

HAMILTON FINANCE AND ADVISORY COMMITTEE

Minutes of Meeting

Via Zoom 851 0952 2508

Password 496403

September 16, 2020

Members present: Valerie McCormack, John Pruellage (Chair), Christina Schenk-Hargrove
6:41 (Vice Chair), 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. Roll call: Valerie McCormack – aye, John Pruellage – aye, and David Wanger – aye.

Public Comment Period

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

Free cash was certified at \$3.3M, which was slightly higher than the \$3M certified in FY20. Expenditure freezes had been implemented, which accounted for \$1.3M in savings. \$170,000 had been reimbursed by FEMA for the Bridge St. project. Collections had been better than anticipated. Policy defined that 5% would be maintained in Free Cash and the Stabilization Fund (each). The current combination would be 10% to 13%, which did not include the Capital Stabilization Fund. The auditors would look at the funds for the Town's bond rating. Free cash could be transferred to the Stabilization Fund at Special Town Meeting.

Discussion with Town Manager regarding Warrants for Fall STM, including THBC and CPC

The list of capital requests would cost \$507,000. The police cruiser was not included and might need to wait until the following year for funding. Items included the eco-repeaters, Master Plan, DPW fuel yard system, Public Safety Building boiler, DPW- Highway Phase II compliance with stormwater management, and the Parks and Recreation request. An above average amount of funds were transferred to the Capital Stabilization Funds but Free Cash might be available to fund the balance. David Wanger suggested preserving as many reserves as possible in the event FY22 might be worse than FY21. Mr. Wanger said the tax rate should not be lowered artificially. It was recalled that a member of the public requested that Free Cash fund the Schools rather than the Capital Stabilization Fund at Annual Town Meeting. There would be a significant tax rate increase for FY21 and funding capital items through taxation would further increase the rate. The Town of Hamilton took a conservative approach to the fiscal impacts of the pandemic and is in better condition than many towns.

Members would meet with the CapCom to discuss funding of potential projects. Patrick Reffett would be invited to discuss the Master Plan proposal's process, what had been done to date, and funding sources. All interested parties would be invited to discuss the Town Hall Renovation project. The CPC approved \$3M for the project. Marisa Batista and Joe Domelowicz would discuss a paperless Town Hall. Tim Olson would meet with the FinCom to discuss water projects.

Members discussed CPC funding of the First Congregational Church's project. While the clock was considered historical, some believed funding the Town Hall was more appropriate than funding a private religious institution.

Weekly trash pick up would continue. An education program would be instituted to promote recycling and composting to remove food waste out of the trash stream. The Citizens' Petition might not have been effective as it had been advisory and would not affect the decision making ability of the Selectmen.

Members would meet with the Patton Homestead applicant who hoped to create a shared office space at the site. KP Law was working on the logistics of the proposal.

Discussion regarding HWRSD 4th Quarter Report

The summary page of the report indicated that a balance of \$162,000 was available with no details given. Winthrop Elementary School had an apparent deficit of \$152,000 with no details given. The reported savings from having the Schools closed was \$540,000, which would go into Excess and Deficiencies. After certification, some of the excess would be returned to the towns. The calculations were unclear and the shortfall might have been due to prepaying FY21 invoices out of FY20 funds. It was reported that the Schools were over-budget by \$1M due to the acquisition of personal protective equipment and \$1.4M in furniture needed to start school. Members discussed that the Schools had indicated that they would not seek pandemic funding from the towns as the amount would be reimbursed by the State. The Schools received \$77,000 to date from the CARES Act. The Schools took out a bond for the first half of their capital plan in May for items approved at Annual Town Meeting. The Schools had submitted a Statement of Interest to have one elementary school. One of the factors for approval was how many times an application had been submitted and this application had been rejected already several times. Members agreed that reviewing financials for the Schools was part of FinCom's purview.

Discussion regarding CAPCOM 5 year plan

The CapCom had distributed their draft from last December, which did not prioritize items. Their current focus was Special Town Meeting and the Town Hall Renovation project. The CapCom would meet with the FinCom to determine their viewpoints and how to fund what would be approved at Special Town Meeting and what would be funded through the Capital Stabilization Fund in the future. Members would discuss reasonable goals for capital spending over the next five years. David Wanger had calculated a rendition of tax capacity and burden but

noted it was a good time to borrow. Mr. Wanger noted the Schools' OPEB obligation, which would be discussed with the School Committee and Superintendent.

Members discussed that capital items would total \$40M over the next five years. Items included the Town Hall, water, turf fields, and other items for the Schools. Water expenses included capital costs from infrastructure fees or the General Fund. There was a understanding that infrastructure fees would fund borrowing. The amount and its reflection on water rates needed to be determined.

Discussion regarding the Town's 5 year projection model

Marisa Batista compared Actuals from the FY 17, FY18, and FY19 to FY20 Budget and FY 21 projections to determine a percent change and forecast future changes. FY20 Actuals were skewed due to spending freezes and personnel vacancies. Ms. Bastista said it was a way to obtain correct assumptions. Nick Tensen would develop the model, which would drive scenarios as to what would increase the tax rate. The information would make communication with the residents easier.

Committee Member and Liaison Updates.

Christina Schenk-Hargrove said the First Congregational Church's request was for \$120,000. The Selectmen had a recent retreat to discuss "big picture" items. The Schools would be rewriting the Regional School District Agreement. Members of the FinCom agreed they should have an active role in the District Agreement. New appointments to various committees were noted. The Home Rule Petition for 550 Highland St. appeared to be coming to a close. The Hamilton Development Corporation would be invited to meet with the FinCom to have a periodic review of their budget and plans. The Assessor's office would be invited to discuss the revenue side and determine what was being experienced in terms of property values as it tied into the five-year projection.

Review and approval of available minutes

Motion made to approve the minutes of July 22, 2020 and August 19, 2020.

Seconded.

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

Motion made by Christina Schenk-Hargrove to approve the minutes of September 2, 2020 with changes as discussed.

Seconded.

Roll Call Vote: Valerie McCormack – aye, Christina Schenk-Hargrove – aye, David Wanger – abstain, and John Pruellage – aye. Unanimous among voting member.

Adjournment.

Motion made by David Wanger to adjourn.at 8:38 pm.

Christina Schenk-Hargrove seconded.

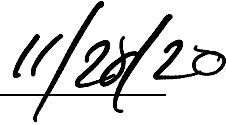
Roll call vote: Valerie McCormack – aye, Christina Schenk-Hargrove – aye, David Wanger – aye, and John Pruellage – aye. Unanimous in favor.

Prepared by:

Marcie Ricker



Attest



Date