

**TOWN OF HAMILTON
FINANCE & ADVISORY COMMITTEE
FEBRUARY 24, 2016**

The Hamilton Finance & Advisory Committee: Rick Sprenkle, David Wanger, Joe Hughes, John Kain present met at Hamilton Town Hall at 7:00 p.m. on Wednesday, February 24, 2016. Town Manager Michael Lombardo, Finance Director Brian Connolly, Selectman Bill Wilson (arrived at 7:11 p.m.), CPC members Tom Catalano and Jay Butler, Community Projects Coordinator Dorr Fox also present.

Call to order

Rick Sprenkle called the Finance & Advisory Committee meeting to order at 7:02 p.m.

Public comment

Discussion ensued with Jay Butler about how updated 5-year capital plan will be put on the Town's website.

Approve February 10, 2016 minutes

David Wanger moved to approve the February 10, 2016 meeting minutes from the joint meeting with the Wenham Finance Committee. Joe Hughes seconded the minutes. VOTE: Unanimous.

Review draft FY17 Annual Town Meeting Warrant and vote to approve all warrant articles

CPC Chair Tom Catalano spoke to Appendix F for the spring Town Meeting warrant. Specifically addressed was appropriating 10% of annual revenues to reserves for each CPA category: open space and recreation - \$44,688, and \$5,400 associated with debt and design/engineering for turf field project and Donovan land purchase; historic preservation - \$49,288, and \$49,288 for affordable housing, with \$244,233 to go to the Hamilton Affordable Housing Trust, with \$5,767 from undedicated reserves for total of \$250,000 to the Trust.

The Town has a total of \$492,878 in local surcharge and state match every year for CPA funds. For each category: open space and recreation, historic preservation, and community housing, 10% of the total budget is set aside annually for each. The undesignated fund balance has four projects: \$5,767 for Affordable Housing Trust, \$25,000 for construction of Winthrop School playground, \$39,247 for the design of fields at HWRHS, and \$110,000 to the Sagamore Hill conservation purchase totaling \$180,000 for the fund balance. There will be carry over on the undesignated fund balance. The open space fund balance will be \$64, affordable housing at \$0, historic preservation at \$62,000 and undesignated fund balance at \$800,000.

Discussion was with the CPC members about how all CPA warrant items need 2-year sunset clauses for each grant to be voted on by Town Meeting. The CPC warrant article will contain an italicized note about how the CPC voted on warrant article projects. When there is mutual agreement between grant recipient and the CPC that a project will not go forward after two years from receiving a CPA fund grant the funds will go back into the designated category of CPA funds without a Town Meeting vote. Discussion ensued about how Town Meeting presentation on the CPA projects would include information on the source of funds and in what category they are being spent as well as percentage of CPA funds that remain.

Discussion addressed how there could be resistance at Town Meeting to spending CPA funds on school based projects (i.e., Winthrop School playground where there was a 5-2 vote by the CPC on the project). The CPC members thought a consequence of Hamilton using CPA funds for a school project is that the other schools in the district will then be motivated to ask for CPA funds. The Friends of Winthrop group had raised \$90,000 and additional funds from the HW School Committee (\$7,500) and Wenham's CPC (\$20,000).

The CPA coalition has stated that CPA funds cannot be used for stadiums relative to the proposed turf field project. CPA funds from Hamilton were approved for design and engineering of turf field. Private fundraising is underway for the field project. Details such as safety of field, if lights will be installed, CPA qualification, etc. need to be worked out. Town counsel has opined on what aspects of the project qualify for CPA funds (i.e., carpet definitely not). Discussion was about the consensus vote that Town moderator will read at Town Meeting so all CPA items are voted as a slate unless a Town Meeting voter puts a hold on an item. Presentations on specific items will be made if necessary (i.e., Recreation Director on turf field). Also noted was reference to other available funds associated with Appendix F which could be if a private donor comes forward but this rarely occurs.

In addition, the Town is experiencing project requests for large expenditures (i.e., grants for Sagamore Hill open space, and affordable housing from Affordable Housing Trust) when CPA reserves are going down. Work is underway to hold a neutral forum on possibility of raising the CPA surcharge from 2% to 3%. A larger number of funds raised from CPA via higher surcharge qualifies the Town for a higher match from the state. A concern is if more funds would be used for projects outside of the Town's normal operating budget. A possible renovation of the Town Hall would require a large general fund component (i.e., \$4 million). Discussion addressed whether or not CPA funds could be used for a feasibility study for the Town Hall renovation. Also mentioned was how use of the Patton Park playground during the school day was not an option for Winthrop School students in regard to CPA application for rehabilitating the school's playground.

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Sprenkle entertained a motion for the Finance Committee to recommend favorable action on Article 2-8: Community Preservation Budget. Wanger so moved. Hughes seconded the motion. VOTE: Unanimous.

Article 2-1: Prior Year Bills. Wanger moved to recommend favorable action. Hughes seconded the motion. VOTE: Unanimous.

Article 2-2: Compensation/Classification Table. John Kain moved to recommend favorable action. Wanger seconded the motion. VOTE: Unanimous.

Article 2-3: General Town Departmental Appropriations. Discussion ensued about digitization of records project and need for RFP, if administrative assistant to the Town manager position would be reduced to part time, and 11% increase budgeted for healthcare insurance. Wanger moved to recommend favorable action. Kain seconded the motion. VOTE: Unanimous.

Article 2-4: General Town Capital Appropriations. This article will be taken off of the warrant.

Article 2-5: Water Enterprise Budget. Wanger moved to recommend favorable action. Kain seconded the motion. VOTE: Unanimous.

Article 2-6: Waste Reduction Enterprise Budget. This is the last year of the waste pick-up contract and an RFP is needed. There is no longer any debt service for the barrels. A decision has to be made to either bring this service back into the public works operating budget or make the enterprise fund self-sustaining rather than subsidize it from the general fund. Discussion addressed a recommendation to use a sticker on bulky items to capture revenue for this disposal which is not occurring presently where one bulky item a week can be put in the waste stream by a household for no cost. The Town manager offered to speak to the waste hauler about this proposal. Wanger moved to recommend favorable action. Hughes seconded the motion. VOTE: Unanimous.

Article 2-7: Annual Financial Actions. Wanger moved to recommend favorable action. Kain seconded the motion. VOTE: Unanimous.

Article 2-9: Annual Authorization of Revolving Funds. Wanger moved to recommend favorable action. Kain seconded the motion. VOTE: Unanimous.

Article 2-10: Hamilton Development Corporation. Annually \$65,000 of meals tax revenue is given to the HDC, and the HDC gives 10% of that back to the Town. Wanger moved to recommend favorable action. Kain seconded the motion. VOTE: Unanimous.

Article 2-11: OPEB Trust Fund. Discussion ensued about how \$125,000 has been put aside for this purpose. Town counsel has opined on the language related to trust fund (descriptive name

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used in general ledger as part of general fund) and pending legislation intended for FY17 that would allow the Town to put this money directly into an interest bearing account (i.e., 7%). The FinCom deferred its recommendation until it heard from Town counsel on the appropriate language.

Article 2-12: Patton Homestead Fund. Discussion ensued about proposal to transfer the remaining \$250,000 from the \$1 million proceeds of the sale of the land at the Patton property all part of effort to raise \$500,000 that would be matched for a total of \$1 million in a Mass. Cultural Council grant for Homestead improvements. Also mentioned was whether or not the \$250,000 should be applied to the tax rate. In addition, discussion has occurred about how a RFP should be completed for the Homestead non-profit to hire a director for the Homestead. It was noted that \$500,000 had been set aside from the land sale for playing fields. Wanger moved to recommend favorable action. Kain seconded the motion. VOTE: Unanimous.

Article 3-1: Rewrite of Zoning By-law. This article may not stay on the warrant because a Phase II has been developed pertaining to the by-law rewrite and remaining funds appropriated for Phase I will likely be used for that purpose.

Article 3-2: Amendment to Senior Housing Zoning By-law. This article is to eliminate the sunset clause so the by-law would not have to be readopted. Wanger moved to recommend favorable action. Kain seconded the motion. VOTE: Unanimous.

Article 3-3: Citizen's Petition – Site Plan Review to Planning Board. After discussion about balance of responsibility, and how Zoning Board of Appeals is bound by law in site plan review, and has expertise in its appointed membership versus elected membership found on the Planning Board, the FinCom tabled its vote on this article.

Article 4-1: Amend Affordable Housing Trust By-law. This article is coming off of the warrant.

Article 5-1: Transfer Open Space to Conservation Commission. This article allows the Conservation Restriction to be put in place once the Sagamore Hill property is sold.

Article 5-2: Community Aggregation of Electrical Load. This allows the Town to shop for lower electrical rates for its residents.

Sprenkle entertained a motion for the Finance Committee to vote on Article 5-1 and Article 5-2 as a slate to recommend favorable action. Wanger so moved. Kain seconded the motion. VOTE: Unanimous.

Article 5-3: Lease of Land for Cell Towers. The Town has selected a contractor after procurement process that will lease land from Hamilton for cellphone towers. Sprenkle

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entertained a motion to recommend favorable action on Article 5-3. Wanger so moved. Kain seconded the motion. VOTE: Unanimous.

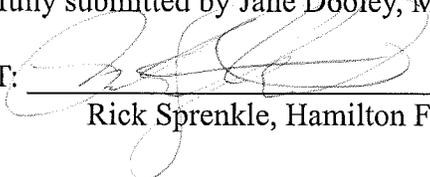
Article 5-4: Management of Patton Homestead. This article allows the Town manager to enter into agreements related to Homestead. Sprenkle entertained a motion to recommend favorable action on Article 5-4. Wanger so moved. Kain seconded the motion. VOTE: Unanimous.

Article 6-1: Free Cash Application. This article addresses using \$500,000 of Free Cash to apply towards the tax rate. Sprenkle entertained a motion to recommend favorable action on Article 6-1. Wanger so moved. Kain seconded the motion. VOTE: Unanimous.

The Town auditor's presentation will occur at the Selectmen's meeting on March 21. Also mentioned was 2014 report will be done in-house, 2015 will be done by a consultant. The FinCom will start work associated with working groups with Wenham. Sprenkle entertained a motion for the FinCom to adjourn at 9:50 p.m. Wanger so moved. Kain seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST:

 4/13/2016
Rick Sprenkle, Hamilton Finance & Advisory Committee Chairman