

Minutes of the August 11, 2015 Patton Homestead Directors

Attending: Carin Kale, Bill Burridge, John McWane, Patrick Reffett, Georgina Keefe-Feldman and Rich Barbato

Carin opened the meeting @ 4:06. This meeting was dedicated to a discussion with Donna Brewer, Town Counsel.

- While awaiting her arrival Carin gave an overview of the visit to the Stevens Estate in No. Andover. (John, Carin and Bill attended)
- The Estate is owned and run by the Town of No. Andover via an Enterprise Fund; the Director is a Town employee. They have a \$300,000 budget.
- John called it an excellent model. It has taken a while to get off the ground (5 years?) and they have not made a profit yet.
- They have received \$600,000 in CPA funds. The Town is very involved and it is seen as an asset. They will come to the Homestead and offer advice if asked.

The above led to a discussion about what governance is best for the Homestead...a nonprofit, an Enterprise Fund within Town structure, or a curatorship program similar to that at Willowdale? These questions would be discussed with Donna Brewer.

John Update:

- John reported that he met with M. Lombardo and S. Maddern. Lombardo was receptive to the idea of hiring an event coordinator on an “as-needed” basis at first. Melissa at the Community House had already discussed this with Carin. The Comm. House might play a role here.
- Scott said the parking lot issue and money for a concept plan were on the table for discussion. Scott will find out if the Facilities Grant was used and, if so, where is the report.

Donna Brewer Discussion

Nonprofit:

Everyone thanked Donna for coming and the Comm. got right into questions.

- Donna discussed the pros and cons of forming **a separate 501c3**. It is a separate legal entity from the Town. The local Cable access station is now a nonprofit. They were forced into becoming a 501c3 when regulations changed. They act like a Town Board. Members are not appointed by the Town, but by an election of other Directors. Their funds come from the cable company so they are not a great example of a start-up nonprofit.
- Aside from the initial paperwork and filing fees, Directors would need liability insurance to mitigate the possibility of being sued.
- We could also lease the property to another nonprofit, or enter into a contract for services to manage the Homestead. An RFP would have to go out. One or both of those ideas may need a special act by the Legislature, which no one is keen on.

- Patrick spoke to M. Lombardo and he will approve paying the CT Corp. to be our Registered Agent if we go the nonprofit route, for an annual fee.
- Georgina K-F stated that her concern from the beginning has been our lack of a clear mission; we are trying to move ahead but it is hard to envision how the Homestead needs to be repurposed when we don't know how it is to be used. Everyone wants to raise money, but raising money just so the Town will not have expenses is certainly not a charity. Donna Brewer reminded us that fundraising is a tool...not a purpose. By forming a nonprofit we are committed to not only preserving the Homestead, but also to starting up a brand new nonprofit to meet some yet-to-be-defined need.
- There was a discussion about using Bill's Soc. Sec. # for the filing, as he is Treasurer. According to Donna there is some potential liability here, which is why Director's insurance is needed. She advised there is no risk in not getting an EIN # right away. This issue was put on the back burner for now.
- Non- residents of Hamilton can serve on the BOD.

Enterprise Fund

- Enterprise Funds are town funds on which they have oversight. The Town would manage the property, but not the activities...that would be the job of the Homestead BOD. The Finance Dept. manages the money. The BOD finds the people to run programs etc. Admin. staff is Town staff.
- Directors would not need their own liability insurance, no special filing fees etc.
- We could look at the Hamilton Foundation as a model. They can raise money and they are in charge of their own budget. Donations are tax deductible. They have a clear mission.
- John related this discussion to the visit to the Stevens Estate. That Estate receives funds appropriated at Town Meetings. They hire a manager and the Director of Economic Affairs is the supervisor of that person, much like the current arrangement with Peter Nichols, the Homestead caretaker. Or, the Town Manager could delegate oversight to the BOD. The Enterprise Fund approach would not necessarily need town appropriated funds since it can fundraise on its own. John stated that we have evolved since the Bevara Report, which recommended establishing a nonprofit. This avenue would still need a BOD, bylaws and a business plan etc.
- Donna said that taxes would be a non-issue. The Town does not pay taxes. She is not a tax lawyer so it is possible that some activities would be taxed. Extra revenues would go into the General Fund and the Town would decide how to use them.
- Patrick added that, considering the condition of the Homestead, he would foresee any available funds going back into the building for the foreseeable future.

Curatorship Programs

- Donna and the group discussed what they know about these programs, which calls for long-term leases. All known to the Homestead BOD are state-run programs via the DCR. The bidder pays all costs of improvements etc. for use of the property. (like Willowdale at Bradley Palmer.)
- Carin also mentioned the Wright-Locke Farm Conservancy in Winchester. The Town spent \$14 million to buy it. We should find out how it is governed. Carin also wondered if a curatorship could apply to the barn and stable only, with the house devoted to programs.
- Bill wondered if we could lease the Homestead but keep the property for recreation purposes.
- Georgina said she would be in touch with Annie Harris, Director of the Essex Nat'l. Heritage Commission, to see if she knows of any municipalities that run Curatorship Programs.
- Donna stated that the Town can make any of these three options work. Some are harder to make work than others.

Zoning Issues

- No matter which way the Homestead BOD goes, we must keep zoning in mind. Special permits or a zoning change may be needed. The Great Estates law was supposed to address this issue. It is currently being looked at by the Zoning Bylaws Steering Comm., according to Patrick R. Permissible use is the issue for anything commercial. An event center, for example would require 25 acres, which we no longer have as an option.

The Patton Archives

- The existing Archives need to be a part of this conversation. Georgina added that J. Patton extended her contract with Gordon College for one year...to August of 2016. How the Homestead project develops will factor into her decisions regarding the Archives.
- Archives security would be an issue.

Insurance Issues

- Donna led a discussion about insurance. The Town has insurance of course, but groups using the Homestead would most likely have to have their own coverage as well. For example, Patton Park is insured but ball teams playing there have to have their own coverage. Bill added that the same is true with basketball games. If a player gets injured by a loose nail, the Town is liable. If the player falls and breaks a tooth, the League policy kicks in.
- One day policies are available. Carin asked about someone wanting to host a bridal shower for 50 people at the Homestead...what kind of insurance would they need. It was suggested that we talk to the Town's insurer for details. The price of a rental could include this coverage. This was an issue with the West Point Society event held at the

Homestead recently according to Georgina K-F. We need a policy. When a sample contract is worked out we must include “do you have insurance?” on the form.

Current Status of the CP Berry Housing

- Donna reported that the appeals period needs to run out and then the Town has 30 days to finalize. We are in the home stretch. The \$250,000 earmarked for the Homestead will be available soon, with \$500,000 earmarked for a turf field and another \$250,000 into the Town’s stabilization fund. John asked how that money can be spent. Could the parking lot be built in the Fall with that money? John will talk to Finance Director Connolly. Will spending it need Town Mtg. approval? Donna will check. We are awaiting Bill Redford’s plan for parking and access road to the lot. One idea B. Redford had floated was a land swap with the Patton’s. Patrick said that would need a Town Mtg. vote.
- John asked what the \$250,000 will go to. The BOS and M. Lombardo need to discuss this issue. Donna suggested that we want to have the most flexibility possible. The Homestead BOD would need statutory authority from the legislature to spend this money.
- Bill asked if some of the \$500,000 earmarked for a turf field could be re-directed to the Homestead. The answer was yes, at another T. Mtg.

Carin’s Report

- Carin reported on the interest from Willowdale in the Patton Homestead. The Willowdale owners are interested in buying the Homestead and making it into an inn for their guests up the street at their event venue. The Homestead is not for sale and no one knows if the Willowdale people would be interested in a long-term lease arrangement.
- The husband and wife team at Willowdale have a great track record with historic preservation. They have spent over \$4 million at Willowdale, plus they saved and restored an old firehouse near MIT and an old house on Cambridge, now an inn. The wife comes from a military family.
- They hope to build a 22 room inn on the Patton gift property, which may not be realistic.
- They could get a 99 yr. lease.
- Further discussion needed.

Going Forward

- All agreed that we need to start putting various scenarios down on paper, as Carin had suggested previously. All agreed that, in order to do this, we need the Facilities Assessment Report that was to have been produced via an MCC grant.
- *Possible scenarios:*
 1. Use “as is.”
 2. Upgrade the Homestead
 3. Build a function room for 125 people. (using existing patio)
 4. Curatorship – a long-term lease.

- Invite Lois from the Mayor's Office in Newburyport and the Firehouse Theater to our next meeting on the 25th. (Bill)
- Further discussion on possible office space rental upstairs and/or in the office wing, currently the living quarters for the caretaker.
- Get parking update from Bill R. (Patrick)
- Georgina reported that we have to soon vacate the Police Station meeting room for the next 2 months. She will check with the Library on their availability and report back. We will be adding a Tuesday, Sept. 1st meeting...still at the Police Station.
- Richard asked about the work currently being done on the stables. No one knew anything about it. G K-F said she would swing by and check it out.

The next meeting will be on Tuesday, Sept. 1, 2015 at the Public Safety Bldg. @ 4 PM.

G K-F
8/31/15