

TOWN OF HAMILTON  
FINANCE & ADVISORY COMMITTEE  
MARCH 1, 2014

RECEIVED  
TOWN CLERK'S OFFICE  
HAMILTON, MA  
2014 JUL 2 PM 12 37

The Finance & Advisory Committee met at Hamilton Town Hall at 9:00 a.m. on Saturday, March 1, 2014 with Chair John McWane, Charles Chivakos, Jeff Stinson and Nancy Gerardi-Walsh present. Town Manager Michael Lombardo, Community Preservation Committee Coordinator Christine Berry, and HW School Committee member Larry Swartz also present.

**Call to order**

Chair John McWane called the meeting to order at 9:00 a.m. and noted that the meeting was being recorded.

**Review of FY'15 CPA Recommendations to Annual Town Meeting**

Christine Berry explained that the Community Preservation Committee had not finished voting on all of the FY'15 Community Preservation Act projects. Three projects that were approved including:

1. Restoration of Historical Town Records – Request of \$5,500.000 from Town Clerk Jane Wetson for the restoration and preservation of various Town records dated 1877 through 1979;
2. Digitization of Hamilton Historical Society Pictorial Collection – Request of \$9,820.00 from Annette Janes, Hamilton Historical Society to fund the preservation and digitization of their pictorial records (i.e., photographs, maps and posters), and project includes database creation to enable public to research and view collection; and
3. Hamilton Senior Center Bathroom Renovation – Request of \$30,150.00 from Mary Beth Lawton, Hamilton Council on Aging for renovation of men's and women's bathrooms at the Senior Center and bathrooms will be made ADA compliant.

Discussion ensued about how the floors at the Senior Center would have to be replaced in the next few years. In addition, there is need for decision about storage in back of facility since it is portable and affixed to the back of permanent building that needs attention, as well as renovating the second floor including

installation of lift to the second floor. Discussion addressed how this would be included in the Capital Management Plan.

Discussion was on two other projects that will be voted on by the CPC including: the Veterans Memorial Pool at Patton Park (bids are coming in and a vote is expected week of March 24) and restoration of the American Legion building on School Street for approximately \$97,100 including windows, exterior doors, hardwood floor and electric system. Discussion addressed if borrowing would be done for the pool project.

Discussion was about advice from Town counsel that the CPC should enter into a Public Benefit Agreement with the American Legion to ensure adequate public benefits are achieved through this project. The building housed the first school in Town and the Town has the right of first refusal (this is recorded with the Registry of Deeds) on the building if the American Legion decides not to use it anymore. Town officials expressed concern about this building and the Senior Center where projects are being funded on an annual basis and that the tenant should be addressing needs of the buildings. Also mentioned was that intent of the request was interest in restoring original look of the historic building. A vote on this request is expected on March 13.

Other CPA project requests are: \$46,200.00 to fund the debt service of the Donovan Acquisition (\$43,100.00 in principle and \$3,100.00 in interest) where there is six years left of bond payments, and 5% of CPA revenue will fund Community Housing Reserve, and 5% of CPA annual revenue will fund Annual Community Preservation Coalition membership fees and salary for part-time Community Preservation Committee Coordinator position.

McWane entertained a motion for recommending favorable action on the first four items in the Community Preservation Committee Budget. Charlie Chivakos so moved. Jeff Stinson seconded the motion. VOTE: Unanimous.

### **Review of Joint Programs**

**Recreation:** Discussion ensued about HW Joint Recreation budget that is down 3.6% (Hamilton's share is \$105,249) in the operating budget since the new half time administrative person is at a lower step. Hamilton pays the whole amount and bills Wenham for its share.

McWane entertained a motion to approve for FY2015 for the HW Recreation Department for \$134,685.39. Chivakos moved that the Finance & Advisory Committee recommend favorable action on the Joint Recreation budget of \$134,685.39. Nancy Gerardi-Walsh seconded the motion. VOTE: Unanimous.

*Library:* Discussion ensued about how Wenham Finance Committee and Wenham BOS had approved the full amount of the library budget including salary increase in January, 2% COLA and increase for steps that library requested based on its own wage and compensation table. Discussion addressed agreement reached with Wenham Town Administrator Mark Andrews and library management that salary increases this spring would be dependent upon a valid wage and compensation table done by a third party after that is completed steps will be determined and applied to library personnel in the next two to three years and amount would be known for July 1, 2014. Wenham Fin Com voted \$10,000 to get the wage and compensation table done that would verify table submitted by library board.

Lombardo summarized conversation with Library Director Jan Dempsey about the increases based on the library's wage and compensation table and agreement between the two towns that this would be studied together and agreement would be reached on the table done together by the entities and implementation. He cited his concerns that were addressed with Andrews including the proposed 4% steps in this economy, along with a 1.5% to 2% COLA, and many of the positions are at the top end of the scale which are a \$1 more an hour above market. Also, that the Town of Hamilton is in the process of evaluating the Town's wage and classification table. Lombardo said budget approval in Hamilton will include last year's budget amount and appropriate operational budget increases but will not include the wage increases until the study is completed and agreement amongst the entities is reached. An email will be sent to Wenham and library personnel about honoring the agreed upon process.

Also mentioned was that benefits number is not broken out in library budget amount that Hamilton votes on and the Town is asking for honest information since Hamilton funds two-thirds of the operation. Discussion addressed how many of the municipal positions could be at or above market and importance of getting internal equity and intent to partner with a common vendor to do the wage and classification study for the three entities. Gerardi-Walsh stated that the Town needs to pay its share of the budget based on breakdown with an itemized list, understand the procurement procedure and review joint agreement. Discussion addressed how Hamilton pays a bill based on a formula for the fee

(i.e., \$19,000). Lombardo will ask Finance Director to provide an itemization of FY'13, FY'14 and FY'15.

Chivakos moved that the Finance & Advisory Committee support the strategy of the Hamilton Town manager in funding a library budget only after wage and classification process has gone forward and prior to that supporting only a budget that includes current COLAs and increases. Gerardi-Walsh seconded the motion. Discussion ensued about how there is not agreement about when the step increases will be funded and that fiscal information is needed. VOTE: Unanimous. Discussion addressed how raises would be retroactive to July 1<sup>st</sup> once wage plan and agreed upon process is completed.

**Regional school district:** Discussion ensued about how HWRSD has asked for \$1.2 million in increased spending of which \$725,000 is for new programs. Hamilton BOS and Fin Com have supported a 4% increase in HWRSD budget and HW School Committee wants 5.2%. There is general support for the school budget.

Discussion was on HWRSD proposed FY'15 budget that included the \$1.2 million or 4.6% increase in spending and how Hamilton pays net increase of 5.2%. Also mentioned was how much of the school department's E&D would be applied to the towns' assessments and if \$1.5 million would be given back in the current fiscal year. This amount would be replenished with nearly \$1 million from underspending on school staff health insurance cost.

Discussion with Larry Swartz, HW School Committee member, about how a uniform amount would be given back to the two towns. Also addressed was how approved budget represents 3.2% increase in Hamilton's share of school district assessment. Hamilton had proposed its support of new expenses of \$456,000 versus \$725,000. A \$900,000 increase versus \$1.2 million. In addition, that \$319,000 and \$1.5 million would be used to reduce assessment so Hamilton would have \$800,000 for Free Cash that could be applied to tax rate.

Discussion ensued about increase in HWRSD budget associated with preventative maintenance and that the voters would decide whether or not to be supportive of school budget. Also mentioned was importance of burden on an already high tax rate and how the per pupil cost is already higher than many other peer communities. In addition, officials discussed importance of focus on true expenses of the budget, that more than budgeting errors should be corrected such as finding efficiencies (which is being done by the superintendent) and

savings before adding programs and related increases (i.e., full day kindergarten is the biggest driver) and how higher HWRSD budget drives increased future budgets. Also noted was budget for facilities management across the three entities would likely be addressed at fall STM.

McWane entertained a motion to support a net spending increase of the school budget of 4%. Chivakos moved that the Finance & Advisory Committee support a net increase of the school budget of 4%. Gerardi-Walsh seconded the motion. VOTE: Unanimous.

Discussion ensued about \$1.5 million excess money that the HWRSD wants to give back to the towns and options on how it can be applied in FY'15 budget to reduce the tax rate by Hamilton drawing down its Free Cash and replenishing it with the reduced school assessment, some could be applied next year, or it could all flow to Free Cash.

McWane entertained a motion to request of the HW School Committee that it return HWRSD excess funds by reducing the assessment in fiscal year 2014. Chivakos moved that the Finance & Advisory Committee recommends that the School Committee return the excess funds by reducing its assessment for FY'14 budget. Gerardi-Walsh seconded the motion. VOTE: Unanimous.

### **Review of FY'15 Town budget**

Discussion ensued about budget changes that are in the works including increases in library budget that will be discussed with Wenham officials. Also mentioned was controversy associated with full time Planning Director position that has been funded for a few years and that some individuals on the Planning Board are preparing to bring forward from one to four citizen petitions regarding part time Planning Coordinator no longer reporting to Town Manager but to Planning Board, and full time Planning Board Director would report to Planning Board rather than Town Manager.

Discussion ensued about warrant article that would result from the citizen petition and its legality as well as the importance and Town's need for the service of a full time Planning Director. Also noted was the significant amount of work required to implement the Planning Director position and need for level of acceptance to make it work relative to future development in Hamilton.

Discussion was about Free Cash and need for conversation on capital and how it will be funded. McWane suggested applying \$600,000 of Free Cash now. Also addressed was ATM warrant article 2-12. McWane entertained a motion to transfer from available funds (\$68,000 in Meals Tax revenue) the amount from the Meals Tax to the Hamilton Development Corporation. Chivakos moved that the Finance & Advisory Committee recommend the transfer of Meals Tax revenues to the Hamilton Development Corporation. Stinson seconded the motion. VOTE: Unanimous.

Discussion ensued about Article 2-14: Citizen's petition on Essex Street to clean up path for \$25,000 and that article is written for unpaved trail and that it should be addressed as a capital item. Chivakos moved for the Finance & Advisory Committee to recommend unfavorable action on Article 2-14. McWane seconded the motion. VOTE: 2-0-1 with Stinson abstaining and Gerardi-Walsh not voting since she had to leave meeting.

Discussion was on warrant article related to amendment motion for by-law to reduce the number of HW School Committee members from 9 to 7. Also addressed was process in regional agreement where administrative staff certifies voter signatures on Committee member nomination papers. Also mentioned was recommendation against setting up a Stabilization Fund to receive give back funds from HWRSD and that school department needs a policy regarding giving back excess funds.

Discussion ensued on Capital Improvement Projects including: new, reliable municipal phone system for \$70,000 that could include Town's own reverse 911 calling system, replacement of fire and highway vehicles, \$190,000 highway road program (a permanent DPW Director is needed to implement), sidewalks, and also no funds have been budgeted for road repair on Linden Street related to culvert project which needs to be addressed.

The Committee did not have any reserve fund transfers. The next meeting is Saturday, March 8 to vote on the ATM warrant articles. Chivakos moved to adjourn at 11:49 a.m. Stinson seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST:                     *McWane* 6/18/14                      
Clerk



