TOWN OF HAMILTON
Board of Selectmen, Finance and Advisory Committee
JANUARY 24, 2015

The Board of Selectmen met at Hamilton Town Hall at 8:06 a.m. on Saturday, January 24, 2015 with Scott Maddern, David Neill, Marc Johnson, Jeff Hubbard, Jennifer Scuteri. Finance Committee members Chair Rick Sprenkle, Charles Chivakos, and Nick Tensen, Town Manager Michael Lombardo, Finance Director Deborah Nippes-Mena also present.

Call to order

Scott Maddern called the BOS meeting to order at 8:06 a.m. Rick Sprenkle called the FinCom meeting to order at 8:06 a.m.

FY'16 Budget Discussion, continued

Discussion ensued about HDC and Meals Tax revenue expected to be $65,000 this year. This revenue was not permanently designated for HDC's use it is a year by year review. Discussion addressed how HDC has fully rented the commercial building and house on former McRae property that the Corporation purchased but this does not support the HDC's expenses. There is $100,000 in HDC reserves of which they spend $10,000 to $12,000 annually so they need to get revenue stream higher or expenses down. The HDC has an interest free loan for three years and has to develop a solution at the end of the term. The HDC pays more than $8,000 in property taxes to the Town.

In addition, the HDC gives to the Town $6,500 annually for downtown improvements. This expense may have to come from the Town's budget as a subaccount so the HDC can focus on economic development. Jeff Hubbard opined that the direct source of income from Meals Tax rather than Town's property tax should be used for downtown beautification. The HDC has $120,000 in equity for its $620,000 property investment. The Town is investigating with DOR why the Meals Tax revenue has been down in the past possibly related to compliance since it has been short $5,000 for two years and the Town has been backfilling the $65,000 to HDC from Town revenue.

David Neill suggested the HDC look into possibility of getting federal grant funding to do more than a study, and he opined that the HDC should be allocated the Meals Tax revenue. Hubbard opined that the HDC should decide how it is going to use its reserves and questioned whether or not giving $65,000 annually from Meals Tax was the best use of that money. Discussion ensued about importance of HDC doing

redevelopment of former McRae parcel as part of aesthetic for the downtown as well as need for septic system in business district. The need for HDC to receive Meals Tax revenue will be discussed with Brian Stein, HDC President, when he attends an upcoming Selectmen's meeting.

Discussion was on projected tax rate for next year being $18.04 up 95 cents, and property values will go up 3% with tax rate at $17.51. For this year the property values went up 6%. This variance in projected tax rate is dependent upon when Town issues building permits for three major housing projects: Canterbrook, Ford and Patton. The total spending increase to the budget of $1.1 million includes record retention ($100,000 a year for three years), HWRSD, debt, HDC, capital, OPEB, and operating increases but no warrant articles.

Also noted was change to animal control so attention can be given to domestic animals (i.e., dog bite and barking dog situations) with the Town working as host community in collaboration with two other jurisdictions to fund a 19 hour/week employee to provide better customer service versus stipend position. The animal control officer budget has been consolidated with stable inspections and management of feral cats with the person working out of Hamilton's public safety building. The Town will be collecting in local receipts $29,520 annually from the two other towns for two-thirds of the cost of the position. Hamilton will be paying $12,000. Dead animal pick up will be kept separate as a stipend.

In response to Hubbard, Finance Director Deborah Nippes-Mena agreed to provide the actual to projected budget numbers for total Town department expenses.

Discussion addressed how in other communities some town meetings present information on how much real estate taxes Chapter 60 and 61 land properties in their towns pay annually. Hamilton loses $500,000 a year due to Chapter land for 54 parcels. This increases the tax burden by 2.31% for the Hamilton taxpayers. The projected tax rate of $17.51 would be $17.12 if there was not this shift in tax burden due to Chapter land. Conservation restrictions do not provide property owners with property tax relief. The Town needs a Chapter 61 policy where properties are identified so the divisive scenario that occurred with Pirie property is not repeated. Chapter 61 is not a permanent protection on a property, it provides a lower tax burden while under ownership and the property can be sold at full market value. Hubbard opined that identifying Chapter 61 properties would personally target a group that is following the law. He concurred with explaining to the public how Chapter 61A works. Discussion

was on providing an accurate, transparent description of what the cost of Chapter land is for Hamilton taxpayers and how it allows the Town to have its valued open space.

Discussion ensued about how the Selectmen will decide on structure of water rates at its upcoming meeting. The Board would have to adopt a regulation regarding all new builds being required to tie into the Town's water system. Discussion was on increase in Essex Agricultural and Technical High School budget number for Hamilton to $239,000. The Town has excluded debt related to this expense where there is a minimum of five student enrollment ($25,000 per student).

Maddern thanked Nippes-Mena for her contribution to the Town as Finance Director since she is retiring. He entertained a motion for the Board of Selectmen to adjourn at 9:28 a.m. Hubbard so moved. Neill seconded the motion. VOTE: Unanimous.

The Finance and Advisory Committee stayed in session. Discussion was on reserve fund transfers for $1,000 for the lease of office equipment for the public safety building and two, $5,000 undercarriage vehicle washers for the Highway Department in the public works garage and Fire Department at the public safety building. Rick Sprenkle entertained a motion to approve this slate of transfers. Charles Chivakos moved to approve the slate of transfers. Nick Tensen seconded the motion. VOTE: Unanimous. Tensen moved to adjourn the meeting at 9:50 a.m. Chivakos seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: _____

Clerk