

**TOWN OF HAMILTON  
FINANCE & ADVISORY COMMITTEE  
OCTOBER 20, 2015**

The Hamilton Finance & Advisory Committee: Rick Sprenkle, Nick Tensen, David Wanger, Joe Hughes, John Kain met at the Hamilton Senior Center at 7:07 p.m. on Tuesday, October 20, 2015. Finance Director Brian Connolly, Selectmen Scott Maddern and Bill Wilson, Town Manager Michael Lombardo also present.

**Call to order**

Rick Sprenkle called the Hamilton Finance & Advisory Committee meeting to order at 7:07 p.m.

**Public Comment**

ECGA's Chris LaPointe of Mill Street offered to speak to Sagamore Hill project later in the meeting. Selectman Scott Maddern noted that tax spending was 1.9% last year and asked if this could be considered for FY'17 planning. Also, that Maddern could include FinCom information in report given at STM.

**Minutes Approval – September 15, 2015**

Discussion was on language in minutes about 2.7% as expected budget increase for HWRSD. This was part of hypothetical discussion rather than expectation so this language was deleted.

Sprenkle entertained a motion to amend the September 15, 2015 minutes with deletion discussed. David Wanger so moved. Nick Tensen seconded the motion. VOTE: Unanimous.

Sprenkle entertained a motion to approve the minutes of September 15, 2015 as amended by the aforementioned vote. Wanger so moved. Tensen seconded the motion. VOTE: Unanimous.

**Review STM Warrant Articles and Vote Recommendations as applicable**

**Article 1-1:** *Town Reports* – FinCom will present a 5-minute report highlighting budget drivers, summary of present economic data including key indicators such as

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demographic shift, housing sales, inflation, income, etc. Also, guidelines for making decisions for Hamilton based on goals BOS is working on with Town manager and surveys (i.e., Master Plan) would be available in a handout not presentation at STM. Discussion was on if short presentation providing explanatory information on the Town's \$5 million OPEB unfunded liability (state is not finding solution to problem) could be presented at STM by Town's auditors. In addition, if this OPEB information should be presented again at ATM as well and publicized through HWCAM and Town's website.

**Article 2-1:** *Prior Year Bills* – Four or five bills from FY'15 totaling \$4,729.97 in part for recruiting of Finance Director, as well as pest control, cleaning and supply bills.

Wanger moved for the Finance and Advisory Committee to recommend a favorable vote on Article 2-1. Tensen seconded the motion. VOTE: Unanimous.

**Article 2-2:** *Pool Revolving Fund* – The fund will be used for receipt of revenue for pool passes and pool program to be used for salaries, supplies, expenses, contractual services, and related capital expenses to operate and maintain the pool. The maximum spending limit will be \$223,739 according to statute. If any excess funds are needed they would be raised jointly between Hamilton and Wenham, although the pool is not currently in the joint recreation agreement.

In the past the receipts from summer park program paid for lifeguards this was not part of a joint arrangement. Any excess funds raised for pool will not come back to the General Fund. Presale of pool passes will occur soon so information will be known by ATM on revenue from this funding source. Town Manager Michael Lombardo explained that he is working with his counterpart in Wenham Peter Lombardi to incorporate ongoing operation of pool into joint recreation agreement. Wenham is also interested in having the recreation program oversee Pleasant Pond in Wenham that is currently run through that town's public safety department and passes are sold for swimming, fishing and parking. The goal is to have the new Patton Park pool open in mid-July depending upon amount of demolition done in the fall. Rates for pool passes will be set by the HW Recreation Board.

Discussion ensued about the uncertainty associated with the joint undertaking (Wenham's commitment to pool operation costs in joint recreation agreement) and need to establish the fund. Wanger moved for the Finance and Advisory Committee to recommend a favorable vote on Article 2-2. Tensen seconded the motion. VOTE: Unanimous.

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**Article 2-3: Community Preservation Committee Projects** – This article addresses CPC recommended projects for CPA funding totaling \$87,890: Historic Preservation - \$9,980 for final phase of Preserve Our Pictures project, \$65,000 for window replacement and electrical upgrade at American Legion building, and Community Housing: \$13,000 for a roof repair at Hamilton Housing Authority property at 31 Union Street.

Discussion ensued about fund balance in CPA accounts and impact of warrant articles on the reserves. Also questioned was who owned the American Legion building relative to Town ownership (Lombardo offered to research), if there was any other funding source such as rental fees for use of the building that could be applied towards the repair, why the Town would pay for this historic building in need of repair if it is not open to general public use, and if the Town would be allowed to use the building for meeting space.

Discussion addressed how the American Legion should be responsible independently from the Town and CPA funds to maintain the building. The Legion has used CPA funds multiple times in the past to repair its building. The FinCom suggested that the Legion should have a capital plan and enough revenue to support its capital needs.

The FinCom tabled this article so more information could be received to make a recommendation.

**Article 2-4: Conservation Restriction for Sagamore Hill** – CPC has voted to fund the project with \$190,000 of CPA funds in open space reserve, \$310,000 from fund balance of undesignated reserve, \$1.25 million to be borrowed over 15 years with level principal payments and 4% interest. The borrowing will be against CPA future revenue from 2% CPA surcharge so Town can affordably fund the project at estimated \$120,000 a year.

Discussion addressed how the Town will own the Conservation Restriction and Greenbelt will own the land under the easement while bearing expense, liability and management of the property keeping it safe and accessible to the public beyond just members of ECGA. Parking areas will be established on Sagamore Street. The sole exposure for the Town is \$1.75 million for CR appraised at \$4.38 million. The money for the Hamilton land will go to owner Donovan LLC (half to John Donovan III's widow, remainder to trust for John Donovan Sr.). The ultimate beneficiary for Essex land is John Donovan Sr. Hamilton Town Meeting will be voting whether or not to invest in the project for a not to exceed amount. ECGA has asked state for partnership grant of \$2 million, it has received a commitment from DCR for \$250,000, and Greenbelt is a third of the way toward privately fundraising \$1.5 million, Hamilton is being asked to invest

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\$1.75 million, Essex will be asked for \$100,000 from its CPA funds for its portion of the proposed property conservation for a total of \$ 5.6 million. If the \$2 million partnership grant is received the funding amount for Hamilton will go down. If the total amount of money is not amassed the project will not happen.

Wanger moved for the Finance and Advisory Committee to recommend a favorable vote on Article 2-4. Tensen seconded the motion. VOTE: Unanimous.

**Article 3-1: *Mixed Use By-law Amendment*** – The Hamilton Development Corporation has submitted this amendment to the zoning by-law so residential use can be increased in the business district (i.e., downtown business could have commercial/retail on first floor and residential use on second floor) to increase the revenue stream for business owners and invigorate the business district. Discussion ensued about how some neighbors had concern about potential change to downtown. There are currently two uses where residential space is available (i.e. third floor at the Community Package Store) which cannot be used now and this would change if amendment is approved at Town Meeting. Any proposed projects would be reviewed by the Planning Board and Zoning Board of Appeals.

Wanger moved for the Finance and Advisory Committee to recommend a favorable vote on Article 3-1. Tensen seconded the motion. VOTE: Unanimous.

**Article 4-1: *Amendment to Noise By-law*** – The current general noise by-law's only remedy for a noise violation is to take someone to court and there is no mechanism for citing a noise violation. Guidelines based on the amendment would be for a police officer to use discretion when there are complaints about noise and ticket, if warranted, can be issued. The Town manager would be the hearing officer associated with the by-law. Discussion addressed timing when temporary loud noise activities are allowed (i.e., power tools) from 8:00 a.m. until 9 p.m. Also, snow removal and generators are not constrained by timing specified in by-law.

Wanger moved for the Finance and Advisory Committee to recommend a favorable vote on Article 4-1. Tensen seconded the motion. VOTE: Unanimous.

Discussion was about how the FinCom will not deliberate via email regarding further information on Article 2-3.

**Determine Next Meeting Date**

The FinCom's next meeting is on Tuesday, October 27 when the Committee will revisit STM warrant article 2-3, Town and School operational budget percentage guidance, and reviewing three-year forecast.

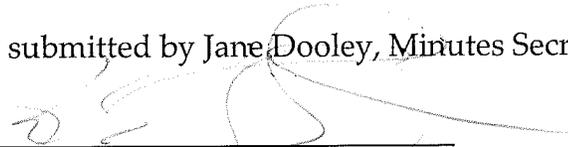
Next meeting topic will include FinCom working with BOS and HWRSD to provide guidance on percentage increase for the budget. Focus will be on operational and other programs beyond level services as well as growth rate relative to declining school enrollment, and 2.5% increase for teachers' contract where salaries are below average compared to cohort towns. Also, that the COLA for Social Security recipients is 0%. Contract negotiations are occurring now for HWRSD administrative staff and maintenance crew. It was noted that a collaborative tone between FinCom and HWRSD would be productive as it was last year during budget process.

Discussion addressed reconciliation of audit and budget on the Town's books closed at beginning of fiscal year and audit report is supplied nearer end of calendar year. The FinCom is interested in tracking trends. There was also mention about OPEB impact in HWRSD and how this is being addressed by the school department's auditors Powers & Sullivan.

Discussion was on if in the future information on the lease arrangements could be posted on the Town's website (i.e., American Legion and Senior Center). Also, whether or not the Town snowplows at these facilities. In addition, if there could be sharing of regional assets going forward (i.e., IT) across two towns and HWRSD.

Sprenkle entertained a motion for the FinCom to adjourn at 8:48 p.m. Wanger so moved. Tensen seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST:   
Rick Sprenkle, Chairman