

**TOWN OF HAMILTON
FINANCE & ADVISORY COMMITTEE
AUGUST 3, 2016**

The Hamilton Finance & Advisory Committee: David Wanger, Nick Tensen, John Pruellage met at the Senior Center at 7:00 p.m. on Wednesday, August 3, 2016. Town Manager Michael Lombardo also present.

Call to order

David Wanger called the Finance & Advisory Committee meeting to order at 7:00 p.m. Phil Stearns has been nominated and will be appointed to the FinCom.

Public comment

Richard Boroff expressed interest in asking questions during the meeting. He was recording the meeting.

Filing of meeting minutes

Meeting minutes are filed with the Town clerk and a copy provided to Anabela Batista, Administrative Assistant to the Town Manager, to post online.

Budget Forecast and Analysis Topics

- Finance Director vacancy and impact on budget review/formation, audit

Town Manager Michael Lombardo updated the Committee on upcoming interview with candidate for Finance Director. One candidate is an assistant accountant in another community. If the candidate is interested, an interview will be conducted with the Committee. Assistant Town Account Dyan Katz is keeping the Town audit moving forward.

Discussion was on how the DPW Director is gone and Energy Manager Vickie Mazone is overseeing engineering projects. Also, an interview is occurring for public works director's position, and vacancy will be posted.

- Overview of budget process and timeline

Lombardo noted if there is genuine interest in a level funded budget a policy level discussion should occur between Selectmen and FinCom. This is due to the impact of several thousand

dollars which will require service and personnel cuts. This budget process could cause some employees to seek other jobs. The FinCom stated that it is important to understand what level funding would cost in terms of service.

With budget guidance provided to the Town manager, the budget process could begin in late September or early October. Also mentioned was how part time position in Finance Department approved at Town Meeting has not been filled and this position may better serve the Town if it focused on benefits.

Discussion ensued on how more staff would be helpful in the public works department although having Wenham's public works manager oversee both towns' departments was not seen as a likely solution. Also noted was lack of support from Wenham for one future Fire Chief for the both towns as well as a combined elder services van. There is some interest in combining inspectional services including with Danvers. In addition, Hamilton is doing investigation on joining ECO dispatch services in Danvers as well as other neighboring communities. In addition, the HWRSD appears unlikely as a partner for IT or human resources personnel.

Lombardo also mentioned was the need to analyze major capital projects such as road repair and water. Growth factors have been built into the budget process spreadsheet which can be evaluated relative to cost inflation. Discussion was on how the Fire Department union had adopted the wage and classification study. The union contract negotiation has been finalized and Ray Brunet was promoted to captain and this position will be the second highest ranking position.

Lombardo noted that some of the results for some of the positions from the wage and classification study are suspect. He has engaged an expert on wage and classification studies to review if some of the classification of positions in the study is appropriate. He described how a community dialogue should occur relative to what services would have to be cut if a level funded budget is considered to put forward. Also mentioned was that the FinCom will be sent results of community wide survey.

Lombardo reported on how the water treatment plant has a failing filter bed. The media has been replaced a number of times since it is not holding up. Stantec is doing an analysis on what it would take for retrofitting. Well exploration needs to be done. Storage tank at Gordon Conwell Theological Seminary is going to be scrutinized. Also, the Town is researching with Manchester possibility of locating a well near Gravely Pond. Cost analysis is being done for FY'18 and FY'19. In addition, identification on a multi-year approach to water infrastructure work is being reviewed. Efforts are ongoing to replace asbestos/cement lined piping to manage arsenic levels. A plan will be put in place for FY'18 water infrastructure work with bonding funds. Also, a 10-year road repair plan will be defined.

Lombardo reported that a neighborhood meeting will be held on the Essex Street pathway (i.e., \$1,000,000 estimated cost) and how the need for this project may compare with water and road work. Some limited state funding may be available for the pathway project. Money is available for planning and visioning.

Lombardo reported that the Patton Park pool is nearly done, it is on budget with some financial reserves. It may be open for a couple of weekends to test filtration system. The issue for opening is lack of lifeguards. Final work is being done on landfill closing. DEP will have to approve final closure, and if Marsh Rats gun club can go back to the landfill. There are wetlands issues so the club would have to meet buffer zone requirements. The solar RFP is out for the former landfill.

The cell tower project is moving forward with towers planned for behind Town Hall and public safety building. An additional tower is going to be installed on Asbury Street on private property. Estimated revenue is a one time payment of \$27,000 for each tower and potential for \$24,000 per month for each tower plus 3% of any subleases for the vendors. In a 10-year period, \$500,000.

Discussion was on year to date numbers that could be provided for FY'17 (budget to actual analysis, encumbrances, and any leftover funds – snow and ice). FinCom asked for a periodic recap. When a new Finance Director is on board a purchase order process will be implemented, and better documentation on procurement processes. Discussion addressed how enforcement notices are being sent to residents using sprinklers during the water ban with warning issued, followed by \$50 fine, and \$100 fine for any subsequent violations. There could be a watering exemption for commercial farming.

- Waste Enterprise Account – Hauler Issue

Hiltz, the Town's waste hauler, is stopping service by the end of September for Hamilton, Wenham, Stoneham, Swampscott and Wakefield. Gloucester cancelled its contract. Two waste haulers are being researched for the job. The RFP bidding process will be for all or some of the services including current configuration and for weekly trash pickup. A new 3-year contract with 2-year renewal could cost 20% to 30% more than it is currently for Hamilton. The Town pays \$255,000 a year to Hiltz for picking up trash, \$80,000 for tipping fees, and as much as \$40,000 for compost. A sticker program will be implemented for bulky items. The state has suggested a partnership with Manchester as well as with Wenham for Hamilton. Discussion was on running the trash program as an enterprise fund, and doing analysis to determine the per household cost. The fee on the blue bags could be increased to raise revenue. The auditors have noted that trash hauling under an enterprise fund should not be subsidized with General Fund money.

- Consideration of Reserve Fund transfer

Discussion ensued on whether or not there was enough money budgeted for health insurance premium or if a budget error occurred for this item. On September 1, 2016 the new health insurance plan goes into place which will save the Town \$80,000 for the year, and \$100,000 a year in future years (i.e., benchmark plan from MIIA similar to GIC). Lombardo noted that the transfer is not needed.

- Letter to School Committee

This letter (request for level funded budget from HWRSD) was originally supposed to come from Hamilton and Wenham to the HW School Committee, ultimately, Wenham declined to participate. Discussion ensued about how the Selectmen would discuss the matter at its August 8 meeting. The BOS has signed the letter. Discussion was with Richard Boroff about potential impact on relationship developed between Hamilton and Wenham which has improved over the course of the last 10 years. Also noted was how there is only one Hamilton resident on the HW School Committee.

- PILOT analysis and recommendations

Discussion was on analysis Andover had done (request payments from properties with assessed value over a certain amount), and list that was reviewed in Hamilton of properties with Chapter

61 reduced tax status. Lombardo will provide the FinCom with a list of tax exempt entities in Town. Discussion was on how a balanced approach should be used with these entities.

FinCom Process issues

- Email addresses and other indicia of FinCom membership

All FinCom members need to be added to allfincom@hamiltonma.gov and name plates have been ordered. The FinCom members have taken the online ethics test. The Committee will communicate with Town Clerk Andrea Carlson about how FinCom is notified to fulfill the ethics test requirement.

- Participation in annual report for distribution before/after ATM

Anabel Batista has nearly completed 2014 report. A goal is to get annual reports done within six months of close of the year. The FinCom could provide a historical and future vision summary for the reports.

- Minute Taking Process

Lombardo will discuss with Jane Dooley about her current workload and if she can attend the FinCom meetings in person or if another minutes taker should be identified.

- Liaisons

Discussion was on how the FinCom should have a liaison on Community Preservation Committee, and the importance of FinCom members communicating with boards in their liaison roles. Also mentioned was whether or not the Town Hall renovation study would be put before CPC in a project application based on how the Town needs more space to provide municipal services, hold private meetings, and provide ADA accessibility to the second floor. Lombardo asked the FinCom to consider whether or not Hamilton can afford a Town Hall renovation. He will provide the Committee with a list of Town owned buildings. Discussion addressed how there is a draft RFP for digitizing hard copy documents in Town Hall.

- Inclusion of Committee members/comments as regular part of each meeting

This practice (including reports on what is occurring with liaison boards and committees) will be implemented at the Committee's next meeting.

Other topics

The Committee will vet policies (i.e., OPEB and investment policies) regarding certain standards when the Town works with a firm to manage investment funds. This will be reviewed and addressed by the FinCom at a future meeting.

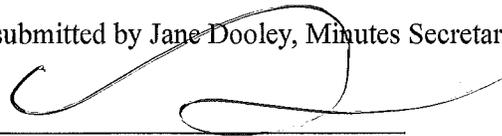
Determine agenda for next meeting

The Committee is scheduled to meet on September 7. Discussion reiterated if the FinCom would be included in any interviews of viable candidates for Finance Director.

Wanger entertained a motion to adjourn at 9:10 p.m. Tensen so moved. Pruellage seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST:



David Wanger, Hamilton Finance & Advisory Committee Chairman