

HAMILTON FINANCE AND ADVISORY COMMITTEE
Minutes of Meeting
March 16, 2019

Members Present: Darcy Dale, Phil Stearns (Chair), Nick Tensen and David Wanger.
Others Present:

This Hamilton Finance and Advisory Committee meeting was called to order at 8:58 am at the Council on Aging Building.

Public Comment

Process planning for assigning and writing the FinCom recommendations for Warrant Articles including voting on remaining articles.

Article 2-1. A spelling correction was made "Council on Aging."

Article 2-2. "DPW" and the last sentence were removed.

Article 2-3. The numbers were replaced and the term "five-year" was deleted. "Water user charges" was added. Phil Stearns suggested adding the sentence: "Further in accordance with the Town's recently adopted financial policies due to recurring nature of these items, we recommend that these capital items be appropriated out of the Budget rather than from a transfer from free cash, which would deplete our free cash reserves." Everyone approved of the change.

Article 2-4. The human resource position was noted as being part-time and the number from the School Budget was changed to include all SRO costs. The following sentences were added: "This obligation will fall to the Towns if the District does not provide adequate funding. Since all District funding comes from the Towns anyway, Hamilton FinCom wants the District to be more proactive in addressing this obligation."

Article 2-5. The FinCom did not make any changes.

Article 2-6. The FinCom had no further comments.

Article 2-7. At the request of Marisa Batista, Phil Stearns added the sentence: "An amount of \$2,000 from the cemetery sale of lots and graves fund is transferred annually to the General Fund as an offset to help pay the cemetery expenditures. Mr. Stearns added to the last paragraph that, "The MA Department of Revenue recommends that these indirect costs would include: i.e., time spent by employees for bills to pay for the water or collecting water payments or any administrative time for other work performed by non-water department employees including debt cost, health insurance, etc."

Article 2-8. The explanation was changed to include: "The CPC is charged with providing support to various town projects, historical, open space, and community housing." Recreation was considered under Open Space. The term: "in the end contribute to community housing projects reserve" was added. The word "reserve" was added to the second to last bullet point.

Article 2-9 no comments.

Article 2-10. Phil Stearns said Marisa Batista had changed the last sentence to say: "It's the main source of income approved use of the Town's Meal's Tax revenue." Also added was: "This year the transfer of the Meal's tax revenue, which supports HDC operations is \$74,880. This balance changes every year." Nick Tensen noted that taxes were paid back to the Town even though they were a non-profit so the real amount was \$64,000.

Article 2-11. David Wanger would contact Marisa Batista to determine if the pages were the same from the October 2015 and 2018 editions of the Odyssey publications. In regard to the \$125,000 contributions Phil Stearns added: "There will be periodic actuarial assessments of the status of the Town's OPEB plan. We believe the recommended \$125,000 contribution made pursuant to the thirty-year amortization schedule may gradually increase to reflect future medical trends and costs." Mr. Stearns also changed the last sentence to include: "Currently the Town's portion of these costs gets appropriated" Mr. Wanger noted the language was consistent with the quote from Odyssey that money was expected to cover normal costs each year. Odyssey was envisioning the funds and amortization would be funded by the OPEB money in the plan. Nick Tensen said the funding would reach a plateau and no more would be needed to fund it as the return on the investment would cover the obligation. Mr. Wanger suggested stating: "Currently, the Town's portion of these costs gets appropriated. It is anticipated that as the fund grows in value, eventually the fund will be sufficient to satisfy current and future obligations."

Article 2-12. The number was changed to \$86,343.

Article 2-13. According to Phil Stearns, Marisa Batista had suggested adding clarity regarding the majority motion to move money into and two-thirds majority motion to move money out of the Stabilization Fund. The language "Hamilton already has a Stabilization Fund and this article moves funds from existing Free Cash to the Stabilization Fund. As previous established, this fund requires a majority vote to move funds into and a two-thirds majority for voters to move money out of the fund, therefore this money is protected from being used for anything other than a use favored by a two-thirds majority of Town Meeting voters." There was a balance of \$831,090 with a total of \$1,152,844 in the fund. Ms. Batista had also requested not making reference to Article 6.1 in case it was removed. The reference would be removed. The Capital Stabilization Fund numbers had changed to \$1.3M and the reference to Article 6.1 would also be removed from this section.

Article 2-15. No changes.

Article 2-16. No changes

Article 2-17. Nick Tensen noted there was nothing to be changed as it would be an unknown how much the department would use of the \$1.6M left for projects. The sentence "As of this writing, the cost is not determined yet" would be added in the end of the second paragraph. Phil Stearns added that "Since the Water Enterprise Fund is self-funded, there will be no impact on the tax rate but there will be impact on the water rate." All members of the FinCom agreed.

Article 2-18. The last sentence would be replaced with "Since the Water Enterprise Fund is self-funded, there is no impact on the tax rate but there will be an impact on the water rates."

Article 2-19. "five-year" was deleted. The concept of paving before running water lines was discussed. The FinCom agreed to add: "There had been discussion of using this right of way for laying water pipe to Manchester as a way to relieve some of our water needs. If this proceeds, the right of way offers sufficient space without disturbing the proposed paving."

Article 2-20. Phil Stearns said Marisa Batista suggested changing the numbers from \$550,000 but it was decided to leave the language as presented.

Article 3-1. Phil Stearns said Darcy Dale did a good job summarizing the article. The words: "See Appendix F for text" was added.

Article 3-2. Average median income (AMI) was discussed. The words: "See appendix G for text" was added. Marisa Batista would be contacted to ensure the numbers were correct.

Article 3-3. Darcy Dale described the proposed article for small wireless facilities (SWF). Nick Tensen noted the article included minimizing visual effects to preserve property values. David Wanger suggested writing: "In accordance with appendix H, SWFs shall be so designed and installed as to minimize adverse visual effects with careful design and siting to preserve property value and aesthetics of Hamilton." The FinCom did not like the term "no regard" and replaced the sentence by indicating: "no specification to the type of vertical structure or the owner of this structure to which the SWF could be attached."

Article 4-1. No changes.

Article 5-1. David Wanger suggested changing the caption but the title was already in the Warrant. Mr. Wanger suggested changing the second to last sentence to: This will be accomplished by establishing an irrevocable trust, pursuant to MGLs, Chapter 32 B Section 20 as the most recently amended." "Establishing the OPEB trust and "accomplish that purpose" were both deleted.

Phil Stearns described the e-mail chain back and forth to Town Counsel. Mr. Stearns explained that the FinCom decided to put together a document to have the residents better understand the issues and their recommendations of the articles. Town Counsel did not recommend including quantum of vote being in the Warrant or supplemental documents as it could change depending on the Motion. Quanta were removed except for the Stabilization Fund explanations when it was noted a majority was needed to put money in and a two-thirds majority was needed to take money out.

Article 6-1. The article would be left until the Selectmen decided to take it out. It could be deleted before the document was sent for publication.

Phil Stearns and the Moderator would determinate which articles the FinCom would be moving and which ones required explanation.

Update on liaison assignments and committees.

Other topics not reasonably anticipated by the Chair.

Determine agenda for the next meeting, if necessary.

The bench marking of the Hamilton Development Corporation would be discussed after Town Meeting. The litigation expense report and use of Town Counsel would also be discussed after Town Meeting. A current copy of the FinCom document would be sent to Town Counsel, the Selectmen, Joe Domelowicz, and the Town Moderator. Marisa Batista would be sent a separate copy with an appreciative note attached.

Adjournment

David Wanger made motion to adjourn.
Seconded by Darcy Dale.
Vote: Unanimous to adjourn at 10:00 pm.

Prepared by:

Marcie Ricker

 04-28-19

Attest

Date