

HAMILTON FINANCE AND ADVISORY COMMITTEE  
Minutes of Meeting  
March 9, 2020

Members present: John Pruellage, Christina Schenk-Hargrove, Valerie McCormack, and David Wanger.  
Others present: Marisa Batista (Finance Director), Larry Sargent, Anne Marie Cullen, Barbie DeJaeger, Walter Cullen

This Hamilton Finance and Advisory Committee (FinCom) meeting was called to order at 7:00 pm at the Council on Aging Building, 299 Bay Road, Hamilton.

**Public Comment**

**Discussion regarding all proposed warrant articles for ATM including discussion with any proponent and opponents of articles, and potential voting of FinCom recommendation on the same**

Members discussed the following articles:

2.1 No bills had been submitted to date.

2.3 Marisa Batista stated leases were not included as part of the article but were in individual department budgets. American provided the Town with annual lease amounts based on varied interest rates for a five year period. Lease arrangements accounted for \$507,000 but even though they were capital in nature, were not included in article 2.3. The items were listed in the Capital Plan. The Appendix would refer residents to article 2.3 and article 2.4 as was done the previous year. The debt table and detail by department would be listed as part of Appendix B. Repetitions would be deleted.

2.4. Discussion ensued regarding possible reasons there was a difference between the prior figure of \$12,440,000 and \$12,770,621. Marisa Batista said differences might include an increase for North Shore Vocational School assessment, and line items increases. The \$14M total Town expenses included everything except for items listed in separate articles 2.3. 2.11, 2.12, 2.13 2.14, 2.15, 2.16, 5.6, and part of 2.4. The balance was \$12M.

The article included 5% of the FY20 operating budget not including debt. The total share was \$18,686,427 and when 5% was applied resulted in \$934,000. The debt assessment of \$263,000 was added. The calculation was based on Hamilton's apportionment. Members discussed how varying enrollment figures between years would affect the amount. John Pruellage noted that one of the two towns might be approving an amount too low, while the other town might be approving a number too high if the amounts were based on individual assessments. Christina Schenk-Hargrove suggested using 5% of the total School Budget and then calculating Hamilton's share. It was unclear what Wenham would be proposing within their two articles.

Mr. Pruellage added that an increase of 5% or 8.25% would be a greater increase in the overall Schools budget if the 5% or 8.57% increase was based on Hamilton's share last year as Wenham was responsible for 9.1% of the increase while Hamilton would be responsible for 8.25%.

Marisa Batista said approximating the tax rate increase would be difficult because funding for the General Fund was derived from other funds such as the Water Fund or free cash. John Pruellage suggested using a calculation of how much the rate would increase for each \$100,000 in spending. As fund transfers occurred every year, it would not reduce the tax rate but Ms. Batista responded that if the transfers did not occur, the tax rate would increase by a certain percentage.

David Wanger asked members of the audience what metrics they would want to hear when voting on budgets. Larry Sargent wanted to hear about the impact to the average taxpayer and not how many cents of tax rate per \$100,000. Barbie DeJaeger wanted to see what services would be provided for tax increases.

David Wanger recalled that previously, the FinCom had understood the Town increase was 2% but was now 3.4%. Marisa Batista responded that the 3.4% included capital transfers. It was noted the \$150,000 for a Master Plan would be funded from free cash. Mr. Wanger wanted to find a way in which to present parallel increases for the Town and Schools. Both the Schools and the Town had separate funding sources. The Town had receipts and the Schools just applied for/received a grant for special education as well as other statutory sources. Mr. Wanger suggested saying that the Town's budget required x percent of money to be raised primarily by property taxes and other revenue sources and the Schools 8.57% or 8.25% increase was the same. Mr. Wanger wanted to explain to the public that the Town level service budget required additional money by x percent and the Schools' level service budget required additional money by x percent. Christina Schenk-Hargrove responded that it was not parallel.

Marisa Batista said Hamilton needed \$34M with \$30M being raised through taxes and \$4M from other sources such as local receipts to pay the Town's budget and the Schools' budget. It was determined that 59.8% of the Town's budget was spent by the Schools. David Wanger wanted to show how much of the increased spending would go to Town services and how much would go to the Schools next year. Mr. Wanger said it was the FinCom's duty, with approaching years of overrides, to inform and educate the public and let them determine what they wanted. If giving residents the information to make an informed judgement could not be accomplished, it troubled Mr. Wanger. Mr. Wanger wanted the public to understand articles 2.4 and 2.5, adding that the whole purpose of bifurcating the Schools' budget was to give people a chance to say yes or no as an informed judgement. Ms. Batista responded that the School Committee had offered criticism by having the budget divided into the first 5% as it was a calculation that didn't tie to any specific programs. Members agreed that the arbitrary percentage needed to be thoughtfully explained. Reportedly, the School Committee also indicated that the Town did not value the school system.



The Town budget would increase to 3.4% with free cash transfers. Transfers were not budget increases. The Town budget increase was 2.5% with personnel increasing by 4.7%. It was noted that if the Town's personnel cost had increased by 4.7%, the Schools had an even higher number of employees, which might reflect in a high personnel increase as well. Marisa Batista would send a file with all the percentage changes.

2.5. Discussion ensued regarding using a percentage increase for the article, which Marisa Batista thought might be confusing. David Wanger responded that if 5% was noted in article 2.4, 3.25% would be the balance of the total 8.25% increase. Ms. Batista asked if the 5% would be based on the operating expenses or if debt should be added. Ms. Batista said the 5% should be based on the total. Ms. Batista said the debt was different because it had to be paid. John Pruellage noted that the Schools had increased 6.4% over the last three years. Ms. Batista said article 2.4 would account for \$947,079 and article 2.5 would account for \$603,075. Ms. Batista would work on the tax impact. Mr. Wanger reiterated that he wanted a logical parallel between the Town and the Schools. Ms. Batista would send an Excel spread sheet showing any changes such as Schools, COA, and insurance.

Nick Tensen was absent at the current meeting. Christina Schenk-Hargrove and John Pruellage would be absent at the meeting of March 16, 2020. As a quorum was present, members decided to vote to recommend or not as most articles were not controversial.

Christina Schenk-Hargrove reported on her meeting with School Committee member Michelle Horgan. Reportedly the Schools' Facilities Director had advised the School Committee to implement the security infrastructure plan. Reportedly, keys for the schools were physical keys, which could be taken by previous employees, instead of electronic cards, which could be reprogrammed. The plan included surveillance cameras. The \$1.8M capital request for FY21 had been reduced to \$958,000. John Pruellage agreed with the security system, classroom furniture, facility study, and sidewalk improvements, which were part of the plan. Mr. Pruellage was not supportive of the design project services for the athletic campus improvements but would not vote against the package. Ms. Schenk-Hargrove recalled that items removed from the plan were ADA accessibility upgrades, a fire alarm system replacement, landscaping, flooring replacement and removal, educational technology and district network infrastructure improvements (phones).

John Pruellage said he did not find the plan frivolous as was prepared to recommend it. David Wanger recalled the fund raising component of the athletic improvement project and was concerned about commencing the project. Mr. Pruellage said it was only \$65,000 but the fund raising aspect should be mentioned at Town Meeting. Christina Schenk-Hargrove said the funding was for tennis courts as students were bused to other locations. Turf fields were not part of the plan. Mr. Wanger said the \$9M turf field project was to be done in phases. Ms. Schenk-Hargrove said Institution for Savings and the Schools had just completed a Memorandum of Understanding for the sponsorship of the project. The Gale Study was ten years old.

Marisa Batista suggested that instead of looking at the total budget increase, the FinCom not include the transfers. By comparing FY18 to FY19, one would find a huge increase, which was not an increase in the budget, but the establishment and transfer of the capital stabilization funds from one bucket to another. The bottom line was under 2%. David Wanger wanted to compare the Town budget increase of 2% versus the School's budget increase of 8.25% for a fair parallel comparison. Ms. Batista thought it was fair as the Town might not transfer funds to stabilization funds every year.

3.1. The article would be held until the Planning Board held its public hearing.

5.1 The article authorized the Selectmen to enter a lease at the Chebacco Road property.

Motion made by John Pruellage to recommend favorably article 5.1.

Valerie McCormack seconded.

Vote: Unanimous in favor.

5.2 The article allowed for the bonuses the Town received from bonding companies. There was no impact to the tax rate.

Motion made by John Pruellage to recommend favorably article 5.2.

Seconded by Christina Schenk-Hargrove.

Vote: Unanimous in favor.

5.3 The article was a Home Rule Petition to amend the acts of 2010, Chapter 91. Town Counsel had indicated that extensive provisions may be required. The vote would be held.

5.4. The article might need further revisions and would be held for a vote.

5.5. The article was in regard to the PILOT as it applied to the Manchester Water Plant and the addition of revenue generating solar panels. The article would have no tax impact.

Valerie McCormack made motion to recommend favorably article 5.5.

John Pruellage seconded.

Vote: Unanimous in favor.

5.6 The article appropriated \$150,000 from free cash to pay for the Master Plan. The payment would maintain the minimum amount required in free cash. David Wanger questioned the validity of a Master Plan written by an outside resource with meager participation of residents via surveys. John Pruellage responded that the lack of response did not undercut the need for a Master Plan as it would allow for planning outside a vacuum. Mr. Pruellage continued that the Town would be making tough decisions regarding Schools and development. Christina Schenk-Hargrove added that the plan would allow for cooperation and consideration of how everything worked together. Mr. Pruellage said the consensus set forth in the Master Plan would give guidance to the various boards. Valerie McCormack said the consulting firm would be



experienced in having people focus on where the town was going in the future and would allow boards to refer to it as a reference. Members agreed that the recent housing Master Plan was not sufficient and should have included commercial use planning.

Motion made by John Pruellage to favorably recommend article 5.6.

Christina Schenk-Hargrove seconded.

Vote: Unanimous in favor.

Members discussed the Citizens' Petition regarding waste. Nick Tensen had been the liaison to the waste committee and David Wanger expressed his concern about voting in his absence. Valerie McCormack noted that Joe Domelowicz had indicated the article would be advisory only and not binding to Town operations. Members would vote the article upon Mr. Tensen's return.

David Wanger indicated that he had shared Town Counsel's opinion that the article would only be advisory with Larry Sargent the previous week. Mr. Wanger recalled that the FinCom had previously voted on advisory votes in the past. Mr. Wanger noted that the FinCom could give its recommendation, Town Meeting could vote overwhelmingly, and the Selectmen would still not be obliged to change their vote. Mr. Sargent responded that the Attorney General would make the decision as to whether it was advisory or not within 90 days of the vote. Mr. Sargent said the issue was with the current wording of the article. New wording would negate the terms "fees set." Mr. Sargent said changing the wording would require a public hearing to determine if fees should be changed. The authority to change the fees would remain with the Selectmen as a separate topic of the By-law, which would allow weekly pick up inclusive of the tax base.

David Wanger was concerned that the FinCom was obliged to consider Town Counsel's view. Larry Sargent said the amendment would not be contentious but would address Town Counsel's recommendation. Mr. Sargent said the Citizens' Petition was a democratic exercise for those upset about the change. Mr. Sargent recalled that he had proven the financial impact of weekly pick up was non-existent. While Mr. Wanger said social media was an inefficient barometer of community views, Mr. Sargent responded that a recent poll indicated 311 to 24 that residents wanted weekly pick up. Fifty e-mails were sent to the Selectmen with 46 in favor of weekly pick up, before the Selectmen voted for every other week pick up. Mr. Sargent said the Citizens' Petition was an official manner in which residents could register their opinion. Mr. Sargent said he had found inefficiencies in the waste collection program, including \$20,000 for leaf pick up per year. Mr. Sargent continued that the report submitted to promote every other week collection and composting was biased. Mr. Sargent concluded that the reduction of service did not sit well with residents.

John Pruellage noted that he had voted for the every other weekly pick up based on environmental concerns rather than financial and that in the future, the issue may become more financially significant to encourage less disposable waste. Mr. Pruellage would not be changing his recommendation.



David Wanger said he was concerned with the lack of citizen participation but bemused by the topic that had attracted participation when monumental financial issues were facing the Town. Mr. Wanger found it hard to understand that every other week collection created such an onerous change. Mr. Wanger referred to the \$700,000 total cost of waste for contracts that were about to be renewed. Mr. Wanger said the entire waste topic would be up for consideration in the near future. Mr. Wanger said his recommendation would not change.

Larry Sargent said the Town Manager's report made him dig into the topic while others were upset that it should be included as part of their tax responsibility. Mr. Sargent hoped as many people as had replied to the survey, came to Town Meeting to express their thoughts. Anne Marie Cullen said the service affected every house in town while other programs did not. Ms. Cullen added that it would be disheartening to go through the process and have it only be advisory with no change in service. Mr. Sargent said the Attorney General's office would look into the article as it complied with State law. Mr. Sargent thought the article had a chance of passing and being approved once the modifications about the fee structure had been completed.

Christina Schenk-Hargrove noted that Town Counsel's analysis was considered good as they were the Town Counsel firm all over the State. Ms. Schenk-Hargrove said the Town had heard both sides and carefully considered them. Ms. Schenk-Hargrove was comfortable with the decision made at the time. The number of people who were outraged by something could not be compared with the quiet number of supportive people. Larry Sargent responded that the whole point of the vote would be to get an official opinion of the residents. Members discussed Town Meeting attendance with Mr. Sargent stating families interested in the Schools vote would also be interested in the waste article if they didn't leave before the vote.

#### **Drafting and review of draft FinCom ATM commentary**

Members discussed which articles each member would write for the ATM commentary. Articles 2.4 and 2.5 would be written by the group. Article 2.6 had not been decided. John Pruellage would do all articles (except revolving fund) through the Patton Homestead. An additional paragraph indicating that while support was given this year, in the future the town might consider looking at alternatives and whether the Town should be managing the Patton Homestead property. David Wanger added that as a gift to the Town, the Pattons reserved a right of first refusal to buy the property. If the Town sold the property, they would receive half of the proceeds and the Pattons would receive the other half. Mr. Wanger thought it was important to let the town know there was a way out as the management path was not working. Someone else managing the property was another option for escape. Valerie McCormack suggested a conversation with the fund raising group for an update.

Articles 2.14 and 2.15 would require a two thirds vote to remove funds. It was unclear if the question to deposit funds required a two thirds vote. Article 3.1 would not be written soon as the public hearing had not been held. Nick Tensen would be asked to write article 5.7. David Wanger would work with Christina Schenk-Hargrove on her statement. Valerie McCormack



would do articles 5.4 and 5.5. Mr. Wanger would do the remaining 5 articles. Nick Tensen might be asked to do article 5.5 as it was in regard to bond premium. Articles 2.4 and 2.5 would be left until March 18, 2020. Christina Schenk-Hargrove would do the initial drafts of articles 2.5 and 2.6 with the group finishing on the report at the next meeting.

Christina Schenk-Hargrove envisioned sending out an educational flyer for articles 2.5 and 2.6 based on facts rather than editorializing advocacy as was being done for the Warrant. David Wanger noted that the Town's increase was 2% and the Town thought it fair to allow the Schools double or a 5% increase. A careful analysis of the Schools' programs had not been conducted because the Town had not been invited to review that information, which was appropriate by State statute. The Schools had the ability to control the money as statute allowed. The Town was offering 100% more than it was approving for itself and Town Meeting could determine if the Schools should be given the balance of their request.

Members agreed it was acceptable to say the 5% was an arbitrary figure. John Pruellage recalled the School Committee found the budget to be lean but Mr. Pruellage wondered if it could be leaner. Mr. Pruellage found it encouraging that the School Committee, who had been working on the budget for six months, said that reviewing people and programs would require more time on their part. Once Nick Tensen's analysis was added into the analysis, tax rates would approach the 20's if collaboration was not achieved. The FinCom's position was that they were trying to center the issue within public debate. Rather than moving to join the articles, it was hoped that members of the School Committee or School administration might promise that going forward transparency and cooperation would ensue. David Wanger anticipated a motion to consolidate the articles.

**Adjournment**

John Pruellage made motion to adjourn.

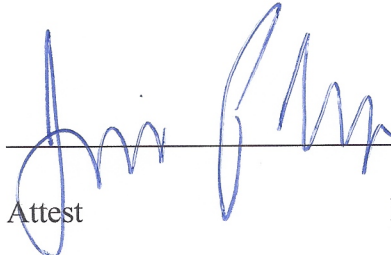
Seconded by Valerie McCormack.

Vote: Unanimous in favor to adjourn at 10: 05 pm.

Prepared by:

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Marcie Ricker

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Attest

5/14/2020  
Date