TOWN OF HAMILTON
BOARD OF SELECTMEN
And
FINANCE & ADVISORY COMMITTEE
FEBRUARY 13, 2016

The Board of Selectmen met with the Finance & Advisory Committee at Hamilton Town Hall at 9:00 a.m. on Saturday, February 13, 2016 with Selectmen: Scott Maddern, Shawn Farrell, Jeff Hubbard (arrived at 9:24 a.m.), Bill Wilson, Marc Johnson, and Finance Committee: David Wanger, Nick Tensen, Joe Hughes present. Town Manager Michael Lombardo, Finance Director Brian Connolly also present.

Call to order

Scott Maddern called the BOS meeting to order at 9:00 a.m. David Wanger called the FinCom meeting to order at 9:00 a.m.

Working session for FY'17 budgets

Wanger summarized joint meeting that the Hamilton FinCom had with Wenham FinCom and discussion about how to reduce expenses. Working groups are proposed with members from both committees to examine and make recommendations regarding various approaches toward cost sharing and cost reductions.

Discussion ensued about how in next budget process the HWRSD could be asked for a flat as well as level service budget including OPEB costs. Also mentioned was a letter to the Wenham constituency from that town's FinCom Chair Michael Lucy about the financial reality in Wenham. In addition, a trend noted was how small communities in the western part of the state are combining government. It was agreed that support for joint analysis on potential cooperative efforts by both towns was important.

Maddern summarized outcome of meeting with Hamilton, Wenham, and HWRSD officials on a draft warrant article that the HW School Committee is reviewing that asks for change in apportionment between the two towns for school funding. The Committee has the legal right to go to Town Meeting and propose such a change. Discussion addressed how the Hamilton BOS and FinCom are not supportive of the measure and would review the proposal in a broader context (i.e., cost sharing ideas) likely in the fall. Town officials mentioned that initiative to change school funding apportionment should be driven by the towns versus the HWRSD. The trend of amount of school costs continuing to increase for Wenham based on school population is predicted. This year Wenham is facing a 9% increase in school costs. Given the overall decline in enrollment in the HWRSD cost containment is in the forefront for both supporting communities.

Capital expenses

Discussion ensued about capital expenses for FY'17 including a $38,000 police cruiser, $140,000 for replacement of the 15-year old front end loader, $11,900 for two mowers, totaling $232,265. Also mentioned was that the front end loader was used daily relative to if it could cost less to rent the machine and hire an experienced operator or share the equipment with Wenham. There could be issues with the union relative to using outside labor at prevailing wage for this function.

Discussion addressed how snowplowing is at least $70 an hour for an independent operator who would not have big equipment to manage all of the Town's streets. The sanding and salting has to be done with larger trucks. Analysis could be done on what segments could be outsourced in a future budget cycle (renting versus owning equipment).

It was noted that the $69,000 budgeted for the document digitization program has not been spent to date since it did not happen. This is likely to come out of the budget next year if no action is expected. A water enterprise funded document digitization project could occur on bills and maps. For repair and maintenance, $50,000 for sidewalks is in the public works budget. Also for the Fire Department is $18,050 for equipment where communication items were moved to the operation budget as part of effort to reflect a true base line.

Discussion was on how the CPC had postponed its decision on $250,000 in CPA funds until fall Town Meeting since it did not know the extent of the repairs needed at the Patton Homestead. Also that the Town could have a placeholder for Town Meeting warrant article to use additional $250,000 from sale of Patton land in the Stabilization Fund ($250,000 was already set aside for the Homestead from land sale at the site) to have $500,000 for Mass. Cultural Council matching grant to total $1 million in home improvements on the old Homestead and newer additions such as boiler and to make it ADA accessible. The intention is to have the non-profit enter into a management agreement with the Town and an RFP issued for a use of the Homestead.

Discussion addressed whether or not the Homestead is a burden to the Town with Jeff Hubbard opining that it has cost the Town $360,000 to date (including lost real estate taxes) and details of gift agreement. Maddern opined that Town Counsel has said the property is not a burden to the Town, and military archives at the Homestead continue to be overseen by Gordon College for Mrs. Patton. Discussion was on if the Board of Directors for the Homestead could assume responsibility for archives moving forward with Mrs. Patton.

Also mentioned was how the Board of Directors was aware that an RFP has to be issued so organizations can bid on the management of the property. It was noted that this is the start of the fourth year that Hamilton has held the Patton property as a Town asset for a total cost of $160,000 ($37,000 a year) plus legal costs for the agreement. The new housing at the site as a result of selling a portion of the land will bring in $150,000 a year in real estate taxes so this should neutralize costs. Also, how $500,000

was set aside from the sale of the property for housing since playing fields were supposed to be one of the results of the gift acceptance but area for fields was used for housing. Board members expressed interest in having an operating plan for the property before $1 million is invested to improve the property. Also mentioned was whether or not a lease could be issued for the property in lieu of taxes. In addition, $156,000 from the sale of the land is being used for affordable housing (Habitat for Humanity) on Asbury Street.

Discussion ensued with Hubbard about the debate that could occur on Town Meeting floor relative to the warrant article proposing $250,000 from the sale of the property in the Stabilization Fund be allocated for use at the Homestead or should the funds be applied to offset the tax rate. It was noted that a Selectmen's meeting will held on February 29, 2016 to solely address Homestead funding matter where details about this debate could be discussed, and this could be a joint meeting with the FinCom. Also mentioned was that there would be incremental steps to determine if the property is in fact not a burden to the Town, if there is revenue potential, and if due diligence has been done by the Town to use the property, and if not, the gift agreement allows the Town to return a portion of the property to the Patton family and remainder can be sold by the Town.

Finance Director Brian Connolly responded to questions from Hubbard about operating expenses where the Town officials have control including:

1. Restricted access on pdf files for the FinCom
2. Projection for FTEs
3. For the Patton Homestead the annual expenses such as $50,000 to $60,000 for insurance, maintenance, labor and utilities. (The Town might not carry the caretaker through the full fiscal year). Discussion was on need for activity based accounting and how this is not being done due to limited finance staff.
4. $2,000 for celebrations for Memorial Day in public works budget that includes fireworks (donations and staff time) $750 used last year from revolving fund

Discussion ensued with Hubbard who opined that there has been 36% growth in the Town budget since 2012. He inquired about if revenue from Manchester for the animal control officer is being applied in the budget to that cost. Connolly explained that when revenue is accepted by the Town it is not applied to an expense line item as an offset. This could be done with grants. Hubbard opined that it is difficult to understand where expenses have grown since 2012 and he wanted to understand what Town expenses are impacting the tax rate. Discussion addressed how account view in department budgets could outline the details. The table in Appendix B of the warrant provides information by department.

5. Program errors – addressed in water department (i.e., interest, unpaid bills)
6. Revolving fund for Recreation Department – state levy limit, and funds are used for program cost and field maintenance

7. Pingree School – youth leagues pay a fee there is no discount on field lease from the school

Discussion ensued about how summary of level budget could be distributed with the BOS meeting agendas to communicate budget details to public. Also, that $100,000 is budgeted for emergency dollars such as operational emergencies (if a Fire Department truck is needed). Also noted was if catastrophic events occur then Free Cash could be spent without Town Meeting approval, although Town Meeting approval would likely be sought.

Discussion was on bids being received for cell towers in Town and that revenue is not being put in the FY'17 budget due to duration of permitting process. The vendor chosen is expected to move quickly through the process. Also, that there is a placeholder on the warrant for $65,000 in meals tax for the Hamilton Development Corporation. Discussion addressed zoning by-law revision and two phases where $50,000 was originally budgeted and $25,000 has been spent to date. The Phase II would address cottage housing by-law, change authority of site plan review from Zoning Board of Appeals to Planning Board, and affordable multi-family housing. It will be determined if there is remaining budget to fund consultant for Phase II.
Discussion addressed if Community Preservation Committee will be holding a forum to discuss changing CPA surcharge from 2% to 3% which would be a ballot question at the Town election. Hubbard opined that a joint meeting could be held with Town officials about borrowing associated with CPA surcharge (i.e., $3 million with 2% surcharge, $5 million with 3% surcharge) and in general the limited CPA funding resources that the Town has and best use of the money. Town Manager Michael Lombardo left the meeting at 11:05 a.m. Discussion ensued about what the CPA project applications are and status of those presented on the CPC website and if more communication to Town officials could be done by the Community Projects Coordinator. Town officials concurred that the CPC is managing its limited resources and communicating that reality to applicants. It was noted that CPA funds cannot be spent without Town Meeting approval.

Wanger entertained a motion for the Finance & Advisory Committee to adjourn at 11:15 a.m. Joe Hughes so moved. Nick Tensen seconded the motion. VOTE: Unanimous.

Maddern entertained a motion for the BOS to adjourn at 11:15 a.m. Hubbard so moved. Johnson seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: _____ 4/13/16
Clerk

4/13/2016