

HAMILTON FINANCE AND ADVISORY COMMITTEE
Minutes of Joint Meeting
November 13, 2019

Hamilton members present: John Pruellage, Christina Schenk-Hargrove, Valerie McCormack, Nick Tensen, and David Wanger (Chair).

Others present: Joe Domelowicz (Town Manager).

This Hamilton Finance and Advisory Committee (FinCom) meeting was called to order at 7:00 pm at the Council on Aging Building, Bay Road, Hamilton. David Wanger noted that Richard Boroff was recording the meeting.

Public Comment

Discussion with members of the Waste Reduction Committee and others regarding potential changes to the Town's collection and other policies; potential voting on FinCom recommendation.

David Wanger recalled that he had distributed literature, which had been generated by the Special Task Force at their September 26, 2019 meeting. The Selectmen would be discussing the topic of reverting to every other week free black barrel trash pickup at their next meeting and the FinCom would send their recommendation for their consideration.

Anne Gero was present but Gretel Clark was not in attendance due to an illness. The Waste Reduction Committee had asked the Selectmen to return to every other week black barrel pick up and every week purchased blue bag pick up as a way to reduce costs. Ms. Gero said the information provided showed trends that increased trash pickup reduced organic composting, which was the basis for the recommendation.

The Interim Town Manager and DPW Director reportedly renegotiated trash rates with Wheelabrator. The Town of Hamilton had a fixed rate through the end of FY20. A collection fee was paid to Casella but there was also a rate to burn it at the North Andover incinerator. Joe Domelowicz said there was a \$12 per ton increase on the rate, which would increase each year until it reached \$94. Manchester and Wenham paid the same rate but Boston paid \$112 per ton.

It was announced that DEP came out with a new 10 year waste reduction plan/waste management plan. Incinerators were currently at 98% capacity. Landfills that were still open, would be at 100% capacity, accepting only ash in ten years. If the tonnage of waste was not reduced, trash would need to be exported to PA or OH. Additional incinerators would not be built as permitting was difficult. According to DEP, due to the shortage of facilities, the cost of trash removal would increase. Compost and organics were 25% of municipal solid waste. MA institutions such as colleges that generated a ton or more of waste were required to compost.

Anne Gero distributed a document that included the cost of the trash program. In FY20 the program cost \$661,525, which would increase to \$693,000 for FY21. The \$31,500 increase was divided between households to determine a \$60 increase per household. Blue bags were sold for \$1.75 until FY17 when they were increased to \$2.50 per bag. Blue bag usage decreased when weekly pick up was reinstated in 2017. The average household used 16 bags a year during every other week collection but only an average of 10.8 during the last fiscal year when every week collection occurred. According to Ms. Gero, if the Town reverted to every other week for free black barrel pick up, the average would return to 16 bags per calendar year per home at a cost of \$2.50 or \$108,000 in blue bag revenue, which would be \$35,000 more than today. The increase in revenue would cover the increased cost of trash removal for FY21. Ms. Gero said residents who used more trash services would be responsible for paying more for trash services.

The current tipping fee was \$69.50 but would rise to \$82.00 on July 1, 2020. The fee would escalate (approximately 3%) for five years until it topped out at \$94. The Town was locked into a ten year contract with Casella with seven years remaining. The recycling fee could also escalate as there was a separate charge for collection by Casella and disposal, which was based on the recycling market. The cost was \$65.25 this year but \$70.97 the prior year.

Richard Boroff was concerned about reverting to every other week black barrel collection as it forced residents to compost and use blue bags. Mr. Boroff did not think the cost of continued weekly pickup was prohibitive because residents liked weekly trash removal. David Wanger asked if Mr. Boroff saw the change as a first step to working with citizens to limit the costs of waste removal. Mr. Boroff reiterated that the cost of \$600,000 (\$200 per year per household) was a minimal amount of money. Mr. Wanger discussed how the \$200 in aggregate would add up to a lot of money and asked Mr. Boroff which service he would curtail instead. Mr. Boroff did not know as he did not have facts and figures.

Discussion ensued as to whether trash collection was a commodity like water, which was charged based on usage. It was agreed that trash was a commodity. Richard Boroff offered his concern that people would throw trash into open space lots such as the Audubon lots on Lake Drive if they were forced to pay for blue bags to remove their excess trash. Mr. Boroff reported that the Audubon director was against the change. Nick Tensen responded that if trash was a commodity, residents had the options of private collection, buying bags to use, or having the Town continue to pay for the removal. Changing the system would be splitting the cost by having collection every other week paid for through taxes and paying for bags for those who have more trash. Working collectively would limit costs but also recognize that some people throw more trash out than others. David Wanger said there was a systemic problem in Hamilton and the Town had limited revenue with increases in costs. Mr. Wanger said the FinCom welcomed ideas as to how to cut expenses. John Pruellage noted that beyond the financial side, the change would also change residents' behaviors wherein residents would choose if they

wanted to compost or not because they would have to pay for the trash pickup if they decided not to compost.

Anne Gero said the cost of trash would be \$700,000 in FY21. The State was working hard to reduce solid waste and Ms. Gero hoped the Town would think the same way. Ms. Gero thought it unfair that residents who threw out less trash would have to pay the same amount as those that didn't. Richard Boroff said residents would pay \$400 per year per household for weekly trash. Joe Domelowicz said the entire Operating Budget was \$13M. \$600,000 was more than was spent on Parks and Recreation, the Senior Center, the library, and the Fire Department. Mr. Domelowicz continued that Parks and Recreation users paid for programs they used. The change would not go to Town Meeting but would be a vote by the Selectmen.

Motion made to recommend the proposition of returning to having black barrel trash picked up every other week.

John Pruellage seconded.

Vote: Unanimous in favor

Motion to recommend to maintain the current \$2.50 cost for a blue bag through FY20.

Seconded by John Pruellage.

Vote: Unanimous in favor.

David Wanger asked Richard Boroff to find ways to moderate costs and communicate the solutions to Mr. Wanger. Nick Tensen told Mr. Boroff that he appreciated his open mindedness.

Discussion regarding Hamilton Development Corporation (HDC) updates.

Rick Mitchell and Anthony Nikkas (HDC) were present. David Wanger explained the HDC was present to discuss what they were doing with the money received annually and what plans they had for commercial development as Town Meeting would not be receptive to residential tinkering. Mr. Wanger added that there was a need to enhance revenue through commercial development.

Anthony Nikkas distributed a worksheet of the 2020 budget, the actuals through November 8, 2019, and what remained in each category. Income included rent from the leased house and two commercial spaces on Willow St. as well as \$65,000 in meal's tax. Costs included utilities, property repairs, maintenance, management fees to Harborlight, a property manager, retainer for legal needs, and a fee for a share of the Town audit. Other costs included consulting services (\$20,000) related to accounting work by the Town and the coordinator's time.

According to Anthony Nikkas, the permitting costs for the Willow St. project included a category with \$100,000 budgeted. \$19,000 for legal, \$45,000 for engineering, \$30,000 for architectural design, and \$6,000 for consultants had been budgeted. To date, \$50,000 had been spent. Advertising, printing and building supplies were minimal. Property taxes and liability

insurance were \$4,700. \$10,000 was earmarked for downtown improvements such as the flower baskets and benches. Fuel was over budget as some tenants had not paid their own bill. If permitting of the new project was excluded, the property would break even this year including debt service.

Rick Mitchell hoped the project would be permitted by the end of December. A peer review of storm water, parking, and traffic needed to be completed at a cost of \$7,200. David Wanger asked where the funds for the deficit would be derived, to which Anthony Nikkas responded that there was \$160,000 reserved over the last five years. Joe Domelowicz asked the HDC members to come to the Selectmen meeting and repeat the presentation. The HDC also had quarterly meetings to discuss the budget in public.

Rick Mitchell displayed renderings of the Willow St. project. The second and third floors featured 18 residential units (four two-bedroom and 14 one-bedroom). The Mac Shoe Repair building, which blocked the view from Willow St. would remain and be tied into the septic system of the main building. The HDC voted to keep the Mac Shoe Repair building after being requested by Julie Maycock, an abutter to the project. A studio apartment might be built into the 1.5 storied building. The large tree between the two buildings would remain as well. Extensive landscaping with trees, shrubs, and fencing would also block the view from neighbors. Mr. Mitchell would share the planting schedule.

The proposed septic system would be 70% under used and could accommodate the Mac's Shoe Repair building. The septic was not designed to accommodate restaurant or beauty salon uses so the commercial spaces would be office or retail. David Wanger suggested that restaurant use be considered. Rick Mitchell would ask the engineer about the potential. The new building would cover 20% of the one acre lot. Mr. Mitchell said the neighbors had been engaged with the property's development for 2.5 years as it had previously been considered for a 40B project through Harborlight. Neighbors had been invited to a preliminary meeting before the Site Plan Review proposal was submitted. Their questions and comments had been incorporated into the proposal. According to Mr. Mitchell, neighbors were concerned about parking, traffic, and drainage. A peer review would be conducted to determine impacts and solutions.

The Planning Board opened, heard, and continued the public hearing, which was attended by 22 neighbors. Rick Mitchell noted that a project being approved through Site Plan Review must be approved but could be conditioned unless the conditions made the project uneconomical. David Wanger said the process could become a template for dealing with prospective development in town. Mr. Mitchell said the HDC expected to sell the approved project site for \$1.1M. The current mortgage was \$480,000. Rick Mitchell said the HDC had invested \$680,000 to date for the site including the \$200,000 down payment but not including the \$100,000 for permitting. While some thought the project might be too dense, the HDC took the advice of Harborlight who said a smaller project was not feasible.

David Wanger asked about the current dispute regarding the provisions of the Zoning By-law. Rick Mitchell responded that only one person believed that to be the case. Joe Domelowicz said JP Law was reviewing the issue and would speak with the individual. Once sold, the developer could return to the Planning Board for minor modifications. Mr. Wanger asked what the HDC would do with the money received from the sale. Joe Domelowicz noted they HDC would receive \$500,000 as the \$200,000 down payment would return to the HDC as well. Rick Mitchell said the HDC had hired a consultant to prepare beautification plans for Railroad Ave, which would cost between \$1M and \$2M. Mr. Mitchell said the HDC might hire a part time director to find State grants to make the project happen or determine what could be accomplished in the Commercial Overlay District on Willow St.

Discussion ensued regarding the potential for development at the Dodge Tree site, the Welch & Lamson site, and Winthrop School. A civil engineer would be hired by the Town to determine buildable sites on the landfill location but the HDC's jurisdiction was the Business District. Rick Mitchell said the HDC welcomed the support of the FinCom. The HDC realized the serious financial issues and expected the proposed residential/commercial development would help as the Canterbrook project was expected to create a revenue source of \$300,000 when fully built. Mr. Mitchell said the Planning Board hoped to amend the Zoning By-laws for greater density while preserving open space.

It was agreed that dense development was appropriate for the downtown area but infrastructure was lacking. A study indicated that a new sewer system downtown would cost \$10M with hookup fees financing it. A revenue bond and staff would be required. There was no tax rate difference between business use and residential use. Mr. Mitchell said beautification might draw people into the downtown but it would not be a revenue generating factor unless momentum was generated for commercial entrepreneurs. Mr. Mitchell added that part of the HDC funds went into the development of a website to "shop local" with 125 merchants linking their own websites to the main site.

Discussion with Finance Director and/or Town Manager regarding any finance related updates, including review of FY20 Q1 Results.

Joe Domelowicz stated the HDC needed professional staffing. The current Historic District Commission, Affordable Housing Trust, and Community Preservation Committee coordinator had retired. The position also served the HDC, which paid for their time separately. The position was part time with no benefits and Mr. Domelowicz requested the position become full time. The position would include grant writing, public outreach, and public communications. David Wanger suggested commercial development be added to the job description.

Joe Domelowicz said the Town had saved money by hiring two positions (collector and assessor) at lower rates than the retiring employees had been paid. One full time position (assistant collector) had been filled temporarily with a part time position, which would be made permanent part time. The new position would be grade 10 or 11 (\$55,000 to \$60,000) plus benefits

(additional \$10,000 to \$20,000). Mr. Domelowicz said the Town was currently not receiving grants at all but Public Safety grants might be available as they were not prejudiced by demographics. Vick Mosoni brought in energy grants. The employee would also maintain information on the Town websites, track social media, and release information. The employee could work with the Finance Department to reshape the budget document for easier understanding by the public.

Nick Tensen was concerned about adding another full time position and suggested adding the position conditionally for two years. David Wanger responded that it would be hard to attract an employee. Mr. Domelowicz said the expectation was the grants received would offset the cost of the new employee within two years. The position would be similar to the Patton Homestead in that the opportunity would be set in the hopes of making it work. A call firefighter position would also be proposed to become a full time employee eventually. The Police Department previously had 15 officers but was currently down to 13, which may or may not include the Student Resource Officer. Reportedly, it was discussed if the SHINE employee should be full time, but the Council on Aging Director requested more funding for programming instead. As some Hamilton seniors went to other towns to use their Council on Aging programs, Mr. Wanger suggested finding out what programs other towns were offering to attract them.

Motion made to recommend adoption of the changes discussed to this full time position.

John Pruellage seconded.

Nick Tensen wanted milestones set to determine the return on the person. Christina Schenk Hargrove suggested adding a review every year onto a calendar to determine how many grants had been awarded. Joe Domelowicz said the measurable goals could be added to the annual evaluations. Ms. Schenk Hargrove suggested increasing Town Meeting attendance as a goal.

Vote: Unanimous in favor

Discussion regarding FY21 Budget Guidelines, Budget Calendar, and other budget related items.

David Wanger requested that markers be set for FinCom budget votes prior to Selectmen votes. There would be a presentation with the Selectmen but Mr. Wanger hoped to debate and vote separately than the Selectmen. The Selectmen would vote on the budget on February 17 or 24, 2020. FinCom members would need to vote prior to that date, possibly February 4, 2020. Members would vote on their document recommendations on March 11 and 18, 2019.

Joe Domelowicz had been given the draft of the umbrella committee. David Wanger thought it was a logical way to deal with mixed housing, commercial development, and schools. Mr. Domelowicz would include the draft in his Town Manager's report and circulate the information to committee chairs. The umbrella committee would meet two to three times each year to discuss common goals and coordination. The tax rate had not been set yet but was projected to be higher than the budget assumed. According to Mr. Domelowicz, the State expected the Town to adjust projected to actuals by this time of year. Marisa Batista would explain the rate when

the number was available. Valuations had been projected. Mr. Wanger suggested offering the information at Town Meeting to educate attendees.

The FY21 School Budget impact was discussed. The Schools were required by law and contract to comply with Special Education components. The Superintendent was considering who should have out-of-district placements or Individual Education Plans (IEP) that could be followed in district. The attempt was to have students return to the district. According to the Superintendent the percentage of IEP's in Hamilton was higher than inner cities as parents were more actively advocating for the children. The previous Superintendent put children on IEPs rather than fight with the parents. David Wanger said there was a system in place to contest parental advocacy. Mr. Wanger noted that 70% of the budget would increase 2.5%, which could be countered by staff reductions. Only half of the vacant administrative positions had been filled. The capital forecast (\$26.98M) over five years included athletic fields, library renovations, and roof replacement. A new school was not part of the capital plan as it would take five to ten years.

Discussion of FinCom goals and projects for FY20
Committee Member and Liaison Updates
Review and approval of available minutes.

Determine/Discuss agenda for next meeting.

The next meeting would be November 20, 2019. Kaleigh Pare would be invited to discuss the Patton Homestead's budget, income stream, and actual bookings as well as the coordination with the separate fund raising committee who were responsible for renovations. Christina Schenk Hargrove would report on the School Committee financials. Marisa Batista would be asked to attend. According to Nick Tensen, The Town Hall Building Committee moved away from Option C. Tim Olson suggested moving the addition to the middle of the existing structure rather than to the side as part of Option B. The auditorium stage would either be leveled off or capped. As a change in height might compromise the integrity of the building, some reinforcement would be necessary. Mr. Tensen would speak with Mike Toomey.

Other topics not reasonably anticipated as determined by the chair.

Adjournment

Valerie McCormack made motion to adjourn.

Seconded by Nick Tensen.

Vote: Unanimous in favor to adjourn at 9:55 pm.

Prepared by:

Marcie Ricker

  

Attest Date