

TOWN OF HAMILTON  
FINANCE & ADVISORY COMMITTEE  
MARCH 8, 2014

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The Finance & Advisory Committee met at Hamilton Town Hall at 9:05 a.m. on Saturday, March 8, 2014 with Chair John McWane, Charles Chivakos, Rick Sprenkle, Jeff Stinson and Nancy Gerardi-Walsh present. Finance Director Deborah Nippes-Mena and Selectmen liaison Scott Maddern also present.

**Call to order**

Chair John McWane called the meeting to order at 9:05 a.m. and acknowledged HWRHS student Logan Appel who was attending.

**Joint Library budget**

Discussion ensued about how \$12,000 is the remaining increase for salaries for the last half of fiscal year, and \$48,000 is for steps and 2% COLA. Also, that the Fin Com voted not to support the steps in the library budget. In addition, at the joint meeting held recently with officials from Hamilton and Wenham and HWRSD three items were mentioned: six-months to complete a full year of the raises from last year, a 2% COLA, and steps (an unsettled decision between the two towns).

Discussion addressed how ad hoc committee had asked Wenham to do a wage and classification study to determine appropriate market salaries for library personnel which would be used for two to three year plan to get these individuals to steps. The library staff did its own wage and classification study of peer community libraries and determined salaries for personnel. What had been agreed to by officials from the two communities was an independent wage and classification study. Wenham hired someone to validate the study done by the library staff. Town Manager Michael Lombardo does not support this approach and he wants the library staff to be included as part of larger wage and classification study that the Town had budgeted for. Step increases will be voted at fall STM retroactive to July 1.

Also mentioned was that Wenham has budgeted \$10,000 for benchmarking and a salary survey. Hamilton is doing a comprehensive wage and classification study that will include MSA benchmarking (for the municipality to remain competitive in this geographic region) relative to current compensation as well as updating of

job descriptions, and an analysis of current range for steps to provide integrity for next decade. Also addressed was how library personnel wages were well below what they should have been and they were raised \$2 an hour. Discussion was on how the steps that they are asking for adds another \$4 an hour or if the step follows Hamilton model it would have been 4%.

McWane entertained a motion to approve \$642,295 for library expenses with the provision that step increases will be approved in the fall STM subject to recommendations by the ad hoc committee on the joint library. Charles Chivakos so moved. Nancy Gerardi-Walsh seconded the motion. Discussion was about ad hoc committee being charged with tasking Wenham to do a wage and classification study. VOTE: Unanimous.

### **Town budget**

Discussion ensued about HW School Committee agreeing to return \$1.5 million of excess funds to the supporting towns to reduce the FY'14 assessment. So the Town will have approximately \$1 million less in assessment that will accrue to Free Cash that will be certified in the fall. In anticipation of this the Town is planning to spend \$1.3 million of cash reserves. In the fall the Town will have \$2 million of certified Free Cash. Also mentioned was \$548,000 HWRSD budget increase and that \$900,000 is underwriting Hamilton's operating expense. Of the \$1 million coming back to the Town, recommendation is for \$600,000 to be used to reduce the tax rate with \$400,000 unspent funds that can be used in the fall or next year.

Discussion addressed how much excess money from schools should be refunded to the current taxpayers with consideration of impact on stability of future tax rate and that HWRSD budget is going up. Town officials noted that the excess money would be used to mitigate HWRSD budget increase and the hope is for the HWRSD to stabilize its budget once programs are added to improve education. Also mentioned was per pupil cost and efficiencies at HWRHS that are not being addressed by HW School Committee. As well as need for HWRSD to do long range planning and get the teacher head count down while providing the same level of services.

Discussion revisited library budget to address \$12,000 of raises already given, \$10,000 for COLA and \$48,000 for steps where \$24,928 should be taken off of the Town's allocation until the wage and classification study has been completed for the joint library personnel. McWane entertained a motion to rescind the Finance

& Advisory Committee's previous vote. Rick Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

McWane entertained a motion to approve \$642,295 for library expenses by replacing this amount with \$617,367 with the provision that step increases will be approved in the fall STM subject to recommendations by the ad hoc committee on the joint library. Chivakos so moved. Jeff Stinson seconded motion. VOTE: Unanimous.

Also mentioned is that it is unlikely that local aid would increase for Hamilton and that any budget surplus at state level would possibly going into CPA.

#### Accounts Receivable Specialist – Treasury

Discussion ensued about accounts receivable specialist position in Treasury and how the hours for the position have been increased from part time 32.5 hours to full time 37.5 hours. In the budget is a \$5,000 maximum increase and position will be offered at Step 2 with expectation of person remaining in job for three years.

Discussion ensued about ECO increase due to decrease in grant funding. Also, that the warrant articles have been included in the budget. In addition, if a facilities department for Hamilton, Wenham and HWRSD would be established and need for budgeting. Also, that Town is budgeting in capital line item replacement of front line vehicles as part of a proper capital rotation plan relative to importance of transparency, continuity of operating budget, and if these items should be presented as warrant articles or paid for from Free Cash. Information on these items would be included in the Town Meeting warrant appendices. Gerardi-Walsh had to leave the meeting at 10:54 a.m.

#### Votes on budget items, recommendations for ATM

McWane entertained a motion for the Finance & Advisory Committee to approve the Town capital/operating budget of \$10,508,623. Chivakos so moved. Stinson seconded motion. VOTE: Unanimous. Stinson had to leave the meeting at 10:55 a.m.

McWane entertained a motion for the Finance & Advisory Committee to approve \$281,591 budget for the Essex North Shore Agricultural and Technical High School. Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

Discussion ensued about 5.2% increase in HWRSD budget where the Finance & Advisory Committee had voted last week that 4% was possibly the best estimate of what taxpayers should fund for that budget.

McWane entertained a motion to make a recommendation at ATM for Article 2-2 General Town Appropriations. Chivakos so moved. Sprenkle seconded the motion. Discussion ensued about whether or not 4% was good or bad, how much the level services budget had gone up (i.e., \$450,000) and that added services (i.e., \$700,000) were represented correctly. Also that there was a missed opportunity at the joint meeting for school budget line item review, and summary by Superintendent of Schools on the budget proposal. VOTE: 2-1 with Sprenkle opposed.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-3 General Town Capital Appropriations. Chivakos moved that the Finance & Advisory Committee vote favorable action on Article 2-3. Sprenkle seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-1 Compensation/Classification Table. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-4 Water Enterprise Budget. Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-5 Water Enterprise Retained Earnings. Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-6 Waste Reduction Enterprise Budget. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-7 Annual Financial Actions. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to make a recommendation at ATM for Article 2-8 Community Preservation Budget. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-9 Annual Authorization of Revolving Funds. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-10 Hamilton Development Corporation. Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-11 OPEB Trust Fund. Sprenkle so moved. Chivakos seconded the motion. Discussion ensued about OPEB study on Town website and how a new study would be done in July, that an ad hoc committee could work on Home Rule petition for fall, and that state cannot afford to bail out communities on this expense that supplements Medicare. Also, that the Town has budgeted for a part time public relations communications person to provide this information to residents. VOTE: Unanimous.

Sprenkle moved that the Finance & Advisory Committee defer making a recommendation until ATM on Article 2-12 Reconstruction of Patton Park Pool. Chivakos seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 2-13 Disposition of Patton Homestead Property. Discussion ensued about process for use of proceeds from the sale and future tax revenue stream relative to property expenses in the next few years and next steps for a new playing field in Town since the housing development negates a good location at the property for field. Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

Sprenkle moved that the Finance & Advisory Committee defer making a recommendation until ATM on Article 2-14 Citizen's Petition Construction of Path along Essex Street. Chivakos seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend unfavorable action on Article 3-1 Citizens' Petition Site Plan Review

to Planning Board. Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 4-1 Conforming Amendments of Town By-laws. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

Sprenkle moved that the Finance & Advisory Committee defer making a recommendation until ATM on Article 5-1 HWRSD Agreement Amendment. Discussion ensued about asking HW School Committee Chair Roger Kuebel for an explanation on this article. Chivakos seconded the motion. VOTE: Unanimous.

McWane entertained a motion for the Finance & Advisory Committee to recommend favorable action on Article 6-1 Free Cash Application. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

**Reserve Fund Transfers**

McWane entertained a motion for the Finance & Advisory Committee to empty the Fin Com reserve of \$41,527 to cover the snow deficit. Sprenkle moved that the Finance & Advisory Committee approve the request to move \$41,527 from Fin Com reserve to Town for excess expenses from snow removal. Chivakos seconded the motion. VOTE: Unanimous.

The next meeting is Tuesday, April 1 at 6:00 p.m. Chivakos moved to adjourn at 12:26 p.m. Sprenkle seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST:         *Jim Wane* 6/18/14          
Clerk