – MA Municipal Depository Trust (MMDT) - \$58,762 earned interest in FY23

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CPA Grant Application Process

- **Application for Eligibility – CPC vote requires 5 of 9 members**
 - Description of project, determination of project eligibility, and verification that the requestor can do the project
- **Application for Funding – CPC vote requires 5 of 9 members**
 - Review of cost estimate, determination of status of reserves, assessment of potential for bonding, and identification of additional sources of funding
- **Town Meeting Vote – requires simple majority if no bond**
 - 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
 - Approved grants require that work start within two years

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First Step of CPC Grant Application Process

Eligibility Determination

- Historic Preservation
- Community Housing
- Open Space and Recreation

CPC regular solicitation of advice

- Community Preservation Coalition: Executive Director, Stuart Saginor
- KP Law: Town Counsel, Tom McEnaney
- Advice received from both parties is often divergent

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MA Community Preservation Coalition

- Boston based non-profit coalition of all communities who adopted the CPA – **www.communitypreservation.org**
 - Formed in 1990 to help passage of the CPA
 - Communities must pay annual dues and submit reports
 - 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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CPA 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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Second Step of CPC Application Process

Funding Determination for Projects

- The CPC typically explores and requires alternate sourcing of funds for a project as well identifying any portions of the project as not eligible for CPA funds
- Funds for approved grants must be taken first from one of the three appropriate subaccounts, then the unreserved subaccount, but funds may not be taken from any of the other subaccounts.
- If the CPC wishes to consider a bond, the amount to be bonded, and term length must be approved by the Finance Department

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CPA Bonding Requirements

- Annual repayment premiums for bonds can only be paid from surcharge revenues (FY 2023 \$517k) and not from revenues from the state match.
- 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 2024 Premium = \$105.5k
 - Matures in 2032. Original 2015 Grant was a \$1.25M bond for 15 years plus \$500k in cash
- **Hamilton Town Hall Renovation, Addition, and Preservation Project**
 - Consists of a \$3M grant (2020 STM) and \$1M grant (2021 ATM) = \$4M grant.
 - First year full premium (FY 2025) for a \$4M, 4.5%, 30-year, municipal bond = \$313.3k

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CPC Grants Closed out in FY23

- First Congregational Church of Hamilton Belfry and Clock Tower Restoration – Historical Preservation - \$75k
- HW Recreation Department Patton Park Master Plan – Open Space and Recreation - \$30k
- The Community House Centennial Park – Open Space and Recreation - \$150k

CPC Grants Approved for FY24

- Hamilton Wenham School Department Middle School/High School Athletic Facilities Improvement Project – Open Space and Recreation - \$800k
- Hamilton DPW Town Hall Renovation, Restoration, and Addition Project – Historic Preservation - \$500k pending Town Meeting approval at Fall 2023 STM

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Historical Distribution of CPC 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%	\$5,598,867	43%
Historic Preservation	46	49%	\$5,767,590	44%
Community Housing	14	15%	\$1,619,591	12%
Total	93	100%	\$12,986,048	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	\$4,859,444	37%	22	24%
2	Hamilton Wenham Recreation Department	\$2,426,120	19%	12	13%
3	Essex County Greenbelt Association	\$1,750,000	13%	1	1%
4	Hamilton Affordable Housing Trust	\$1,075,000	8%	7	8%
5	HW School Department	\$894,647	7%	4	4%
6	Hamilton Housing Authority	\$514,591	4%	6	6%
7	The Community House	\$431,050	3%	7	8%
8	Patton Homestead	\$379,000	2%	5	5%
9	American Legion A.P. Gardner Post 194	\$204,300	2%	3	3%
10	Hamilton Council on Aging	\$134,125	1%	6	6%
11	First Congregational Church of Hamilton	\$86,000	1%	2	2%
12	Hamilton Historical Society	\$62,071		6	8%
13	Hamilton Conservation Commission	\$36,200		6	6%
14	Hamilton Planning Board	\$30,000		1	1%
15	Asbury Grove Camp Meeting Corporation	\$26,000		1	1%
16	Essex County Trails Association	\$25,000		1	1%
17	Chebacco Woods Land Management Committee	\$25,000		1	1%
18	Pleasant Pond Association	\$23,300		1	1%
19	Boy Scout Troop 35	\$4,200		1	
	Total	\$12,986,048	97%	93	100%

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Historical Distribution of CPC Grants

- Number of grants = 93
- Dollars in grants = ~ \$13M
- Organizations receiving grants = 19
- Town organizations receiving grants = 11 (53%)
- Grants received by Town organizations = 76 (82%)
- Dollars received by Town organizations = \$10.4M (80%)

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Future Anticipated Potential Grants

Anticipated Projects – Category A:

Eligible Project, Good Cost Estimate, Strong Support

Category	Requestor	Project	Amount	Year
		NONE		

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Future Anticipated Potential Grants

Anticipated Projects – Category B:

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

Category	Requestor	Project	Amount	Year
Community Housing	Affordable Housing Trust	New Affordable Housing	\$250,000	2025
Historic Preservation	Fire Department	Building to House Ancient Hand Pumper	\$50,000	2025
Historic Preservation	Department of Public Works	Town Hall Heating System	\$500,000	2028

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Future Anticipated Potential Grants

Anticipated Projects – Category C:

No Project, Costs Unclear, Project Support in Question

Project	Requestor	Project	Amount	Year
Open Space and Recreation	HW Recreation Department	Rec Project on Pingree Park Tennis Courts	\$50,000	2024
Historic Preservation	Post 194 American Legion	Roof for Legion Building	\$50,000	2025
Open Space and Recreation	HW Recreation Department	Patton Park Improvements	\$50,000	2026
Open Space and Recreation	Hamilton Development Corporation	Downtown Parklet	\$50,000	2025

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Final Comments

- The CPC needs more advance information from organizations intending to apply for CPA grants.
- More detailed information on the CPA and CPC activities is available in the 2023 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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