

## HAMILTON FINANCE AND ADVISORY COMMITTEE

Minutes of Meeting

Via Zoom 896 9585 2960

Password 033152

October 28, 2020

Members present: Valerie McCormack, John Pruellage (Chair), Christina Schenk-Hargrove (Vice Chair), Nick Tensen, and David Wanger.

Others present: Tim Olson and Marisa Batista.

### **Call to Order**

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

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

### **Discussion with Mary Beth Banios, Superintendent of HWRSD and Vincent Leone, Assistant Superintendent of Finance and Administration of HWRSD, regarding the current financial situation, the upcoming budget process, and collaboration between FinCom and the HWRSD.**

According to Mary Beth Banios, compromises to the educational program had been experienced due to three or four different versions of the program and having twenty-two fewer staff members. Some students were hybrid, while others were fully remote. Special education was provided four days each week. Ms. Banios found that meeting the diversity of needs, especially around working parents, challenging. Ms. Banios hoped to be ready in the event the system needed to convert to being fully remote. The community had reportedly requested increasing the in-school hours. The ultimate goal would be to have all students attend in school as Ms. Banios thought that would best serve their needs.

Twenty-two positions had been lost due to budget cuts, including, teachers, administrative staff, a human resource person, and a person who worked at curriculum instruction infrastructure, professional development, and assessment programs. In the future the Schools would be looking for ways to be more efficient while providing critical functions. Mary Beth Banios said some of the positions needed to return. It was noted that the Town was also reviewing efficiencies in staffing as well.

The School Committee would vote for a series of goals and get the strategic planning process set up. The community's priorities would be determined and a five year financial plan would be developed to accomplish those goals. The importance of not spending funds in a vacuum was considered, especially in light of potential 2.5 overrides.

Having School and Town needs requested during the same time could be problematic. Members discussed the Town Hall renovation, water infrastructure, and planning initiatives. The Town would be asked to fund \$5.3M and another \$3M from CPC. The total project cost for the Town Hall renovation project would be \$9M to \$10M. The Schools responded that they had submitted a statement of interest to the MSBA for a 40% match for the Cutler School (possibly other schools wrapped in as well). Once accepted, a facilities plan would be considered with the possibility of combining all three elementary schools or renovating one school. It would take five to six years for a new school to open. The Schools would know if they were one of twelve applications chosen in December. Mary Beth Banios thought the Cutler School would be considered at some point in the future and the Schools would continue to apply.

Members discussed revenue generation and the need for a strategic plan. Having an older population and the potential to have a turnover to more students could compound challenges. Only 20% of the town were direct participants in the school system, while the town paid 70% of the school budget. David Wanger expressed his hope for a more positive relationship and collaboration with the Schools. Having separate strategic planning with potential divergent views would be money ill spent. Mr. Wanger hoped for tripartite master planning. Winthrop School was on leased land that could be commercially developed to generate revenue for the town. Mary Beth Banios explained that the Schools' strategic planning was a development of a portrait of a graduate and what critical skills were needed and how that would be accomplished. The community and Town leaders would be involved in the process to dovetail their planning together.

David Wanger noted the \$40M OPEB liability that had not been funded. The Town of Hamilton would be responsible for two-thirds of the liability. Mr. Wanger also noted that employee compensation was not comparable to Town employee compensation. School personnel costs were 70% of the school budget. Mary Beth Banios responded that bargaining with the teachers' union did not compare school employee compensation with the compensation of municipal employees but did compare compensation with other school systems.

The importance of the Town Hall renovation project was discussed. The project had been funded incrementally in years' past. Bids were arriving and the town would be asked again if they wanted to fund the construction of the project. The building was noted to be in unusable condition. The Schools' budget had been approved in spring, but the Town's needs were delayed. It would be difficult to convince the residents that the request was necessary and not a luxury.

Vinny Leone discussed the Families First Coronavirus Relief Act and Family Medical Leave Act that allowed staff to take up to twelve weeks off, which cost the Schools \$200,000. Forty-one staff members had requested the funding (\$200 per day) but only 20 were approved. \$120,000 on the heating system was spent. Tents cost \$30,000. Socially distant furniture cost an

additional \$30,000 above what had been approved as a capital request in the spring. Technology (purchase of iPads) cost \$100,000 and 80 Zoom licenses cost \$25,000. Software products cost \$20,000. To date a little less than \$200,000 was spent on personal protective equipment (PPE) (masks, gowns, disinfectant) due to the virus and Mr. Leone thought the total cost of PPE for the school year would total \$350,000.

The end of year balance was \$150,000. \$450,000 from the CARES Act was received and a favorable balance in health insurance and out of district tuition contributed to the favorable balance. The net was \$100,000 for the end of the year. Mary Beth Banios said the Schools were investing in district programs to keep students in the district. The School Committee approved another Special Education position for the year to keep current with testing. Nick Tensen recalled that the FinCom had asked about seeing the returns from the previously funded Special Education program but they were never received.

The Schools would return funds to the Town if they had an excess of 3%, which did not appear to be the case for FY20. The State allowed for the Schools to keep up to 5%. Any potential refund for FY21 would depend on the FY22 budget. Principals and staff would meet with Vincent Leone in two weeks to discuss next year's budget. Enrollment assessment would be calculated in two weeks. The final budget was due March 1, 2021. The Schools would meet with the FinCom on January 13, 2021.

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

The request amount would be known as bids were due November 6, 2020. \$1.1M (CPC funds, \$75,000 Free Cash, and \$100,000 raised and appropriated) had been approved in a previous meeting in 2018. The new estimate was for \$3M from CPC and \$5.3M. Tim Olson estimated \$4.8 in August before an application to the State Architectural Access Board was filed. An additional access ramp on the north side of the building had been specified to replace the existing temporary ramp. The change would have an additional cost. A handicapped accessible sidewalk from the main entrance at the rear of the building to Bay Road was also specified. The original per square foot price had been \$500, but it had been reduced to the mid-\$400's. The August budget did not include the architects' administration fee of \$240,000 or the Owner's Project Manager's cost for an additional two months. The total cost would be about \$9.7M, including what had already been spent. A 10% contingency fee had been included in the budget.

Procurement law required 14 to 15 sub-bids. Bids would be available by Town Meeting. No matching grant options were available. The free rental space at Gordon Conwell would require \$200,000 for upgrades. Issues that had been considered were accessibility, fire protection, and structural problems with the existing Town Hall. The insurance claim of \$90,000 for the damaged cupola would be added into the \$1.1M.

David Wanger recalled that the Town Hall Building Committee had been formed based on a Town Meeting request that experts from the town be considered to plan the project. The project had Historic District Commission, Zoning Board of Appeals, CPC, and State approvals. The Town Hall had not been upgraded since 1897 but a challenge remained to have residents understand the need.

Marisa Batista said the wording on the Warrant for an actual amount requested could be changed on Town Meeting floor when the number was known. When borrowing was being authorized having a number “not to exceed” could not be used; it needed to be an actual number. An estimated tax impact based on current values would be included. Evaluations had increased since Annual Town Meeting. The annual cost based on a quarterly basis was \$33.50 (\$134.00 per year) on the average home valued at \$613,000. A short-term bond of \$467,000 for the project would be rolled into borrowing. The CPC would incur a debt for the \$3M.

### **Discussion and voting on remaining recommendations for Fall STM**

Preface. Members discussed the status of State and Federal aid, the use of Free Cash going forward, and the potential of needing a Proposition 2.5 override. Collaboration with the School and Wenham and the development of revenue sources were important. John Pruellage would write the discussion, review it with David Wanger, and send it to the Committee for approval.

11 2-1 Prior year bills (\$1,084.87). The Council on Aging bill (\$875) for Beauport Senior Transport was misplaced and not paid. The other bill was for paper supplies at Staples (\$209.87). The bills required a 9/10<sup>th</sup> vote.

Motion made by David Wanger to recommend favorable action on article 2-1.

Seconded by Nick Tensen.

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

11 2-2 Capital funding (\$576,334).

The goal would be restated to include an increase. Concern was noted about funding capital expenses with Free Cash.

Motion made by Nick Tensen to recommend favorable action on article 2-2.

Seconded by David Wanger.

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

11 2-4. Transfer (\$824.25) to cover the deficit to close the pool.

Motion made by Nick Tensen to recommend favorable action on article 2-4.

Seconded by David Wanger.

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

11 2-5 Community Preservation Committee (CPC) grant appropriation (\$200,000) to the Affordable Housing Trust (AHT). Fund for flexibility and cash flow for the Asbury St. project. Canterbrook would give two payments of \$217,000 each (\$434,000 total).

Motion made by Nick Tense to recommend favorable action on article 2-5.

Seconded by David Wanger.

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

11 2-6 CPC grant (\$75,000) for the clock and belfry at the First Congregational Church.

Members discussed potential reservations regarding the request. The timing and funding of non-Town owned projects were concerns. The request had been lowered to only include work on historic elements of the proposal. It was noted that the Selectmen did not support the request (4-1) due to similar concerns. Members agreed that \$75,000 was a large ask for Town support of a private entity and thought the congregation might be able to fundraise. Some members were concerned that if the Town gave money to pay for non-sectarian items, the congregation would not be liable for those costs and could divert the same amount of money on religious causes. It was noted that the CPC had voted unanimously for the project for historic preservation of a historic building. Supporting the Community House set a precedent.

Motion made by David Wanger to recommend unfavorable action to article 2-6.

Seconded by Nick Tensen.

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

David Wanger would write the report, send to John Pruellage and distribute it to the group.

11-2-7 CPC grant (\$3M bond) for the Town Hall Building Project.

Nick Tensen had written the commentary referencing Town Meeting involvement and previous approval of funds. After looking at options of the building or renovation, town residents decided to continuously approve the historically significant Town Hall.

11-2-8. Town Hall Building Project (to borrow \$4,800,000).

The commentary would discuss the history of the project. The estimate would be adjusted after bids were received. The total cost was estimated to be \$9.6M. The amount of \$5.3M would be adjusted at Town Meeting. The 3% interest rate had increased to 3.25%. A chart would show the costs for borrowing and interest, which would total \$13M. The tax impact on individual homes would be based on the principal and interest costs. Marisa Batista noted that a premium (refund) might be added. It was agreed not to mention that premium to avoid confusion. It was also agreed to leave the amounts that would total \$13M, but the total of \$13M would be left out. David Wanger would draft the recommendation and send it to John Pruellage.

11-2-9. Cost related to software upgrade were already budgeted.

11-2-11 Word changes to the commentary would be completed.

11-2-12. Master Plan (\$150,000).

The Housing Production Plan had previously been approved at town Meeting for \$30,000. Members compared the collaborative planning effort of Wenham, the Schools, and Hamilton to a Venn diagram with overlapping components. While joint funding appeared unlikely, being involved in each process was imperative. It was also important to explore other revenue sources. Members agreed that if plans were not created with collaboration, the spending would be wasteful. If collaboration did not occur, sites such as the Winthrop School could be scheduled for renovation by the Schools' plan, while the Town's plan might propose to have it developed into a commercial site. If there were separate studies, the results could confirm what should be done. John Pruellage would write the commentary. David Wanger would review as well as write 2-6, 2-8, and 2-12.

Motion made by Christine Schenk-Hargrove to recommend favorable action on article 2-12.  
Seconded by Nick Tensen.

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

11 3-1 Council on Aging (COA) By-law.

John Pruellage would write the commentary.

Motion made by Christina Schenk-Hargrove to recommend favorable action on article 3-1.  
Seconded by David Wanger.

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

11 3-4 Citizen Petition - By-law for disposal of refuse and garbage.

Motion made Nick Tensen to reopen the vote:

Seconded by Valerie McCormack.

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

Motion made by Nick Tensen to recommend no action on article 3-4.

Seconded by Valerie McCormack.

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

11 3-4 (5) Citizen Petition – Board of Health to adhere to the Department of Elementary and Secondary Education and Massachusetts Department of Public Health guidance regarding the opening of schools for the 2021 school year regarding the global pandemic.

The article would remain on the Warrant but the proponent might recommend no action at Town Meeting. The article was advisory.

Motion made by Valerie McCormack to make no recommendation on article 3-4.

Seconded by Christina Schenk-Hargrove

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

A final copy of the recommendation would be sent to all members. Town Meeting would be November 11, 2020. Speakers would be the authors of the commentary based on the script. The bonds might be included as an addendum that would show payments over the next 30 years. David Wanger would not be present at Town Meeting due to the virus.

**Adjournment.**

Motion made by Nick Tensen to adjourn the FinCom meeting.at 10:24 pm.

David Wanger 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:

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Marcie Ricker



Attest

Date 4/28/20