

HAMILTON FINANCE AND ADVISORY COMMITTEE
Minutes of Meeting
August 21, 2019

Members Present: John Pruellage, Christina Schenk-Hargrove, Nick Tensen, and David Wanger (Chair).

Others Present:

This Hamilton Finance and Advisory Committee meeting was called to order at 7:00 pm at the Hamilton Council on Aging Building, Bay Road, Hamilton.

Public Comment

Discussion with Finance Director and/or Town Manager regarding the calendar for the Special Town Meeting and the FY21 Budget and other finance related updates.

Neither the Finance Director nor Town Manager were present. David Wanger noted the tight Town Meeting schedule. The recommendation materials would need to be submitted by September 27 for printing. Recommendations to the Selectmen needed to be voted upon by September 18. The Selectmen would vote on the articles on September 23, 2019.

Discussion regarding anticipated Warrant Articles for Special Town Meeting, including discussion with Dorr Fox and members of the Community Preservation Committee (CPC), Affordable Housing Trust (AHT), Town Hall Building Committee, and Tim Olson (DPW Director).

Dorr Fox had CPC draft language available. No other Warrant language was available. David Wanger said the statute said the FinCom had jurisdiction over any and all municipal questions not just financial issues. Mr. Wanger added that the FinCom respected the expertise of each of the proponents.

Tim Olson discussed prior year's bills, which included invoicing for Overhead Door, Peter Albano, and O'Connell Plumbing. Mr. Olson said he thought the plumbing might have been paid through the Recreation Budget as it was for the opening of the pool. Mr. Olson said the Albano bill (\$165) was not received until the new fiscal year. The work, conducted in FY19 was for an electrical outlet at the Patton Homestead. Overhead Door made several repairs at the fire station that did not work but the company needed to be paid for their time and service. Ray Brunet reportedly replaced two doors and all hardware and mechanisms, which allowed for working doors. The six doors yet to be done were a capital item.

Tim Olson discussed debt service for water improvements. Two previous articles totaled \$10M. The remaining \$1.47M was an estimate for Phase 4 for water replacement. The Town had already authorized \$10M but Mr. Olson said the Town needed to have \$1.47 bonded as it was not part of the original phase. There was no additional money requested. Phase 4 included a full

water line replacement and paving for Woodbury St., Partridgeberry Lane, Village Lane, Forest St., and Beech St. Once bonded, the project would go into the design and bid phase with construction finished by fall of 2020.

The CPC was proposing a seven-unit housing project on Asbury St. for \$200,000. The proposal was conditioned by Habitat for Humanity purchasing the property by January 1, 2022. Russ Tanzer (AHT Chairman) said the property was located at 434-436 Asbury St. A cell tower was on site, which would be owned and maintained by the current owner. Mr. Tanzer said the homes would be owner occupied with affordable deed restrictions in place for perpetuity. There would be three duplexes and one single home. Habitat for Humanity served clients in the 40% to 60% of average median income range. The project would be a 40B comprehensive permit. According to Mr. Tanzer, the average dollars spent in MA per affordable housing unit was \$165,000. The two units on Asbury Street cost \$310,000 but lessons had been learned. Acquisition for the project would cost \$92,000 per unit. Construction and acquisition would cost between \$125,000 and \$130,000 per unit. The project would feature 70% local preference.

Dorr Fox said the AHT had \$450,000 and this proposal would add \$200,000, allowing for the purchase of the property. The funds were in the affordable housing reserve of the CPC' fund and could not be used for any other purpose. The Canterbrook project would also give \$430,000 in two payments (this December and next December) to enhance the fund. A grant agreement would be created. The 4.75 acres of land was being acquired for \$600,000 to \$650,000. The land was in a zone of public well supply, which limited how many bedrooms could be constructed per acre to one per quarter acre of land. The provision was a Board of Health requirement. Don Preston (Habitat for Humanity) said funds would be requested from the Federal Home Bank and Regional Home Consortium, which were both Federal funding sources. Other sources of funding would be through assorted banks, grants and the AHT. The units would be sold in the \$150,000 range. Housing and Urban Development established median income for the area to be \$105,000. Currently a family of four earning \$72,000 would be served. Prefabricated building construction was being considered for the construction.

The condition of approval by 1/1/2022 would allow for ZBA approval and any potential appeals. Dorr Fox offered the grant application and map of the property. Asbury Grove was one of the few abutters. David Wanger suggested contacting abutters now to determine issues. Don Preston said he had hoped to have the property under agreement already but issues arose due to the cell tower. Mr. Preston said he would speak with abutters after the Purchase and Sale had been signed. The Purchase and Sale Agreement would be contingent on the Comprehensive Permit approval. Mr. Fox explained that the Department of Housing and Community Development would not accept senior affordable housing. Mr. Wanger asked about potential school aged children occupying the homes. It was agreed that children would be present. Mr. Preston said the houses would be assessed and then taxes would be reduced 15%. The Habitat for Humanity homes on Asbury St. were currently assessed at \$450,000.

Jay Butler worried about affordable housing and expected a resident to “Hold” the article on Town Meeting floor. Russ Tanzer and Don Preston would be available to answer any potential questions. David Wanger suggested informing the public to temper the angst of the proposition. Sponsors could say they notified the neighbors, heard their comments, and this proposal would be the best for the community. Mr. Tanzer assumed residents of Asbury Grove would not protest the proposal as the church based organization had avoided many Zoning By-laws and paid no taxes. Dorr Fox said the homes would be close to the pool and ball field but not homes in Asbury Grove. A subdivision road on the site had previously been approved under the Subdivision Control Law.

The CPC also requested an appropriation of \$250,000 to fund design, Owner’s Project Manager (OPM) services, and development of plans for the renovation of Town Hall with the condition that the effort would commence prior to July 1, 2021. David Wanger recalled the original amount was \$200,000 and didn’t include “to fund design” and the “effort would commence.” Dorr Fox defined “effort” as something that could be billed against for design or OPM services. Design documents would be provided for Special Town Meeting, which would provide funding for bid documents for Annual Town Meeting. A hard number would be provided for complete construction documents, according to Mike Twoomey.

Jay Butler said the total ask this fall would be \$607,000. To date, the ask had been \$1M. The total for the project construction would be between \$8M and \$8.5M. The date of July 1, 2021 was proposed in the off chance that someone would vote it down and the project would need to be cancelled. The Town Hall Building Committee did not want to have to return the money. The late date would allow the Committee to resurrect the project and bring it back again. Russ Tanzer thought some might define the “commencement” as getting a shovel in the ground and found it confusing. Two consultants, an OPM, and an architect were currently on the payroll for the project. David Wanger suggested delineating the word: “effort.” Christine Schenk-Hargrove and John Pruellage thought the date was too far out. Mr. Twoomey wanted to avoid what had happened in Wenham when the project went out to bid and was over budget, which killed the project.

The proposal asked for \$400,000 from General Funds and \$250,000 from the CPC. John Pruellage asked what might happen if the \$400,000 was not approved and asked if they would still spend the \$250,000. Jay Butler responded yes but the bid documents would not be ready for Annual Town Meeting. Mike Twoomey did not think the request would fail as those who would vote for one would vote for the other. David Wanger said it may be improvident to only focus on Option A and the Committee should anticipate someone at Town Meeting wanting the opportunity to select other options. Discussion ensued regarding the 214 respondents and that 62% were in favor of Option A (removal of stairs). Some confusion had occurred in that the original 100 respondents were counted while waiting for the Town’s check to clear, which opened up the remaining answers. If Town Meeting were to choose Option B, there would be an additional \$110,000 in design costs and a six month delay. Mr. Wanger hoped to have the

change of prices between Options A and B, which would be provided to residents. Tim Olson said the difference in the cost estimate between the two was \$750,000 with Option B being more expensive. Jay Butler said estimates for Option B were due September 1st and Option B were due September 25th. Information would be forwarded to the FinCom. The CPC and their support of the historic stairs was discussed.

The survey was discussed and it was agreed that questions were inconsistent. There was a 56% positive response for Option A and a 68% response to Option B, which included an addition to Town Hall. The two questions were not mutually exclusive. David Wanger recalled that the FinCom had recommended Option B. Mike Twoomey recalled there were seven groups contributing to their decision. Tim Olson said another survey would be geared to a specific question. Mr. Wanger added that the survey did not seem dispositive to Option A or B. Jay Butler said the Town Hall Building Committee had voted unanimously to support Option B but the Selectmen endorsed (4-1) Option A due to price. Some Selectmen felt the stairway was not an essential feature of the Town Hall. The Historic District Commission wanted to keep the staircase. Nick Tensen added that the addition offered more flexibility. Mr. Twoomey said it was cleaner construction with no interior demolition and reconstruction with a potential egress. Mr. Wanger hoped to recognize the heritage that was important to maintain. Mr. Twoomey thought the cost could come down for Option B.

The Historic District Commission only had jurisdiction of the outside of the building but the arch inside Town Hall had been preserved. Tim Olson said the bones of the building would stay but there would be interior wall movement. David Wanger noted that the stairs would need to be rehabilitated if Option B were chosen. Mr. Olson noted code issues. Mike Twoomey said a waiver would need to be granted as railings were not high enough. Mr. Olson added that Option B intruded upon the DPW yard, parking, vehicle circulation, and fuel tanks. It was unknown what might be found upon excavation behind Town Hall.

David Wanger asked if the FinCom voted to recommend Option B, would the Town Hall Building Committee be prepared to inform Town Meeting that they too had originally voted for Option B until the Selectmen endorsed Option A. Mike Twoomey said the Selectmen made a good decision based on costs. Jay Butler said the Historic District Commission would not support Option A. Tim Olson said the Committee had endorsed the Selectmen's recommendation. Shawn Farrell had reportedly said the stairs were off to the side and Bill Olson was concerned with excavation behind the building. Ray Whipple had reportedly said the second floor was originally a social center but was currently an office building and the stairs were not a central part of that mission.

Jay Butler said the increase from \$200,000 to \$250,000 was based on facts and figures that increased the cost. Mr. Butler added that changing the option was not part of either motion. John Pruellage said he believed the article could be amended. David Wanger stated the Town Hall Building Committee had the best reputation of the many committees.

Tim Olson described the language revision of the \$1.5M for water treatment. Recently the total trihalomethanes (THM) levels had been reduced with a change in pretreatment. Organics combined with chlorine and water age were responsible for the level of THM. The money that was to be used for pre-treatment might be better served drilling for a satellite well at the Idlewood II site, according to Mr. Olson.

Tim Olson would provide the FinCom with the draft water system plan that included significant projects such as a new storage tank, distribution system, and infrastructure. There would be a need to increase rates to handle the additional projects. 2015 was the last increase. Improvements had already reduced operating costs. Chlorine was less expensive as the every two week application had been reduced to every four months. The location of a well in the North Coastal basin was discussed. The cost of drilling a new well would be \$750,000 and the cost to hook up to Manchester, Beverly, or Salem would be several million dollars, according to Mr. Olson. It cost \$15,000 yearly to clean up the existing wells.

Residents who abused the water conservation restriction were sent a letter with fines assessed for repeat offenders. The maximum usage for the Town would be 52 gallons per day. 2035 population projections would see a reduction in use.

Tim Olson explained that the Town was grouped with other communities for ACR calculations, which were based on how dirty the recycling was. The percentage would be added to the Town's bill even if the town was doing a good job of producing clean recyclables. Ann Gero and Gretel Clark might be able to single out Hamilton. The Town only received a cost benefit if the ACR percentage was above 75. Wenham had the same standard contract. Mr. Olson said the regular trash rate was good and the hauling rate was ridiculously low.

It was unclear if Rosemary Kennedy would come forward with the Conservation By-law change.

500 Highland St. did not need to be discussed.

Discussion regarding topics/agenda of upcoming joint meeting with the Capital Committee.

The draft agenda had been distributed. Jack Lawrence had put together a list of potential projects, none of which had been voted on. John Pruellage noted that many capital items were from the past. David Wanger said the School only had turf fields on the list.

Discussion regarding any FinCom vacancies.

David Wanger said Brad Bradshaw did not appear to be interested in joining the Committee. Joe Domelowicz would be asked the best way to find a new member.

Discussion of FinCom goals and projects for FY20.

Committee Member and Liaison Updates.

Nick Tensen visited the Patton Homestead and discussed his observations. Mr. Tensen said activities had occurred but minimal revenue was generated. Mr. Tensen said the building was a historic home with nothing compelling to draw people into it. The value was based on it being a community historical and cultural asset with a recreational piece. Mr. Tensen thought to make money on the site, an investment needed to occur. A couple of West Point donors had backed out of investing as they realized the Town could sell the property at any time. It would cost \$2.5M to renovate the entire place. The Homestead had generated \$100. David Wanger asked if the Town should be part of the entrepreneurial undertaking of historic value and Hamilton's heritage. Mr. Wanger wanted to see a periodic accounting of activity expenses and revenue for the Patton Homestead and the Hamilton Development Corporation. John Pruellage suggested discussing the topics after Special Town Meeting. Mr. Tensen said a report had been put together in FY19 and for FY20. Mr. Tensen added that many activities had fallen through, some of which were due to a lack of items such as a refrigerator on site. Mr. Wanger suggested the FinCom meet on site to discuss the report.

Downtown and the Hamilton Development Corporation were discussed. Nick Tensen said the group was well into the planning and development of the Willow St. project. The project would include 18 market rate units on site with a total of 22 bedrooms. Commercial use would be on the first floor of the three story building. Mechanicals would be hidden behind a false roof. The buildings would be no higher than the buildings on Willow St. as the land sloped downward. The building would be higher than those of Bay Road. The development would be within the parameters of the Zoning By-law. Drainage was being considered. It was agreed that the interesting aspect of the project was determining where the proceeds would be used. Mr. Tensen said a sewer system for the downtown area would cost \$8M and the money could be used for that improvement.

Review and approval of available minutes.

John Pruellage made motion to approve the minutes of July 10 and August 7, 2019.

Nick Tensen seconded.

David Wanger made several changes.

Vote: Unanimous in favor.

Determine/Discuss agenda for next meeting.

David Wanger confirmed future meeting dates to be 9/11, 9/18, 10/2, and 10/16 with the meeting with the Capital Committee on 8/28. Special Town Meeting would be 10/19. The next meeting would feature deliberations and voting for Special Town Meeting Articles. The FinCom would meet with the School Board in November or December.

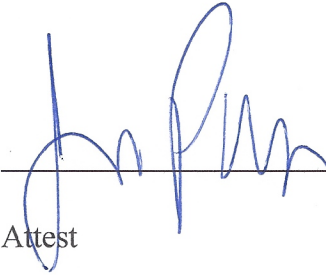
Other topics not reasonably anticipated as determined by the Chair.

Adjournment

John Pruellage made motion to adjourn.
Seconded by Nick Tensen.
Vote: Unanimous to adjourn at 10:08.

Prepared by:

Marcie Ricker



Attest

Date

9/18/19