



**Council Finance Committee Meeting  
Tuesday November 5, 2019, 2:30 Town Room  
Minutes**

**1. Call to Order: 2:35 p.m.**

Committee members present: Shalini Bahl-Milne; Lynn Griesemer; Andrew Steinberg, Chair; Cathy Schoen, Vice Chair; Dorothy Pam (arrived 2:55 p.m.); Sharon Povinelli (non-voting resident); Robert Hegner (non-voting resident);

Committee Members Absent: Marylou Theilman (non-voting resident).

**Others Present:** Sonia Aldrich, Town Comptroller, Holly Bowser, Assistant Town Comptroller, John Hornik, Chair of the Amherst Municipal Affordable Housing Trust, Sean Mangano, Director of Finance Regional Schools

Amherst media video and recording of the meeting: <https://amherstmedia.org/content/amherst-finance-committee>

**2. Proposed Amherst Affordable Housing Priorities Policy**

Hornik gave appreciation to the committee for discussing the draft policy at their meeting on October 22, which he reviewed on the recording. He provided a draft memo to respond to some of the questions raised by the Finance Committee at the earlier meeting.

Schoen asked to have current and historical housing statistics, broken down by segment. She noted that this would provide a context and would be helpful in this discussion. Hornik noted that the Town has such statistics available, as these specifics are provided the Commonwealth on a regular basis, along with cost ranges. General discussion on unit targets and associated costs to the Town.

Steinberg reviewed inclusionary zoning policies and summarized that in the past such policies for Amherst were viewed as a possible hinderance to new development and housing construction. The consultant review of potential risks led to a more modest version of inclusionary zoning in Amherst. Committee members noted that such policies have been effective in other towns, and that a further review and comparison could be worthwhile.

General discussion on Section 8 and other subsidies to make housing affordable, and how this relates to the need for a general statement of understanding on the values and goal for the town. This may need

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to come from joint policy discussions with the Planning Board, the Community Resources Committee and/or the Town Council.

Bahl-Milne left meeting at 3:35.

Sean Mangano, Director of Finance and Operations at Amherst-Pelham Regional Public Schools, joined meeting at 3:36.

John Hornik left meeting at 3:49.

### **3. FY 19 4th quarter/year-end budget update:**

Aldrich updated the Committee on the 4<sup>th</sup> quarter/year-end budget report, dated October 7, 2019.

Steinberg asked about a process question on how this report is distributed to the Town Council. Aldrich explained that the report would flow from the Finance Committee to the Town Council, which would enable the Finance Committee to add a memo to the report. Aldrich further noted that this report identifies only budgets approved by the residents, and not other transfers and funds available to the town. Aldrich explained that the year-end budget resulted in a surplus – largely due to lower than budget health claims payments to pay off claims accrued before the conversion to a fully insurance plan.

The report and tables presented to the Committee document revenues, expenditures and sources of the year-end surplus. This will increase reserves.

### **4. Capital Project Planning Simulation:**

Mangano reviewed the changes to the revised version of the major project financial planning tool and the various modeling options that can be adjusted for the library, Department of Public Works, Fire Department and school projects. Key factors in reviewing the model also include the monetary value of the stabilization fund available to support capital financing and whether to opt for debt exclusion. The stabilization fund could also be used for roads, sidewalks, equipment, technology, etc. The reserves would need to keep a minimum balance. However, the Town has funds that could be drawn on to help finance major new construction projects. He explained that debt exclusion means paying for debt incurred for buildings by increasing a tax levy rather than drawing on annual capital allocations or reserves.

The Committee discussed whether Amherst should establish a minimum reserve or stabilization fund balance looking forward. The group also discussed other potential refinements in the modeling tool.

Bowser and Mangano left meeting at 4:45.

### **5. Financial implications of proposed Percent for Arts Bylaw**

Steinberg briefly reviewed the need to discuss this further with Aldrich and the ad hoc committee. Schoen noted that the Ad Hoc committee so far has agreed to increase the threshold to \$1 million before the Percent for Art would apply and included specific wording that would enable the Council to decide whether or not to include the percent on a project by project basis depended on fiscal health of Amherst. The Committee hopes to have a revised version for Finance review within the next 2 weeks.

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6. Update on the preparation and schedule for the Major Capital Investments Listening Sessions

Griesemer explained that there will be a preliminary review of materials by the Council at the November 18 meeting, with four listening sessions in the first weeks of December, target December 3.

Meeting adjourned at 4:50 p.m.

Materials used for discussion:

- 4<sup>th</sup> qtr June 30 2019 YTD Budget Report to FINCOM
- FY2021 Municipal Budget Development Calendar DRAFT 10.7.19
- Housing policy discussion 10.22.19, Hornik Memo in response to Finance questions
- Capital Project modeling tool \_ - demonstration but not distributed.

Draft Minutes taken by Martha Marteney. 11.5.19. Edited by Schoen after review of video 11.12.19