



Finance Committee of the Town Council

January 26, 2021, 2:00 p.m.

Virtual Meeting

Minutes

Members Participating Remotely: De Angelis, Griesemer, Pam, Schoen, and Steinberg

Non-Voting Finance Committee Members Participating Remotely: Robert Hegner, Bernard Kubiak, and Jane Sheffler

Members Absent: None

Others Participating Remotely: Beth Willson, Sean Hannon, Sonia Aldrich, Town Manager Paul Bockelman, Minute-Taker Emily Reardon, Sean Mangano, Guilford Mooring

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, this meeting of the Governance, Organization, and Legislation Committee was conducted via remote participation

1. Call to Order

Steinberg declared the presence of a quorum, called the meeting to order at 2:06 PM, confirmed all members can hear and be heard, and announced audio and video recording.

2. Stormwater Management Bylaw and Illicit Discharge Bylaws: Presentation and Discussion

Steinberg introduced Beth Willson and Guilford Mooring as the presenters of the Stormwater Management and Illicit Discharge Bylaws. Willson briefly spoke about the Amherst Stormwater Drainage System and the 2016 Massachusetts General MS4 Permit which was granted in 2019.

Willson presented on the six minimum control measures of the Stormwater Management Program and she noted that three of the measures (Illicit Discharge Detection and Elimination Program, Construction Site Stormwater Runoff Control, and Stormwater Management in New Development and Redevelopment) require bylaws that must be enacted by this June 2021.

Willson explained the IDDE Bylaw, which bans illicit connections and defines what would be illegal discharge activity. Willson said for the Stormwater Management Bylaw, there is a Stormwater Management Permit (SMP) that is required and she spoke about stormwater regulations that would be in place with the bylaw.

Willson said the financial aspects of these bylaws would be the permit fees, enforcement fines, and stormwater utility cost. She also presented the budgets for FY22, FY23, and FY24.

Willson said Public Education and Outreach and Public Involvement and Participation has already started. She said that there are also many program development documents that must be completed in FY22 under the IDDE Program which would be a one-time cost.

Willson noted that in the IDDE Program there is a “Plan and Install BMP Nitrogen Reduction” which will be enacted in FY24. She said another cost that will continue into the future is the permit process and future permitting under Construction Site SW Runoff Control Stormwater Mgmt New and Redevelopment.

Steinberg asked what the revenues are from a typical community from permitting fees and fines and how they compare to the expenditures. Willson said the permitting fees are relatively small in other towns and fining determined by the enforcement. Steinberg asked what revenues would come into the Enterprise Fund. Mooring said the revenues would be based off of the amounts of impervious area that a parcel contributes.

Pam asked if all of these costs are non-physical and if there is any infrastructure involved. Willson said the only infrastructure would be the FY24 requirement of the nitrogen reduction. Pam asked what the yearly cost of maintaining the system be after all expenses are paid. Willson said they have not estimated that far out yet, but there is costing for inspections and monitoring for the plans within the bylaws. Mooring said this will be an expansion of what they are doing right now, which is just physical inspections and maintaining the pipe systems at the moment.

Hegner said there are future expenses that need to be covered in this budget because currently the budget does not list possible future expenses. He also asked what the town is sampling for and how much sampling needs to be done. Willson said they focus on the common stormwater pollutants like hydrocarbons and sediments. Willson said they mostly focus on the priority outfalls.

Hegner asked Mooring if there is any news on the MS4 updates that had to be made. Mooring said there is no update yet and they have about 3 to 4 years until there needs to be substantial planning.

Schoen asked if there could be a permit fee with the expectation that it would cover the FY24 Construction Site Runoff Control Stormwater Management \$10,000 cost? Schoen asked where the revenues would be for utilities for pervious and impervious lots. Mooring said the permit fees should match the \$10K expense and for the utilities, they can try to set their budget based on who has the most pervious or impervious property.

Schoen asked if she is missing a big cost on the budget because the budget says \$59,000 but Mooring mentioned \$4 million. Mangano said there has already been money put towards the stormwater systems from the Capital Plan. Mangano said they will find out what the annual operating cost would be once the program is fully implemented.

Schoen asked if there is a large million-dollar expense that is coming. Mooring said many towns have a multimillion dollar range every year and the \$4 million budget reflects other towns plans.

Mangano said there will be the annual cost of the program, but large capital repairs will add expenses that they will not know until they do the tests and find out.

Steinberg asked if the cost of maintaining the current stormwater system would be transferred over to the new enterprise. Mooring said he thinks the cost of maintenance of the system now would be transferred to utility.

Kubiak said the town could learn a lot from what Northampton has been though with stormwater management updates and he would favor the development of utility because of Northampton's experience. Kubiak asked Mooring his estimate of how many permits they will have to issue. Mooring said currently there are about 20 to 30 permits a year and they now have to look at additional information regarding stormwater.

Steinberg asked about illicit connections that already exist. Mooring said there are some instances where residents connect their sanitary sewer system to the stormwater system and residents have made other connections to the stormwater system that should not have been made.

Kubiak said Northampton tried to come up with some sort of fee or tax for stormwater which was not very well received and noted that some of the budget items such as Nitrogen Reduction could be worked on with the Conservation Commission and the Planning Board in an effort to encourage residents to make changes.

Griesemer said she is concerned about setting up an Enterprise Fund that will not have significant revenue to cover it and she asked if there are any other mechanisms that could work. Mangano said they would only do an Enterprise Fund if there was a fee to be used as a revenue source. Mangano added that they can come back with different fee structures that different communities have used. Griesemer asked if the present system is set up to handle future increased development density. Mooring said the state requires that developers control their stormwater so developers are already very familiar with this practice. He said the change is handling the pollutants in the stormwater.

Griesemer asked if their existing system has the capability to handle the stormwater contributions that are allowed under state law. Mooring said the system does have the capability because of the existing state law, but there are lots of inadequacies that need to be fixed with the current system.

Pam asked if there are any grants to help with this program because it is a new requirement by the state. Willson said there are only 2 grants that came this year from the state and both did not qualify Amherst.

Schoen asked how to tell if a new development has more stormwater discharge than the previous development. Mooring said the Engineering Department regulates the stormwater discharge amounts with the Planning Department.

Schoen asked if there is a similar calculation from the Engineering Department on sewage processing capacity or water supply. Mooring said they do look at water and sewer capacity

when a development plan is submitted and they have been finding that the Wastewater Treatment Plant has the capacity to handle the sewage, but there are some localized problems such as pipes that need to be upgraded.

Hegner said rainwater is not pure and asked if the town is taking into account the concentrations of rainwater. Willson said the EPA has a baseline standard of rainwater and the town bases their evaluations off of that.

Steinberg said they have 90 days to produce a report and emphasized the importance of finding out other surrounding town's experiences with these new requirements, specifically about their revenue and expenses. Schoen said another determination is the utility fees and implications of different fee structures.

Pam asked if large buildings having to equalize their water is a new requirement. Mooring said 1 East Pleasant was already a fully developed parcel so they had an easier time equalizing their stormwater. Kendrick Place was a green grass lot and they had to put in underground detention chambers so it was much harder to equalize their water.

Mooring said these are bylaws that they are required to do and this would only be the first step and in the next few years they do have time to figure out the implementation and costs down the road.

Agenda item 4. Quarterly Budget Report

Aldrich presented the 2nd Quarter Budget Report (specifically the revenue). Some of the highlights are as follows:

- Aldrich said for this year she created another report that compares revenues from last year at the same time to show the impact of COVID-19.
- The golf course had surprisingly high revenue which they did not budget for because they estimated less usage as well as recreation.
- Medicaid reimbursements will be lower because of school closures they will not be collecting hotel/motel fees from UMass. They will be collecting hotel/motel fees from Amherst College.
- Other Revenue is where most of the miscellaneous department revenue is, which is slightly lower than usual.
- Meals Tax is doing much better than anticipated
- Property Tax and Pilot are both on target
- State Aid had no cuts and is on target
- Transportation has only received revenue from parking meters and violations and is down 56%

Griesemer said transportation is a concern because bus usage is fluctuating so much and that must be something to look out for.

Schoen asked if the Medicaid reduction shows up on the school budget and Aldrich said the schools are not accountable for it so it does not show up on their budget. Schoen also asked about the meal tax, specifically if UMass is delivering food to residents would that be a meal tax and Aldrich said she is not sure if UMass pays a meal tax.

Steinberg said upon looking at the state statute, UMass is responsible for collecting meals tax and sending it to the town. Aldrich said that meal tax would go directly to the state which the town would get back monthly. Mangano said they will follow up and ask the state about the meal tax.

Schoen asked where the money goes for cannabis tax and Aldrich said it has to go into the general fund. Mangano said in host agreements there are three primary streams of money, one being the tax. He said they are waiting a few years to budget the tax because they want to get a trend on the tax. Mangano said there is an impact fee which is restricted and is in reserves and there is a donation that the town is a holder of for education or some sort of non-profit.

De Angelis asked what the donation would go towards and Mangano said it would go towards education and awareness and De Angelis clarified that it is about education and awareness usage.

Aldrich presented the expense portion of the budget report. She said there are no concerns on the expense side of the report. She said any of the funds that are over 50% spent are due to timing issues such as fees that must be paid upfront.

Aldrich said in regards to the \$80,000 that was voted at the last budget process, that is in a control account which will be moved to the Town Manager's budget in a separate line in order to track expenditures and make them available to the group that is studying the budget.

Mangano said there are some anticipated stipends for the working group.

Schoen asked about the costs in the schools that are currently closed and Aldrich said it is just repairs and facilities/maintenance costs. Aldrich said there are no major concerns with expenditures, but they do want to keep expenses down.

De Angelis said the Disability Access Committee has a new member and that member was discussing the idea of having an Emergency Fund like UMass has. De Angelis used accessibility issues as an example such as a broken ramp. Aldrich said they do have capital articles for such instances.

Mangano said they are planning a capital improvement program to start putting aside money for accessibility improvements.

Steinberg reiterated that they are feeling comfortable with where they are at in the budget and received more revenue than anticipated.

Steinberg said the Set Water and Sewer Rates would need to be put on a future agenda as early as this February.

Schoen said she and Kubiak plan to discuss with Guilford Mooring looking at some scenarios of different options. She said Kubiak sent a memo, reviewed by Finance, with some specifics that would be brought to Mooring to discuss with a focus on FY23 rather than FY22.

Mangano said another item that could be added is reviewing post-employment benefits under Annual Audit and this could be done relatively soon.

Hegner said the Stormwater bylaws should be included in the work plan and it was added to the list. Mangano said reviewing bylaws in general could be added and Steinberg added “Review of additional Bylaws as assigned – only if financial implications.”

Schoen asked Mangano if she should send him her ideas on the timing on parking fees and other fees or if he will bring this issue to the committee soon. Mangano said they decided to hold off on the fees because of the pandemic and he asked Schoen to send him her ideas.

Griesemer noted that the italicized items in the document are required and the non-italicized items are not required.

Steinberg said Mangano will be making a presentation to the committee possibly in February on where they are in the model for capital projects and funding options. Griesemer asked if that meeting should be open to all councilors or just have a special council meeting.

Pam said that when issues have come to multiple meetings there is a much better understanding of the issue rather than having one big meeting.

Agenda item 6. Public Comment

Toni Cunningham – asked if there is enough in the reserves in the water fund to cover the increased cost of the Centennial Water Treatment Plant improvements and if not, what would the water rates need to be to cover the projected debt.

Mangano said they will be looking at water rates soon and consumption will go back up when the university returns to a normal capacity; they are still looking at the projections for this year.

Steinberg added that any generally overage would be covered through the Enterprise Fund.

3. Future agenda items: Council request to review items for future Finance meetings

Steinberg said the Set Water and Sewer Rates would need to be put on a future agenda as early as this February. Schoen said she planned on meet with DPW regarding scenarios of different options. These would focus on FY23 rather than FY22.

Mangano said another item that could be added is reviewing post-employment benefits under Annual Audit and this could be done relatively soon.

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Agenda item 5. Meeting Schedule

Steinberg said Pam is joining CRC, therefore after today’s meeting they need to make sure CRC meetings do not meet during FinCom. Steinberg said FinCom has been built around having meetings the day after Town Council meetings. Steinberg suggested establishing a February meeting schedule and when they have a better idea of CRC’s schedule, they establish a FinCom schedule for the rest of the year.

De Angelis said she cannot attend a meeting next week if they are the first and third Tuesdays of February. Steinberg said they can move off of Tuesdays if people have other dates that are not in conflict with other committees. The committee debated different meeting dates and times.

De Angelis suggested Friday the 5th or 19th just for February at 2:00 PM. The committee agreed to the suggestion for the month of February. Mangano said the meeting on the 19th would work better to present the audit and OPEB report. Steinberg said they could stick with February 16th instead of February 19th so that the meeting is on a Tuesday and the committee agreed that February 5th will be the meeting for the audit and the February 16th meeting would be for the financial model.

Agenda item 7. Items Not Anticipated by the Chair 48 Hours in Advance - *None*

Steinberg declared the meeting adjourned at 4:25 PM.

Record of Agenda Packet Materials and Documents Presented:

1st qtr Sep 30 2020 Budget Report to FINCOM full document
2nd qtr Dec 31 2020 YTD Budget Report to FINCOM full document
Finance Committee Agenda 1.26.2021 Revised
IDDE_Bylaw DRAFT 01-06-2021

