

## **FINANCE COMMITTEE MINUTES**

Meeting Date: 1 November, 2007

### CALL TO ORDER

The Meeting was called to order at 6:02 P.M. in the First Floor Meeting Room, Town Hall

### COMMITTEE MEMBERS IN ATTENDANCE

Brian Morton (chair), Marilyn Blaustein, Paul Bobrowski, Alice Carlozzi, Kay Moran, Douglas Slaughter, Andrew Steinberg

### OTHERS PRESENT

John Musante (Finance Director/Treasurer), Stanley Gawle, Walter Wolnik, Larry Kelley

### COMMITTEE AGENDA

1. Fall Town Meeting Articles
  - a. Article 14
  - b. Article 17
  - c. Article 19
  - d. Article 20
  - e. Article 2
  - f. Other
2. Member Reports
3. Minutes
4. Next Meeting and Agenda
5. Miscellaneous

### COMMITTEE ACTION

Moran MOVED to accept minutes of 10/18/2007 as amended; passed 6-0-1 (Bobrowski)

Moran MOVED that the Finance Committee recommend dismissal of Article 2 of the Special Fall Town Meeting (unpaid bills); passed 6-0-1 (Slaughter).

Moran MOVED that the Finance Committee recommend Motion C under Article 5 of the Special Fall Town Meeting (modular classrooms); passed 7-0.

Carlozzi MOVED that the Finance Committee recommend Article 7 (Haskins Meadows acquisition), contingent upon the Town's receipt of a state grant; if the grant is not awarded, the recommendation to Town Meeting would be to dismiss Article 7; passed 7-0.

Moran MOVED that the Finance Committee not recommend Article 20 (Gawle) of the Special Fall Town Meeting; passed 7-0.

Moran MOVED to accept minutes of 10/20/2007 (4-Town meeting) as amended; passed 6-0-1 (Slaughter).

Moran MOVED to accept minutes of 10/20/2007 (4-Board meeting) as amended; passed 6-0-1 (Slaughter).

DISCLOSURES: The committee disclosed that, of its members, one is an employee of the University, three are spouses of employees of the University, one is a student at the University, and one is an ex-student of the University.

### DISCUSSION

#### Article 20 (Stanley Gawle)

The Select Board recently voted 3-2 to grant the effluent waiver to UMass. Gawle stated that he had studied the waiver and the costs involved and provided a hand-out that concluded that UMass would have actually paid the town \$89,000, rather than \$38,000. Gawle cited other issues that were of concern that were excluded from the agreement with UMass: police costs, hotel/motel taxes. Without the waiver, the \$89,000 could go back into the sewer fund, and after 5 years the amount would total approximately \$445,000, much different than an amount quoted by a select board member at a recent meeting.

Blaustein asked how Gawle arrived at the estimates. Gawle stated that the \$240,000 in new monies from UMass for fire and ambulance was offset by a PILOT allowance of \$100,000, agreed to by the town manager, as well as the waiver of \$89,000 in effluent fees, yielding a true total of \$50,000 net gain by the town. Gawle also cited (in documentation) the loss of potential revenue as follows: \$32,309 (loss of property tax from demolition of fraternities), and \$50,000 (UMass hotel tax). These items were not addressed in the agreement with UMass.

Moran stated that rescinding the agreement could leave the town with no agreement, and that this would be a net loss from the current situation. Musante stated that the agreement is the beginning of long-range discussions and that these were the areas agreed upon for now (5 years). PILOT was part of a negotiation. The town is \$140,000 better off for public safety. There are ongoing negotiations with the other colleges in town. The issue of hotel/motel tax is affected by state legislation and will be address in the longer term. The effluent use will increase over time as more buildings at UMass come online. That has never been a secret. Morton pointed out that Marks Meadow school is owned by UMass, and the town has been using it for years with only maintenance costs. Steinberg noted that there are no other effluent customers and that without UMass it would go to the Connecticut River. There is also no infrastructure to deliver it elsewhere in town. In the future, perhaps, the town could create a market for its citizens, but that would clearly happen after this agreement had expired. Carlozzi asked "when is a deal a deal"? This agreement has already been inked, and review and rejection by town meeting could have a chilling effect on other such agreements. Bobrowski questioned whether the article was appropriate for town meeting, given the town manager's powers under the current charter to sign contracts. Morton noted that the effluent was almost already on the UMass campus, thus delivery was convenient. He also observed that, with new authority at the helm at UMass, any newly negotiated agreement might be more difficult.

Kelley suggested that the town had leverage because it could simply raise its rates to UMass.

Carlozzi noted that past rate increases were not done in isolation, but to obtain ambulance money. Musante noted the differences in philosophical approaches: collaborative vs. adversarial: this is a beneficial agreement for both parties.

Article 7 (Haskins Meadows): David Ziomek gave a short presentation, noting that tomorrow (11/2) would be the date the town would know about the grant from the state. Ziomek expressed optimism. The acquisition would be funded at \$610,000, with \$427k from the self-help grant, \$123k from the CPA request, and \$60k from private fundraising. There would be short-term borrowing if motions A & B pass, for approximately 3 months (pending reimbursement), amounting to additional interest of about \$5300.00. Musante stated that private fundraising would cover this cost. The proposal encompasses 7 of 13 lots. Questions were raised about the buildability of the lots, where this parcel sat on the priority list for acquisition, and the tax ramifications. In response, Ziomek stated that the lots, while difficult in terms of terrain, could certainly be built upon. The Open Space plan had not been updated in quite some time, especially for this area of town. Taxes would amount to roughly \$70k, but this estimate did not take into account any use of town services (schools, etc.).

Article 2 (unpaid bills): Musante recommended that the committee vote to recommend dismissal, since there were no unpaid bills. Moran so moved (see above).

It was noted that the JCPC voted to recommend Article 5 (\$195k for mobile classrooms).

Article 8 (town hall refurbishment): CPAC and the Historical Commission recommend this article. JCPC recommends all three motions, but CPAC took no action on motion C. Moran moved to recommend Motion C (see above).

Articles 13 & 14: Musante reported that these could change before reaching Town Meeting.

Member Reports:

BCG: Steinberg said that the Town Manager reported on efforts for a blue ribbon committee with a professor from the Eisenberg School (who has accepted), to meet on the topic of public engagement, scheduled for 11/7.

JCPC: Moran referred to comments offered earlier in the meeting regarding various JCPC positions.

Next Meeting: Wednesday, November 7, if zoning material available, 6:30pm

ADJOURNMENT

Respectfully submitted,

Paul Bobrowski  
Acting Clerk