

**TOWN OF HAMILTON  
FINANCE & ADVISORY COMMITTEE  
JUNE 18, 2014**

The Finance & Advisory Committee met at Hamilton Town Hall at 7:00 p.m. on Wednesday, June 18, 2014 with Chair John McWane, Rick Sprenkle, and Nancy Gerardi-Walsh present. Finance Director Deborah Nippes-Mena and Town Manager Michael Lombardo also present.

**Call to order**

Chair John McWane called the meeting to order at 7:00 p.m.

**Approve Year End Appropriation Transfer**

Discussion ensued on slate of appropriated amounts relative to appropriation transfer and year end procedure. Included were: unclassified decreased by \$56,295, \$48,516 to snow removal deficit, and funds for fire apparatus as well as for DPW for utility bills from Patton estate. Also mentioned was how Johnson Controls owes the Town for two to three years (\$12,000) since the 10-year promise in savings is not living up to ESCo and replacement of street lights with LED is not a viable solution especially relative to compliance with federal grant funding. Under consideration is burner that converts waste oil to heat in the public works garage.

In addition, that the Town has received a Mass. Cultural Council grant to analyze building envelopes and systems to understand if Hamilton should ask for additional funding for insulation and new windows at the Patton Homestead to update the facility. Also mentioned was what percentage of revenue from sale of land at the Patton property could be put into the Stabilization Fund and potentially used to offset what taxpayers have paid to maintain the Patton property.

Discussion addressed new payroll system that would create uniformity across the public safety departments. This will also ensure public safety employees charge time correctly. The system includes a daily lockdown feature. Also, how a DPW surplus from salary line for the director that was formerly part time would be moved to facilities management to address snow removal cost. In addition, there was a deficit where transfer will pay for consultants for CIP.

Rick Sprenkle moved that the Finance & Advisory Committee approve the slate of transfers as outlined in M.G.L. Chapter 44B, Appropriation Transfers Year End Procedure. Nancy Gerardi-Walsh seconded the motion. VOTE: Unanimous.

**Review 3 year financial forecast model**

Discussion ensued about 3-year financial forecast model considering Free Cash at \$500,000 for FY'16, \$200,000 for FY'17 and \$250,000 for FY'18 relative to local receipts and snow expense.

Also addressed was growth factor with expense offset to revenue. Discussion was on 2% for local aid, 3% for state reimbursement, motor vehicle excise tax 3%, local receipts 3%, water enterprise 2% (a charge will be implemented associated with capital), meals tax .5%, personnel expenses 3% with steps, general government 2.5%, health insurance 7%, property/casualty 5%, OPEB \$25,000/year, and snow deficit \$0.

The total Town operating expenses and average percent change is 3.3% or \$317,398. Also mentioned was \$50,000 for warrant articles and \$65,000 for Hamilton Development Corporation. For FY'16, \$200,000 was projected for CIP expense (i.e., cruiser, pick-up truck). Town officials reviewed 2.4% for total Town expenses with 9.3% as the cumulative average.

Also analyzed was school expenses at 4% (i.e., FY'16 will have a \$1.5 million change). This assumes the HWRSD will keep making progress on savings. Discussion acknowledged how student population is decreasing and need to bring teacher head count down based on demographics. Town officials noted that a conversation should be had with school department regarding managing and timing debt between HWRSD (i.e., \$10 million to \$50 million) and towns. Also discussed was where a turf field at the High School would fit into the towns' priorities as a \$3 million to \$5 million project. In addition, there is the cost for new boilers at the elementary schools, and pumper truck needed next year.

Discussion highlighted expected spending increases for FY'16 as \$1.8 million with valuation trending at 3% increase and that the Town is going in positive direction in terms of development. Town officials looked at expected tax rate for FY'16 at \$19.03. New growth will help this number, although there remains a need to increase revenue since it is unlikely Town will reduce spending.

**Joint Library situation**

Discussion ensued about how Hamilton has budgeted \$40,000 to do a wage and classification and study which will include staff positions for HW Library to be compared to the information gathered by library in its wage study. The goal is to develop a wage and salary table that reflects North Shore communities and includes 10 steps between entry level and maximum to reach an agreed upon salary scale for the Town and library positions.

The Town had agreed to add 2% in COLAs for library personnel as of July 1 and add 1% toward the steps. Once a final wage table is agreed upon then the step process would be resolved and possibly implemented beginning in January 2015. It was noted that HWRSD has 14 steps with 5% increase annually. Discussion addressed how 7 steps is the norm and that as much as 4% is high for a step increase based on the economy. Town officials mentioned how Hamilton has very low turnover where employees do not leave after 5 to 10 years.

Discussion ensued about reasonable percentage increases for library staff without requiring layoffs, that the library budget is up \$120,000 since FY'13 and efficiencies should be found to offset the increase to the operating budget (i.e., looking at a different staffing model).

**Minutes approval**

Sprenkle moved to approve the slate of Finance & Advisory Committee Regular Session minutes for 2014: January 11, January 13, February 11, March 1, March 8, April 1, and Board of Selectmen/FinCom on May 27. Gerardi-Walsh seconded the motion. VOTE: Unanimous.

Sprenkle moved to approve the minutes for the Executive Session on January 11, 2014 and noted that they cannot be publicly released yet. Gerardi-Walsh seconded the motion. VOTE: Unanimous.

Sprenkle moved to approve the joint Board of Selectmen/FinCom minutes for February 12, 2014 and CIP joint session on May 20, 2014 as presented. Gerardi-Walsh seconded the motion. VOTE: Unanimous.

Sprenkle moved to approve the CIP joint session on May 13, 2014 minutes as presented. Gerardi-Walsh seconded the motion. VOTE: Unanimous.

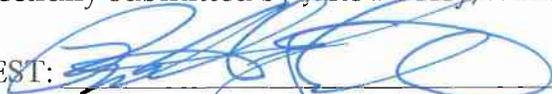
New Business: Goals and Objectives

Discussion ensued about defining chair, vice chair and secretary for FinCom after beginning of fiscal year. Also addressed was candidates and appointments to fill open slots on FinCom that would be done cooperatively with Town Moderator Bruce Ramsey. Gerardi-Walsh acknowledged McWane's contribution to Committee and Town.

Sprenkle moved to adjourn at 8:56 p.m. Gerardi-Walsh seconded the motion.  
VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST:

  
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Clerk