

TOWN OF HAMILTON  
BOARD OF SELECTMEN  
APRIL 9, 2012

The Board of Selectmen met at Hamilton Town Hall at 6:00 p.m. on Monday, April 9, 2012 with Jennifer Scuteri, Marc Johnson, David Carey, Jeff Stinson and Jeff Hubbard present. Town Manager Michael Lombardo, Finance Director Deborah Nippes-Mena, Finance Committee Chair John McWane and Town Counsel Donna Brewer also present.

Call to order

Chair Jennifer Scuteri called the meeting to order.

Town Manager's Report

Town Manager Michael Lombardo reported that during the first implementation week of the Town's new trash program, seven tons of organic waste was no longer in trash waste stream. This is ahead of projections for 200 tons per year.

Trash week is a regular black barrel trash week for Hamilton residents with excess solid waste disposed of in blue bags. Next week is a blue bag week only for Hamilton households. The official black trash bin has to be within proximity of the curb for automated disposal with cart facing forward, wheels at the back. Recycling occurs weekly. Town is ordering small and large blue bags. Residents can use compostable bags. Town officials are investigating a future purchase of compostable bags for composting program.

FY 13 Budget Discussion

Discussion ensued on Lombardo's written response to Board's 24 questions on FY'13 budget. Lombardo said that information on local receipts is accurate and he did not expect more from this in terms of budgeted funds.

In response to an inquiry from Scuteri, Finance Director Deborah Nippes-Mena explained that the Meals Tax is General Fund revenue and that Selectmen with counsel from the legislative body have chosen not to use it as part of the local receipts to offset tax.

However, when the Town's recap is filed the Meals Tax is included. It was not included in FY'12 because the numbers used are to set the tax rate and the Meals Tax should not be reported to offset tax rate. It is reported with actual numbers every year and for FY'12 it is under planned receipts for FY'13 as zero. While the reporting is accurate, Nippes-Mena was in favor of showing the reporting of this more consistently so comparisons could be made from year to year.

Discussion ensued about miscellaneous extra revenue state receives one-time where Hamilton received \$41,080 in the fall for FY'12. Excise tax number is what was reported in the past year and is not predicted to be more than the previous year. It was noted that P.I.L.O.T. was twice what it was the year before because a payment was missed.

Discussion about Wenham's ECO contribution having gone down from FY'08 at \$187,000 to \$107,000 due to the administrative fee and its portion of the budget. Nippes-Mena explained that in prior years the entire ECO budget was in the General Fund, now \$120,000 to \$162,000 is in the Grant Fund. So fewer dollars are being collected since grant is paying for operating costs. In addition, 10% administrative fee is calculated on the total budget and as part of the reorganization a full time equivalent has been taken out of the budget for FY'13. If FTE change does not occur, funding would have to be added into budget.

Discussion about if Fire Department should run an ambulance for the Town and Lombardo thought it would be a breakeven proposition especially in light of the need to purchase a vehicle. He noted that the Board had voted for Hamilton not to operate an ambulance and he did not recommend it although he was willing to look into it if there was interest. Operating an ambulance brings with it liability with collections and loss as some percentages are uncollectible.

Discussion was about Selectmen income budget line item at \$118,000 due to gift from Gordon Conwell Theological Seminary. This is a gift versus P.I.L.O.T.

Lombardo mentioned \$7,750 in Health and Human Services for the Employee Assistance Program where an employee can call in anonymously if they need assistance or counseling. Also historically budgeted is \$3,000 for HAWC (Healing Abuse Working for Change) and \$2,000 for Senior Care.

He also addressed a Town Manager consulting services budget line item of \$19,000 for work on reorganization of employee structure and additional consulting analysis. For the last two years, \$25,000 was budgeted annually for

this purpose. The actual funding for two years was \$35,000. It was suggested that some of this funding could be directed toward analysis of Town's numerous boards and committees to eliminate possible overlap.

Interim Superintendent of Schools Peter Gray delivered a copy of the latest version of the HWRSB budget to the Town officials.

Discussion about \$100,000 in Town counsel budget line item that also covers cost of labor counsel for mediation with bargaining units as well as litigation services such as Marchand lawsuit settlement. It was noted that water-permitting litigation has been resolved and paid for through the Town's water enterprise budget. Additional water enterprise funds have been used for Consultant Jesse Schwalbaum relative to the Town's water registration and water withdrawal permit that is being worked on with Department of Environmental Protection.

Other items discussed included funding for Town website, investigation of partners for IT services as well agreement that Vision Appraisal software that Assessors use was effective for Town. Another issue addressed in the FY 13 budget is that Town's custodial contract will also include keeping bathrooms clean at Patton Park.

Discussion about commitment to provide more Council on Aging programs and what transpired with existing COA Director Susan Carp and lack of submission of programs list, that new director will be hired and goals will be tied into Recreation Master Plan. Grant funds supplement the funding for the position. Lombardo is working with Wenham's interim Town administrator to ensure continuity of service as Carp leaves position. He noted that a budget is important for this service moving forward.

Jeff Hubbard thought money allocated for office furniture at Town Hall should be directed towards COA programs. Town officials agreed that more money needed to be allocated to the COA but that no clear plan for COA was brought forward and that a plan should be put in place, first. Lombardo said the right positions for the COA to support programs should be defined for success. He will address with Carp at her exit interview on Wednesday what has worked well and what are the challenges. Johnson suggested merging of the COAs in both towns should be considered.

Discussion about \$5,000 allocated for additional analysis that could manifest from Recreation Master Plan. This is a placeholder in the budget process and

could possibly fund storyboards for Patton Park pool upgrade that may be discussed at Special Town Meeting in fall.

Discussion about Recreation Revolving Fund containing money for field maintenance, staff time for parks mowing is in the parks budget. Hubbard was interested in this information since some of the youth sports leagues are funding some field maintenance. Lombardo thought model of leagues doing the work themselves is more effective. Discussion was about lack of enthusiasm for port-o-potty use at Patton Park for events.

Discussion was about other post employment benefits (OPEB) and unfunded liability of \$626,764 for Hamilton. The rate of growth is 8% for a decade as defined by Essex Regional Retirement System's actuarial study to try and fully fund employee retirement costs with a \$400,000 increase for Hamilton. The Town has budgeted \$25,000 yearly. OPEB will affect the tax rate. The Town's health insurance budget includes retirees.

Hubbard raised issue of consideration to provide some Town services via outsourcing including sanitation, snow removal, landscaping, and human resources to on-boarding process. Discussion about new trash program being part of dialog to manage costs and potential difficulty of using part time seasonal help with a lean staff overseeing and implementing local government functions.

Discussion was about need to increase revenue in Town to match the increasing cost of Town services that could be addressed through anaerobic digester at landfill in a year's time, reducing amount of solid waste town disposes of while increasing organics program to include participation from surrounding towns.

Also discussed was how much free cash should be applied to the FY 13 budget in consideration of the high tax rate. The Town has built up its free cash and expects to have \$1.5 million at the end of the current year. McWane and Lombardo are trying to reach a consensus, possibly \$350,000 as an amount of free cash that could be put into the FY 13 budget.

Meanwhile staying in good fiscal stead with 5% of money raised from taxes (\$26 million in Hamilton including schools) or more remaining in free cash (this is similar to cohort towns) in preparation for next year. Finance Director Deborah Nippes-Mena noted that she pays annual costs upfront when possible (i.e., retirement costs) to manage cash flow. She will investigate what cohort regional

school districts do with operating cash. The ATM warrant language expected number for free cash to be applied to reduce tax rate is \$300,000.

Lombardo discussed report that analyzed potential areas for restructuring local government (i.e., consolidating positions based on workload in public safety, finance and public works). For the FY 13 budget he is making two recommendations including creating a public safety department by restructuring positions through repealing the Strong Chief law so there would be a director of public safety and inline day-to-day managers for police and fire. An interim step is to put ECO under the police department with supervision/oversight from a sergeant and police chief and eliminate the dispatch supervisor position for an annual savings of \$58,000.

The ultimate goal is for a full-blown department of public safety where the fire chief's position would be eliminated and replaced with a fire captain reporting to public safety director. This would provide tighter coordination overseeing police, fire and ECO employees that is not occurring at the managerial level now to improve operations. This would require repeal of Strong Chief law.

Johnson asked if fire chief could report to the police chief on an interim basis until the Strong Chief law is rescinded in Hamilton. Town Counsel Donna Brewer thought the Town manager could delegate his oversight supervisory role to the police chief but he would remain ultimately responsible.

Discussion was about difficult transition getting beyond human elements to achieve business proposal to eliminate dispatch supervisor position by June 30 when Anne Marie Cullen would retire. Discussion was about possibility of one other town being added to ECO. Work will continue to understand the workload and demands to make recommendations on how to restructure other positions.

Discussion about possible shared planning and land use functions with Wenham and Essex that could make development review more fluid through centralized management structure with a director of Planning and Development with a possible \$40,000 annually salary for a hands-on management position. This would involve reconfiguring support positions since there are inefficiencies throughout the system. Lombardo said work needs to be done on local government workload that was not specified in report. Scuteri suggested this be discussed further at the Board's upcoming meeting. Lombardo will communicate with land use board chairs on proposal.

Discussion on unclear presentation of school budget that has a substantial increase (4.15%) and is not a level services budget when a budget with a .88% increase was expected. HWRSD was under budget for FY 12. Capital expenditures for refurbishing HWRHS auditorium and roof at Winthrop School are in the operating budget rather than being included as an override vote. Finance Committee Chair John McWane mentioned that \$4.5 million for repairs to schools is off the table since Wenham does not have it on its Annual Town Meeting warrant. This could potentially be addressed at a Special Town Meeting. The current situation impacts the ability for the regional school district to qualify for SBAB funding.

Scuteri mentioned that operational audit of the schools said there should be an operating budget and capital budget presented to the supporting communities. McWane suggested that an expense such as the Winthrop School roof should be bonded. Stinson agreed that capital expenditures should not be included in overall school budget.

Another outstanding issue to be coordinated with school district and Wenham is virtual Department of Public Works. Lombardo thought more cooperation is required to move forward with this and he is addressing questions with Wenham.

Discussion about possibility of not recommending school budget as presented. Although the vote is on the total Town budget. This would be a repeat of action taken last year. Brewer explained if Town votes a budget number that is less than its assessed share this is disapproval of the school budget and the HW Regional School Committee will go back and decide on school budget number. If this number corresponds to the appropriation voted then another Town Meeting is not required. This vote does not tell School Committee how to spend the money.

Discussion about if municipalities advocate school district cut \$936,000 and less money is appropriated, it will result in cuts elsewhere in the school budget. Also, that a new group of School Committee members would be voting on a subsequent budget.

Discussion about giveback to towns where School Committee is taking \$720,000 out of Excess & Deficiency fund to reduce allocation to towns, last year it was \$500,000. The School Committee has \$1.5 million certified from FY 11 that could be used along with certified E&D funds for FY 12 and the amount more than 3% in E&D would be given back to the towns in a reduced assessment that would

have to be appropriated. For this to be reflected in the tax rate it would have to be certified in October.

Discussion about whether or not the School Committee has voted on a budget that reflects the towns' request for the school budget broken down by school and list of new items added to the HWRSD budget. Scuteri asked Nippes-Mena to provide a comparison of the proposed and actual school budget for a couple of years to see the increase.

#### Vote Recommendations for Warrant Articles and Sign Warrant

Scuteri entertained a motion for the Selectmen to recommend favorable action on Article 2012/5 2-1, Appropriation Transfer from Overlay Surplus to FY12 Allowance for Abatements and Exemptions. Jeff Stinson so moved. Hubbard seconded motion. VOTE: Unanimous.

Scuteri entertained a motion for the Selectmen to recommend favorable action on Article 2012/5 2-2, Appropriation Increase for FY12 Waste Enterprise Budget To Accommodate Purchases of Bins. Hubbard so moved. Johnson seconded motion. VOTE: Unanimous.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-3, Waste Enterprise Retained Earnings. Johnson so moved. Hubbard seconded motion. VOTE: Unanimous.

Selectmen did not vote on Articles 2012/5 2-4, Compensation/Classification Table and 2-5, General Town Appropriations.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-6, Water Enterprise Budget. Johnson so moved. Stinson seconded motion. VOTE: 4-1 with Hubbard opposed.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-7, Waste Reduction Enterprise Budget, Johnson so moved. Carey seconded motion. VOTE: 3-2 with Stinson and Hubbard opposed.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-8, North Shore Regional Vocational School District Budget. Carey so moved. Hubbard seconded motion. VOTE: Unanimous.

Selectmen did not vote on Article 2012/5 2-9, Community Preservation Committee Budget.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-10, Annual Financial Actions. Hubbard so moved. Johnson seconded motion. VOTE: Unanimous.

Selectmen did not vote on Article 2012/5 2-11, Annual Authorization of Revolving Funds.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-12, OPEB Trust Fund. Hubbard so moved. Johnson seconded motion. VOTE: Unanimous.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-13, Retained Earnings for Capital Purchases for Water Enterprise. Johnson so moved. Stinson seconded motion. VOTE: 4-1 with Hubbard opposed.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-14, Debt Borrowing for Vehicle and Howard Street Culvert. Stinson so moved. Johnson seconded motion. VOTE: 4-1 with Hubbard opposed.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-15, Debt Borrowing for Water Enterprise Distribution System Replacement Program. Stinson so moved. Carey seconded motion. VOTE: 4-1 with Hubbard opposed.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 2-16, Capital Appropriation for Side Walks. Carey so moved. Johnson seconded motion. VOTE: Unanimous.

Selectmen did not vote on Article 2012/5 2-17, Fund for Downtown Improvements. Hubbard spoke about how there were community organizations interested in downtown improvements (i.e., defined by downtown charrette) and that an artistic rendering could be presented at ATM. He did not know what an expected request would be for the free cash/Meals Tax Revenue to fund it. He is trying to organize a meeting with interested parties (i.e., garden club, Planning Board, Zoning Board of Appeals) in town. Brewer said the subject matter could be included in warrant article language.



Scuteri entertained a motion to remove Article 2012/5 2-18, Hamilton Development Corporation, from the warrant. Hubbard so moved. Carey seconded motion. VOTE: Unanimous.

Scuteri entertained a motion for Selectmen to recommend favorable action on Article 2012/5 3-1, V.F Flood Plain District (FEMA Flood Maps). Johnson so moved. Carey seconded motion. VOTE: Unanimous.

Selectmen did not vote on Article 2012/5 5-1, Accept Gift of Patton Homestead.

Scuteri recused herself when Selectmen voted on Article 2012/5 5-2, Citizen's Petition Right of Way Study and Topographic Survey for Essex Street Sidewalk and Trail. Johnson entertained a motion for Selectmen to recommend favorable action on Article 2012/5 5-2. Stinson so moved. Johnson seconded motion. VOTE: 2-2-1. Johnson and Stinson opposed and Scuteri abstaining. Motion didn't carry so Selectmen will not make a recommendation.

Scuteri was also recused for Article 2012/5 5-3, Citizen's Petition – Construct Sidewalk and Trail on Essex Street. Brewer explained that the petition article contained three of four funding sources that are illegal appropriations. The Department of Revenue has said if a matter comes before Town Meeting without a recommendation from Community Preservation Committee it cannot be appropriated. Also, the Selectmen have the discretionary authority not to include the warrant article even though it came from citizen petition. The Board could allow the article but strike the funding sources that are illegal. Or the article can be presented as is and the motion on Town Meeting floor could recommend no action or include the one legal source of funding. Nippes-Mena could use her right as fiduciary officer to not spend money from an illegal source.

Town officials discussed how they were not in favor of the one legal source of funding for this article as free cash since the expected cost is \$790,000 and this would dramatically drive down the Town's free cash. The citizens could be encouraged to bring the article back to Special Town Meeting in the fall with a legal funding option. Brewer also noted that the Town Moderator does not like changing funding practices in motions on Town Meeting floor and that is his discretion. Discussion was about respecting intent of citizens petition but consideration of striking CPA language.

Lombardo suggested in consideration of the Town's financial stability that the article be removed from the warrant. The Finance Committee recommends unfavorable action on this warrant article.

Scuteri entertained a motion for the Selectmen to open the warrant. Hubbard so moved. Stinson seconded motion. VOTE: Unanimous.

Johnson entertained a motion to include Article 2012/5 5-3, Citizen's Petition – Construct Sidewalk and Trail on Essex Street. Carey so moved. Stinson seconded motion. VOTE: 4-0-1 with Scuteri abstaining.

Johnson entertained a motion to reconsider the Board's vote on Article 2012/5 5-3. Stinson so moved. Carey seconded motion. VOTE: 4-0-1 with Scuteri abstaining.

Discussion about removing warrant article, striking illegal funding sources 2, 3 and 4 and leave legal language for free cash as funding source or leaving the article as is with the illegal funding that is not binding vote.

Johnson entertained motion to drop Article 2012/5 5-3 from the warrant. Stinson so moved. Carey seconded motion. VOTE: 3-1-1 with Hubbard opposed and Scuteri abstained.

Now that the warrant is open, Selectmen voted again on Article 2012/5, 2-18. Scuteri entertained a motion for the Board to remove Article 2012/5-2-18, Hamilton Development Corporation. Stinson so moved. Johnson seconded motion. VOTE: Unanimous.

Scuteri entertained a motion to ratify the actions taken with regard to the funds for Article 2012/5 2-11, Annual Authorization of Revolving Funds. Stinson so moved. Carey seconded motion. VOTE: Unanimous.

Scuteri entertained a motion for the Selectmen to recommend favorable action on Article 2012/5 5-4, Discover Hamilton Trail Easement. Stinson so moved. Johnson seconded motion. VOTE: Unanimous.

Scuteri entertained a motion for the Selectmen to recommend favorable action on Article 2012/5 5-5, Rescind Vote of May 2006 ATM Article 5-1 to Sell Town-owned Land. Stinson so moved. Hubbard seconded motion. VOTE: Unanimous.

Discussion was with Liz Silva, 73 Pine Tree Drive, representing neighborhood's interest in presenting historical information on this property at ATM.

Scuteri entertained a motion for the Selectmen to recommend favorable action on Article 2012/5, 5-6, Drainage Easement on Gregory Island Road. Johnson so moved. Carey seconded motion. VOTE: Unanimous.

Selectmen will make a recommendation on Article 2012/5 6-1, Free Cash Application at ATM.

Scuteri entertained a motion to remove placeholder article for debt exclusion for HWRSD for capital improvement. Carey so moved. Johnson seconded motion. VOTE: Unanimous.

Scuteri entertained a motion to remove the placeholder article for appropriation transfer for two CPC projects for Town Hall. Stinson so moved. Hubbard seconded motion. VOTE: Unanimous.

Scuteri entertained a motion to close the ATM warrant. Hubbard so moved. Johnson seconded motion. VOTE: Unanimous.

Other business

Next BOS meeting is April 9, 2012. The meeting was adjourned at 9:21 p.m.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: \_\_\_\_\_

Clerk