

HAMILTON BOARD OF SELECTMEN &  
HAMILTON FINANCE AND ADVISORY COMMITTEE  
MINUTES OF FY'22 BUDGET MEETING

Teleconference

February 20, 2021

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| Selectmen Present:                             | Chair Shawn Farrell, William Olson, Darcy Dale, Rosemary Kennedy, and Jamie Knudsen     |
| Finance and Advisory Committee Members:        | Chair John Pruellage, Valerie McCormack Christina Schenk-Hargrove, and Nick Tensen      |
| Finance and Advisory Committee Members Absent: | David Wanger  |
| Town Manager:                                  | Joe Domelowicz Jr.  |
| Other Town Staff Present:                      | Finance Director Marisa Batista, Chief of Police Russell Stevens, Fire Chief Ray Brunet |

*\* This meeting was conducted via Zoom teleconference with all the above participants remaining in their homes.*

Board of Selectman (BOS) Chair Shawn Farrell called the Joint BOS/Finance and Advisory Committee (FinCom) meeting to order at 9:04 a.m. and took roll call. All BOS members were present. FinCom Chair John Pruellage called the meeting to order for the FinCom and took roll call. All FinCom members were present with the exception of David Wanger.

**Budget and Capital Presentation by Town Manager**

Mr. Domelowicz discussed tomorrow's pop-up COVID vaccination clinic. He said the sign-up sheet for the Town was already full. He shared his budget presentation onscreen, noting it was not final. He said some elements may change and FinCom will have an opportunity to comment and make adjustments. He recognized the work of the Capital Committee (CapCom), Finance Director Marisa Batista, and Assistant Finance Director Dyan Katz.

Budget items they are waiting on include the final School Department budget request, how they are going to allot various payments in the Capital Program, and assessments for State programs. At this point, they only have estimates of insurance costs. He said a goal was to maintain or improve service to residents without having an override and recognize they are still dealing with the pandemic and associated economic and social pressures. He went through the presentation, citing FY'22 budget figures. He noted the assessment to the Town from the School District is about a \$1.2M increase and the town-side was lowered by \$250K. Some items cut from the budget last year due to the pandemic were added back in for this year. He said they hadn't received the assessment yet on the joint programs with Wenham. This year they are relying less on free cash, reducing the spending in free cash by about 50%. He gave a historical look at the Town budget from FY'16 to now with a year-to-year budget analysis. He said this year's spending plan is roughly the same spending plan as FY'20. He said if the School Department can reduce its budget request by about \$192K they can balance the budget and avoid an override. He noted they are not recommending a transfer this year from the General Fund to the Patton Homestead.

He turned the floor to Ms. Batista, who said she gave a similar presentation to the FinCom. She showed the breakdown of the school expenditures compared with the Town. The growth trend on school expenditures is about a 4% increase on an average basis. She reviewed transfers made into the Capital Stabilization Fund and General Stabilization Fund in accordance with Town financial policies. Mr. Domelowicz said the Town Hall renovation was listed in the report, but it did not show the Community Preservation Committee (CPC) requests. Ms. Batista said the current budget has a placeholder of \$500K for capital. She said the funding source was free cash, which might not be the case for all of the items. She displayed a pie chart breaking down the budget. The Town doesn't have a lot of revenue sources for its budget; 88.5% is paid for through real estate taxes. Mr. Domelowicz said 97.5% of the budget is funded through local sources. He said for the first time in many years, they are not making any requests for capital programs in the Water Enterprise Fund. Ms. Batista gave an overview of the Water Enterprise Fund. She said this was the first full year they would have since water rates were increased. Because more people are working from home, that affects the water consumption. For the past four years, the Town has been using retained earnings to balance the budget, which is not sustainable, so she said that was something to be concerned about. The debt service costs had increased. About \$800K goes just for debt service payments. She said 20% of the budget should be kept in retained earnings, Mr. Domelowicz said he thought that currently the Town's percentage was at about 24%. Ms. Batista reviewed the actuals in the Water Enterprise Fund for the past few years and projections for FY'22 in retained earnings, showing how much was used to balance the budget. Mr. Domelowicz said this is down this year from previous years. She said the free cash was certified Sept 10 at \$3.3M. \$565K was approved to be used. She said the policy states they should have 5% of the total budget in free cash and 5% in the General Stabilization Fund, and they are right around that. She said the current amount in the Capital Stabilization Fund was about \$1.4M and because it was at the minimum, it was recommended not to fund that this year. Mr. Domelowicz noted that since the Town adopted its Financial Policies, it has met its minimums in the stabilization funds. He said next year he anticipates they would make additional requests to increase them. Ms. Batista

agreed the Town had made great progress at being at the minimums. She said looking at these funds should be part of the annual budget process.

The next slide showed the trend she said made people unhappy, that valuations are expected to go up again next year. The tax rate is at \$18.06. She said about \$11 of the \$18.06 goes to the Regional School District, followed by Public Safety, general government, and Public Works. The previous year the tax rate was \$17.25. It is a 2% increase over FY'21. Other bad news is that the excess levy capacity has been decreasing and is now at none. The outstanding debt for the Town has increased due to the water projects, such as the water treatment plant. However, Mr. Domelowicz said the overall debt had gone down and the Town was paying off its balances. William Olson noted that the Town was also deferring maintenance, so if not done now, it would have to be done later.

Christina Schenk-Hargrove had questions about lease payments for the police car and fire truck, which were discussed. In particular, she noted they appeared in two places—in the operating budget and in free cash, which will be figured out. Chief Russell Stevens said the Town has a total of seven police cruisers and discussed the switch to hybrid models and gas savings involved. Last year, a cruiser was deferred so there are two being added this year.

Mr. Olson asked if they could overlay the levy capacity that is going down with the school budget that is going up on a slide at Town Meeting. He also asked if it were good practice to do appropriate expenditures yearly rather than to forego and end up having a problem later, such as with the Town Hall. Mr. Farrell commented the School Committee hadn't reduced its budget, but had adjusted its assessment numbers; they reduced the ask by about \$160K. He said the Schools had a meeting coming up on Monday with the subcommittee group for the budget and hoped they would cut more to meet the Town and eliminate the override possibility. Mr. Tensen said historically (in the past 15 years or so), the Town had exceeded its levy capacity at one point and then it dropped back down. He wanted to know if someone could look at how that was done in the past to see how they can move the excess levy capacity in the other direction now.

### **Public Safety (Fire, Police, and Dispatch)**

**Fire**—Fire Chief Ray Brunet asked to take questions before having to leave the meeting. William Olson asked the reason for the overtime trend that had seemed to jump (pg. 28 of the budget). Chief Brunet said as the new call fire fighters were moving through the academy, the full-time fire fighters were eligible to take the shifts that weren't being handled by the call fire fighters. He expected that trend to shift back.

**Police**—Police Chief Russell Stevens said they operate with an average of 8-10 reserve officers who augment the full-time officers. Because of police reform, the State is going to mandate reserve officers have the same training as the full-time officers, which he is in favor of. He said he thought they would start to see police departments merging, which is a trend that is happening out West. He discussed salary situations within his department to explain the big number in salaries. Mr. Olson noted police overtime had trended down. He

asked a question about the School Resource Officer (SRO). A couple of years ago, the Town hired a SRO who would also provide coverage during summer months to help avoid the department avoid overtime. Chief Stevens said that had occurred. He also discussed some of his one-time expenditures. He said he was focusing on trying to obtain grants, such as for police vests and other supplies. The SRO position was budgeted at \$59K including benefits, a three-year agreement. Mr. Tensen asked if the Chief expected a lot of one-time expenses again next year. He said no. Mr. Tensen asked if he would anticipate a smaller increase in budget next year. Chief Stevens said that would depend on contracts for next year. Mr. Olson asked how the Cares Act figured into the budget. Mr. Domelowicz said they were tracking COVID-related expenses, and said FEMA was going to be relaxing its standards and doing more funding, so the COVID expenses shouldn't be affecting the operating budget. It will be until at least June 30 that they need to reconcile. They aren't assuming any Cares Act money into the budget. He said the Town had been judicious about its spending.

Dispatch—Chief Stevens discussed where the increases had been in the budget. He said the overall budget went up \$7K, but those were primarily contract-driven. Prompted by a question from Mr. Farrell, he talked about plans for the towers for police and fire. He said they were always looking for partners for regionalization and liked the thought of dispatch regionalization. Mr. Farrell asked if the Chief had thought about running trainings out of the department. The Chief said Hamilton has already met the standards of police reform. He said the only place the Department draws revenue is for firearms permits, which has been trending up since the pandemic.

### **Public Works (Highway, Parks, Cemetery, Facilities, and Water)**

Director of Public Works (DPW) Director Tim Olson said he had brought his budget back to the pre-COVID model. He said this year he is requesting seasonal help. He thought there was more use of Patton Park than in other years as people want to get out due to the pandemic. He said he budgets for six seasonal workers and hopes to get about four. He said the DPW's mechanic was retiring after about 38 years, so there will be a decrease in permanent wages for that position, which he will advertise soon. Cleaning services were added back into the budget, as well as some tree work and ongoing maintenance. Solid waste had some contractual increases in curbside collection and disposal fees, a 2%-4% increase over the year. The cost of handling recyclables was trending down. The goal is to get the water pretreatment system up in the fall. He expects to see some increases in water in the future, but there are no capital expenses related to water this year. Mr. Farrell asked about the parks and fields increase; Mr. [Tim] Olson said that was the seasonal help. Mr. Farrell said at one point Casella was charging a higher recyclables rate due to dirty recyclables. Mr. [Tim] Olson said the Town pays under its current contract an ACR calculation (average contamination rate and average commodity ratio). They hope to look at new contract terms that individualize Hamilton; currently it has a blended rate involving other communities. Mr. Domelowicz said the commodity rate impact had been going down and Casella is open to new negotiations, which also involve Wenham. Mr. [William] Olson asked for clarifications on some line items involving Casella, regarding which ones were fixed and which were based on use. Mr. [William] Olson asked about deferred maintenance costs for road repair. Mr. Tensen said the \$41K for seasonal help was a jump from past

years. Mr. [Tim] Olson said he budgets for six and generally gets four. He said the seasonal workers were not exempt employees. They are usually students who are home for the summer and then return to college. Mr. Tensen said he thought they planned on an increase in the water department budget that would come from retained earnings. Mr. [Tim] Olson and Mr. Pruellage explained they wanted to see the impact of the water rate increases already made, although this is a tough year to use as a model.

### **Recess**

It was decided by the attendees to forego the recess.

### **Health, Planning, and Inspections**

**Health**—Director of Planning & Inspections Patrick Reffett said some FinCom members had helped him with looking at the Health Department reorganization, and they have asked for a significant although modest upgrade as it was apparent it was needed. He said he thought they needed to take some of the responsibilities off of the Board of Health (BOH). They are proposing a 24-hour-per week Health Department Director at Grade 18 and 19-hour-per-week Administrative Assistant. He said they were confident that with the Director in place the Town could address the broader health issues and effect of COVID on the community and also to engage with the aging population and associated issues. He said an Administrative Assistant in the Health Department had resigned and was not yet replaced. They also needed to hire a new local public health nurse, which they did and are pleased with the hire. Consultants are used for reviewing septic systems and for other types of inspections, such as food and pools. Mr. Farrell said he felt addressing these things was wise. Mr. Domelowicz said there was going to be a grant to help communities look at their public health deliveries and regionalization. Hamilton would be applying for that in conjunction with Wenham. Rosemary Kennedy asked how the plan for the increase in staffing relates to the public health nurse position. Mr. Reffett said it was a new position. He said they had been using a Health Department agent whose focus had been about 80 percent on septic systems. He said there were other areas they didn't have an ability to focus on and this was a better resourcing of health services. Ms. Kennedy asked how the role crossed over to the public health nurse and COA responsibilities. Mr. Reffett replied that the Director would be dealing with COVID, Triple E, composting facilities, water bodies, overseeing the consultant regarding septic, pool, and food inspections. He said part of the demand placed on the BOH was providing this support. Ms. Kennedy said COVID was finite affecting the public health and she found the new role fairly redundant. She questioned the necessity of a public health director, especially because she said she knew how competent the public health department was. Mr. Domelowicz said they had reassessed what they thought the hours needed to be. They weren't adding staff, just reorganizing the roles. Ms. Kennedy said it added \$56K to the budget this year. Mr. Domelowicz said yes, but they cut a clerical position of almost \$50K. Mr. Tensen said he echoed Ms. Kennedy's concern, but liked the conversation about regionalizing and getting funding elsewhere, such as from grants, particularly if they could get the funding in perpetuity. Ms. Schenk-Hargrove said she was convinced it would be a beneficial restructuring, even aside from the pandemic, as not everyone was going to be as dedicated

as BOH Chair David Smith. Mr. Farrell said he didn't think this move was strictly COVID-related, although COVID had shed light on needing a professional in that position. Ms. Kennedy said the Town continues to make its departments top-heavy without the support at the Admin. Assist level. She thought those running the public health department now were extremely competent and said things pertaining to COVID should settle down.

Planning—Mr. Reffett said the budget has been about the same for the past six years. The only difference in the budget was that minutes taker Ann Schlecht was hired to replace Marcie Ricker who had left.

Inspectional Services—Mr. Reffett said the Building Director resigned to take another position. He said Wenham had headed up the Regional Inspectional Services Department for the past three years and Hamilton was going to head it up now. The Building Director position is being made a Building Commissioner position, which will help with addressing projects involving some complexity of construction, such as the one proposed at Gordon-Conwell Theological Seminary. The part-time electrical, plumbing, and gas inspectors will continue at the level they are now and the full-time Administrative Assistant will remain. Mr. Pruellage said they would be getting an assessment from Wenham, which was a positive. Mr. Reffett said he is going to recommend raising the permit fees from \$10 per thousand to \$12 per thousand to make them on par with the fee structures of neighboring communities.

### **Recreation**

Recreation Director Sean Timmons said there was an increase in the custodial budget line. They were looking to change the custodial company, which would be a \$1K increase. There was a chance, though, that it might be reduced if they make it line up with the DPW custodial service. They had a decrease in professional employment training and travel, which they hope to add back in to the budget for next year. He said the split was 65/35 Hamilton/Wenham.

### **Council on Aging (COA)**

Director Mary Beth Lawton said the COA was one of the smallest departments and hadn't had much of a change in budget. She said they picked up an error in the Recreation Program line item. CATA is now handling the transportation so that needs to come out of the budget. Another change is that a new line item was added for MIS and software services, an annual software maintenance fee for the senior center. This will allow them to capture actual numbers in real time. They also now have an ability to do robo-calls to all the seniors. The formula grant is not being allocated to the director's salary but to the Social Services Specialist position at \$16K a year. She said they anticipate an upward trend in money from the State because generally the population leaves in the winter and that isn't happening now. Mr. Tensen asked about merging the COA for the two Towns. She said the idea when it was proposed in the past had been rejected. She said what she envisioned was that the Senior Center in Hamilton would take care of both towns and the Senior Center in Wenham would become a senior respite care/day care for seniors. She said that could be a revenue center and currently there isn't anything like that in the area. She said they could

hold that discussion down the road, although she said no dollars were going to be saved by doing that without have a revenue center. She said she didn't think one director could handle that many seniors at once.

### **Town Clerk**

Carin Kale said she was learning that the public records aspect of her job was as important as the voter registration and elections work. She said that there would be a decrease from FY'21 to FY'22. In FY'20, Hamilton had a part-time Clerk and costs were down. This year, she came onboard full-time; there were four elections, two Town Meetings, and COVID-related costs due to election changes. She built the FY'22 budget based on one election and two Town Meetings. She said if the Town Hall takes on its own election again, that will need to be addressed. The Legislature is in process of possibly adopting as permanent all the changes to the election law, including early voting and vote by mail, seven days for the primary and 14 days of early voting. She said the demands and costs would continue to go up. An election costs about \$8K-\$8.5K, which is based on the number of poll workers required. Mr. Domelowicz said Ms. Kale had helped to defray expenses by pursuing grants.

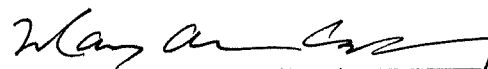
### **Wrap-Up, Final Questions**

Since there were no final questions, Mr. Farrell invited everyone to submit follow-up questions or comments to him later. Mr. Tensen asked if they had identified any reductions. It was noted reductions hadn't been made during this meeting, but all had worked hard prior to getting them to where they are now. Ms. Batista reminded everyone the numbers are still in process. The budget does not include a debt service payment on the Town Hall project, which adds \$100K to the budget for the first interest payment. Mr. Farrell thanked Ms. Batista, who is leaving the Town for another position. Mr. Domelowicz acknowledged her dedication and commitment to the Town. Mr. Pruellage thanked her also.

### **Adjourn**

Darcy Dale made a motion that the BOS adjourn the meeting. Ms. Kennedy seconded the motion. A roll-call vote was taken with "ayes" from Ms. Dale, Ms. Kennedy, Mr. Knudsen, and Mr. Farrell, (4-0) unanimous among those present. Mr. Tensen made a motion to adjourn the meeting for the FinCom. Ms. Schenk-Hargrove seconded the motion. A roll-call vote was taken with "ayes" from Mr. Tenson, Ms. Schenk-Hargove, and Mr. Pruellage, (3-0) unanimous among those present. The meeting ended at 12:14 p.m.

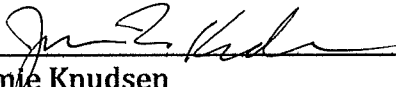
Prepared by:

 4-7-21

Mary Alice Cookson  
Minutes Secretary

Date

Attest:

 4/7/2021  
\_\_\_\_\_  
Jamie Knudsen Date  
Board of Selectmen Clerk

**Documents Discussed at Meeting:**

- Budget Presentation, Town Manager Joe Domelowicz Jr.
- Town of Hamilton FY'22 Budget Handbook