

Town of Amherst Finance Committee Meeting
Tuesday, March 19, 2019 2:00
Town Room, Town Hall
4 Boltwood Avenue

Minutes

Call to Order

Chairman Steinberg declared the presence of a quorum and called the meeting to order at 2:10 pm

Councilors present: Councilors Bahl-Milne, Pam, Schoen, Steinberg.

Councilors absent: Griesemer

Others Present: Sonia Aldrich, Comptroller.

1. **Minutes.** Takers of minutes should send their minutes to the chair who will check the details and send copies to committee members who will give any corrections or additions at the following meeting for approval. Pam agreed to take minutes at the current meeting

With approval of 2/26 and 3/5 minutes Finance will be up-to-date. Schoen will take responsibility for getting "final" versions to Sonia.

2. **Financial considerations of the Statement of Interest (SOI) to the MSBA.**

The Town Manager arranged to have the Bond Counsel attend a future meeting to present to us how the decisions are made to issue bonds to raise funds for major projects, the cost considerations, and how the loan repayment system works. At the same meeting, the actuary who calculates the Town's obligations to retirees for health insurance, Other Post Employment Benefits (OPEB), will explain how the unfunded liabilities are determined.

Passing a bond issue requires a 2/3 vote of the Town Council. A simple majority of the Council is required to place an override on the ballot. The override is then placed before the voters and a simple majority is required. The decision to borrow funds is a separate issue for the Council.

To Councilor Bahl-Milne's asked whether a feasibility study for additions to Crocker Farm School are reimbursable by the MSBA, Councilor Steinberg replied that after the SOI is accepted feasibility studies will be done for all options.

Councilor Schoen stated that Sean Mangano's modeling tool is very useful in helping residents see the financial implications of doing two schools at once (one state funded, one all town), or doing a second school after several years. Councilor Bahl-Milne observed that community comment was strongly for helping all children now, not for waiting for a second school.

Discussion of Mr. Mangano's 5th model as presented at the March 12 committee meeting, which reduced funds for all projects, prompted the desire for the Finance Committee to tour the DPW asap so we can see the need and implications. Also, to need get more information and an assessment regarding whether phasing is possible or whether the DPW project could be designed to be considerably less expensive. of such cuts. Councilor Griesemer, with her experience on the DPW/Fire Station Study Committee, can be of great help. Councilor Pam said that it was getting to be time to consider if we can indeed do all of the projects that we are considering. It was agreed that the spacing of projects was a key issue.

3. **Tax implications of the East Street School property transfer.** As a matter not anticipated 48 hours prior to the meeting, the committee briefly discussed the tax implications and property value of the East Street School property, which the Amherst Affordable Housing Trust (AMAHT) requests be transferred for development of affordable housing. The Town Council would have to declare the former school building surplus property, then authorize the Town Manager to execute a land disposition agreement and sign a 99-year lease with the AMAHT, which then will select a developer to build housing, at least 15 units which qualify as affordable.

The Town does not lose all taxes when property is owned/leased to a non-profit. Nonprofits can be taxed not just for the value of the property but as ongoing businesses. An up-to-date valuation can inform the Town and the AAHT about the value of the transfer.

The value of the property will likely be reduced if re-assessed to reflect that the back area has been determined to be wetlands and thus unbuildable. Councilor Pam pointed out the Town will have a continuing interest in that part of the property which will remain open to the public and continue to be used as a recreation area.

Councilor Steinberg pointed out that supporting projects that include affordable housing has been a long-standing policy of the Town of Amherst, as witnessed by the tax write off for a period of time for Beacon

at the Mill District. Even now with the tax reduction, the Town is receiving more taxes than it did before that property was developed. The Committee agreed to invite Assessor David Burgess to a future meeting, with appropriate posting, to explain how property values are determined for the East Street School and for rental housing and commercial property.

Public Comment: Sarah Marshall (District 4) agreed we should know the value of the land; giving/leasing it to a non-profit reflects a Town priority.

Sigurd Neilson (District 5) commented that the past Town Meeting rejection of the school plan did not show a lack of support for a new school but was a rejection of the particular design. We need to be careful not to waste money in an attempt to save it by agreeing to a bad design. It was short term cost savings that got us into the problem of having two poorly designed schools. He also commented that the Library plan did not make sense and was being wasteful, “flushing the endowment down the tube” by tearing up the recent additions.

4. Review the charge of the Finance Committee. The initial charge for the Finance Committee as adopted by the Council states the Finance Committee will have 4 non-voting members who are not members of the Town Council. The Charter provides the option to include non-voting members who are not Councilors but does not specify a number. The committee agreed that staggered two-year terms are beneficial, given the long time required to bring new members up to speed.

The committee discussed the kinds of expertise that would be required. A set of questions must be devised on such topics as background in municipal finance, public policy, setting priorities, or other experience that would broaden our knowledge, enrich our conversation, and bring new or different perspectives. We will look for Interests and skill sets, experience, knowledge of the town history and values, dealing with policy and data.

The Committee discussed the proposal that Chair Steinberg would do the interviews using a set of questions developed in advance. And the Committee members would then review the recommendations as well as the pool of applicants. This would be a departure from OCA doing the interviews to allow for Finance Committee participation councilor participation.

Committee size; The group discussed reducing the number of resident members from 4 to 3 to enable a more manageable size – the Committee would have 8 members. The former Finance Committee had 7 members and that was a manageable size. If the Finance Committee added 3

resident members to its 5, it would be 8 members, a bit larger, but likely manageable. Four people have applied for these positions.

The group authorized Councilor Schoen to make the recommended changes to the Finance committee charge: 2-year terms (instead of 1-year) and 3 rather than 4 resident members. And to make other changes as needed to conform to the revised "charge" format.

The revised charge would then be scheduled for Council review, discussion and adoption.

Process to select resident members. Based on a discussion during the Ad Hoc Rules committee, the Finance Committee tentatively assumed that the Finance committee (and Chair or designated member) would conduct the interviews with the Committee reviewing information on all applicants. the applications. Finance would then make a recommendation to the entire Town Council.

The process will be discussed by the OCA committee and full Council.

5. Sidewalks and roads. Returning to the topic of capital projects, Councilor Bahl-Milne asked where citizens should make requests for individual sidewalk and pothole repairs. Councilor Schoen asked if a system existed where we can find the plan for paving, where projects are on the list of items to be fixed, what we got for the money? Is JCPC the place where we can see the whole package? Chairman Steinberg said that details of specific roads and sidewalks are not normally under budgeting. The Finance Committee can look into this further.

JCPC started a new in the 2018 process, asking for citizen requests, but nothing got funded in the first year. We must tie this in with the Transportation Advisory Committee to learn how DPW does things.

Funds come from different places, such as water and sewer. Also, the State does some projects. The purpose of JCPC is to be advisory to the Town Manager to help him set priorities for capital needs.

To the question, do we have software showing street by street the answer was yes. Guilford Mooring has a program that scans roads and gives each a rating, in a map of the Town. A member asked whether such a program exist for sidewalks.

6. Parking fees. Councilor Schoen asked who determines and when do they determine the parking fees for the underground garage. Can the

fees be changed? Parking fees go to the enterprise fund, not to general taxation. Any changes originate in the Downtown Parking Group as well as other committees. This can be a topic for future meetings.

The meeting adjourned at 3:45 pm.

Respectfully submitted,

Dorothy Pam