

HAMILTON FINANCE AND ADVISORY COMMITTEE

Minutes of Meeting

Via Zoom 880 4512 8281

Password 502996

July 22, 2020

Members present: Roll call vote to order: Valerie McCormack, John Pruellage (Chair),
Christina Schenk-Hargrove (Vice Chair), Nick Tensen, and
David Wanger.
Others present: Marisa Batista.

This Hamilton Finance and Advisory Committee (FinCom) meeting was called to order at 6:30 pm via Zoom.

Call to order/Pledge of Allegiance.

Public Comment Period

Discussion regarding timing and potential topics for Fall STM

Fall Town Meeting would be held on November 7, 2020. The meeting would be held inside unless the State decided to allow a virtual meeting to be held. Joe Domelowicz reportedly thought a virtual Town Meeting might be allowed by Annual Town Meeting in 2021. In addition to the leftover capital items, the Board of Health appropriation for an expanded Health Department, and possible Town Hall Building appropriations, other topics would be forthcoming. The Board of Selectmen were discussing trash collection. If an article were to be placed on the Warrant, Larry Sargent would be encouraged to submit another Citizens' Petition. The Planning Board may write a density article to present. The FinCom Commentary would need to be ready for the printer on October 21, 2020.

Discussion with Town Manager and/or Finance Director regarding any finance related updates.

Marisa Batista said revenues had not met expectations and were \$170,000 short. Tax collections were \$408,000 short with only \$30,000 having been collected in July, leaving a deficit balance of \$378,000. Ms. Batista said there were many outstanding taxes and motor vehicle excise taxes. Demands would be sent. Appropriations were more than expected (\$1M to \$1.2M) due to Department Heads freezing expenditures. The amount would eventually fall to free cash. The appropriations would cover the revenue deficit, according to Ms. Batista.

Marisa Batista had spent a great deal of time on personnel issues including payroll and unemployment. There was one fraudulent unemployment claim and many other unemployment claims. Financial delays had occurred due to the turnover in the Treasurer/Collector's office.

Marisa Batista described the documentation required for internal borrowing, which was needed to pay invoices. Once the Selectmen approved the borrowing, money would be transferred from the General Fund to the Capital Project Fund. Funds would be replaced in September. There was only \$131 remaining in the Town Hall Building Project Fund. \$200,000 was in the Water Fund, which would last until September. Short term borrowing for \$467,000 was being held for another water project but funds were needed before September for the Town Hall Building Project. Ms. Batista described the documentation issues due to Covid 19, which were part of a 250 page document. Ms. Batista said the Town had previously been authorized for the borrowing. While documentation had to be submitted to the State, approval by the State was not required. Ms. Batista would need to submit a signature indicating that the General Fund would be repaid.

Motion made by David Wanger to recommend the internal borrowing described by Marisa Batista from the General Fund to the Capital Project Fund.

Seconded by Nick Tensen.

Marisa Batista said the Town had already approved spending the \$467,000. Ms. Batista explained that once bond proceeds were received the money would be transferred back to the General Fund and that there would be no cash flow issues. Ms. Batista said that typically free cash would be approved in September but due to Covid 19, the money was available to communities to use immediately. Hamilton was authorized for \$1.8M in approved free cash. Ms. Batista said the number would be higher due to the FY20 amount but the money would not be used as a Town Meeting was not planned to approve any other spending.

Marisa Batista said she was not concerned with real estate tax collections as they would eventually be collected. A tax lien would be placed on the delinquent properties. Penalties and interest had been waived, which would become lost income. Ms. Batista said when the due date arrived (August 1, 2020), she would be able to anticipate cash flow issues. Ms. Batista reiterated that \$370,000 had been outstanding. Ms. Batista said demands would be issued for motor vehicle and real estate tax delinquencies, which would be transferred to tax title. Ms. Batista said the State had provided all of FY20 funding but she was unsure how FY21 would be. The Town included a 20% budget reduction from State funding when it prepared the budget.

Roll Call Vote: Valerie McCormack – aye, Christina Schenk-Hargrove –aye, Nick Tensen –aye, David Wanger – aye, and John Pruellage – aye. Unanimous in favor.

Marisa Batista noted that a tenant had not been paying their rent for six months and a meeting had been set up to reconcile the situation. Ms. Batista noted personnel issues, payroll, and pay outs. The Treasurer/Collector was behind.

Marisa Batista said the Town had received multiple unemployment claims, mostly from seasonal employees in the Recreation Department, call fire fighters, and reserve positions. The Town of

Hamilton was liable for a portion of unemployment for shared services with other towns. One fraudulent case was for a full-time employee who was still employed. The Town contacted unemployment but nothing could be done until an invoice was sent to the Town, when they could appeal the claim. Police had been contacted.

The Schools had not provided a Quarterly Report but Joe Domelowicz had met with the new superintendent. The Schools would provide a plan by August 10 or 11, 2020 regarding whether they would be opening the schools or not. It was unclear if the Schools were involved in collective bargaining agreements as they had been consumed by creating a plan for reopening.

John Pruellage hoped that future meetings would include locating alternative revenue sources for the Town. Marisa Batista suggested inviting the assessor to discuss tax opportunities such as commercial tax rates.

Discussion regarding Finance Committee composition

David Wanger and Nick Tensen had recently been reappointed for three year terms. John Pruellage and Valerie McCormack had two years left. Christina Schenk-Hargrove had replaced Darcy Dale and thought she had one year left to her term. John Pruellage suggested bringing in an associate member to transition into a three year term in the event they were not completed by the current members. Mr. Pruellage would speak with Matthew Ryan to determine if he had any interest in the Committee. Ms. Schenk-Hargrove's name would be moved up by Mr. Pruellage's name on the website and agenda as she was Vice Chair. Valerie McCormack would be noted as secretary as well. Ms. Schenk-Hargrove would contact a resident to see if they were interested in joining the Committee.

Discussion regarding FinCom goals for FY21.

John Pruellage noted goals the FinCom would hope to accomplish. The relationship with the Schools and the education of citizens regarding the fiscal situation would be a goal. While citizens may look at issues in a vacuum, Mr. Pruellage said they were interrelated. Another goal was to come up with a more definitive view of long range forecasting and encourage others, such as the Schools to do the same. It was likely that a Proposition 2.5 override would be voted upon in the Spring and possibly for four or five years thereafter. The last goal was to locate alternative revenue sources for the Town. Christina Schenk-Hargrove said the Town spent so much time reviewing the expense side of the equation without looking at revenue. As real estate taxes might be the only source of revenue, searching for other sources or different tax rates might be considered. Determining how development affects revenue would be analyzed. If development did not generate incremental revenue that was meaningful, it might not be worth it. Marisa Batista and the assessor would be invited to discuss what other towns did and what Hamilton could do.

Discussion ensued regarding speaking with the School regarding next year's budget as soon as possible. It was unknown if a meeting between the Schools and the Selectmen had been set to

date but the FinCom hoped to be involved in the process. David Wanger suggested inviting the new superintendent to a FinCom meeting. John Pruellage, Christina Schenk-Hargrove, and Valerie McCormack would reach out to the School Committee to invite them to a FinCom meeting or meet with them. The School Committee meeting calendar was reviewed. According to a Department of Elementary and Secondary Education survey, the majority of parents wanted a hybrid (in person and virtual) school for fall. Twenty-five percent wanted all remote learning and 25% wanted all in person.

Members discussed vehicles for communicating with the public, including social media, inviting the public to a meeting, and/or a presentation at Special Town Meeting.

Committee Member and Liaison Updates.

Kaleigh Pare and Joe Domelowicz wanted to attend a FinCom meeting to discuss leasing the Patton Homestead site as a shared workspace. Mr. Domelowicz would be asked about insurance and the economics of the opportunity.

The Gordon Conwell Task Force needed three new members. David Wanger said the seminary had sold (just under \$2M) the acreage along Bridge St. to a developer who would build individual homes. Discussions were underway with two developers to sell the 210 residence hall units. Sixty units would be 40B affordable, which would take the town to the acceptable percentage of required units under State law. All units would be tax producing with the affordable units being assessed at a reduced rate. The assessor would create an estimate of the tax revenue. Mr. Wanger recalled that the original concept was brought forth by John Pruellage. Mr. Wanger said that according to Patrick Reffett a contribution by the Town was not being contemplated. Mr. Wanger hoped the Town would be supportive of the proposal but noted historic delinquencies of promises made by the seminary and their failure to contribute to the town. Even though some of the units would be devoted to student use, none of the units should be tax exempt.

David Wanger recalled that the Planning Board was discussing flexible zoning and that increased density had been a contentious topic associated with the Willow St. project.

John Pruellage discussed the Asbury St. affordable housing development and that deed restrictions had not been properly placed on the Habitat for Humanity units. The effect was that the units may not count toward the Town's quota. The issue brought forth that other units in town may not have been counted. The Housing Production Plan would be put on the agenda for a brief discussion. Christina Schenk-Hargrove would locate the plan.

Cell tower placement had not been discussed with the seminary but Nick Tensen said the Town Hall Building Committee had an interest in trying to avoid the erection of the one behind Town Hall as it would limit flexibility in siting the DPW's space. Mr. Tensen did not believe Varsity Wireless had an interest in pursuing a site at the seminary. John Pruellage thought Varsity

Wireless would not want to have further delays after already having gone through a lawsuit and appeal.

Review and approval of available minutes.

Motion made by Christina Schenk-Hargrove to approve the FinCom minutes of May 7, May 14, May 21, May 28, June 2, June 16 and July 8, 2020.

Seconded by David Wanger.

Roll Call Vote: Valerie McCormack – aye, Christina Schenk-Hargrove – aye, Nick Tensen – aye, David Wanger – aye (except for June 16, 2020 when Mr. Wanger abstained due to absence), and John Pruellage – aye. Unanimous in favor.

Determine/discuss agenda for next meeting.

Matthew Ryan would be invited. Topics for the next meeting would include Patton Homestead discussion with Kaleigh Pare, the Housing Production Plan, and the Schools’ budget.

Collaboration with Wenham regarding the Schools would be an action item. Christina Schenk-Hargrove and John Pruellage would try to arrange a meeting with the Schools or attend one of their meetings. David Wanger suggested sending an agenda of topics that FinCom would want to cover with the Schools in advance. The next meeting would be August 19, 2020.

Adjournment

Motion made by David Wanger to adjourn.at 8:10 pm.

Nick Tensen seconded.

Roll call vote: Valerie McCormack – aye, Christina Schenk-Hargrove –aye, Nick Tensen – aye, David Wanger – aye, and John Pruellage - aye. Unanimous in favor.

Prepared by:

Marcie Ricker



Attest

Date 10/28/20