



Finance Committee Regular Meeting

June 21, 2022 - 3:00 p.m.

Virtual Meeting

Minutes

Pursuant to Chapter 20 of the Acts of 2021, extended by Chapter 22 of the Acts of 2022, this meeting was conducted via remote means.

Members participating remotely: Steinberg; Griesemer; Schoen; Miller; Walker (joined at 3:24 pm); non-voting members: Hegner; Holloway

Members absent: Kubiak

Others participating remotely: Finance Director Sean Mangano; Comptroller Sonia Aldrich; Clerk of the Council Athena O'Keeffe; CPA Chair Sarah Marshall; African Heritage Reparation Assembly Members Alexis Reed, Irv Rhodes, Amilcar Shabazz, and Hala Lord

1. Call to Order, review agenda

Steinberg declared the presence of a quorum, called the meeting to order at 3:04 pm, confirmed all participants can hear and be heard, and announced audio and video recording.

2. Public Comment

3. North Common, action as required

Steinberg stated action on the item was taken at the previous meeting on June 7, and no further action is required; the Town Council public forum and vote is scheduled for Monday, June 27.

4. Community Preservation Act Committee recommendation

Community Preservation Act (CPA) Committee Chair Sarah Marshall noted that her term ends at the end of the month and spoke about the committee's recommendation of a borrowing authorization of \$800,000 to pursue track replacement at the high school. Marshall stated the CPAC vote was unanimous. Marshall spoke about the School Committee request for funds to resurface the track, after which the CPA Committee was unhappy with the request being inconsistent with the plan for the track to include a reorientation of the track. Marshall spoke about the contingency on the recommendation that fundraising be conducted to meet the financial need of the project and that if adequate funds are not raised, the CPA funding would be rescinded.

Schoen spoke about the emphasis on making sure the word "field" is included in the recommendation and order.

Miller asked if any of the other town's CPA committees have taken up the issue of track and fields.

Mangano stated Amherst and Pelham have both awarded funds for work on the project.

Steinberg spoke about the need for a special town meeting in the other towns to take up a CPA recommendation.

Marshall stated the CPA statute forbids the use of CPA funds for artificial turf fields, and that the CPA funds can be used for other areas of the project.

MOTION: Griesemer moved, second by Schoen, to recommend to the Town Council adoption of appropriation and borrowing order FY23-08A, An Order Appropriating and Authorizing Debt for the Rehabilitation Improvements of the Amherst Regional High School Track and Field under Open Space/Recreation, as amended by changing the words “historic preservation” to “open space and recreation.”

Walker joined at 3:24 p.m.; Steinberg confirmed that Walker can hear and be heard.

Hegner stated he would prefer if the order did not say “track” to clarify that the CPA funds cannot be used for the artificial surface.

Marshall stated CPA funds can be used for areas that are used for track and field events, such as a long jump area.

Aldrich stated the Town would not pay invoices that are not eligible for use by CPA funds.

Holloway asked how much more funds are needed to complete the project.

Mangano stated the total project cost is about \$4.7M, and the CPA funds would bring the approved funds to \$2.4M.

Marshall noted that the Town hopes the other towns will contribute funds to the project.

VOTED 5-0, with 2 non-voting members in support of the motion and 1 non-voting member absent (Kubiak) by roll call, to recommend to the Town Council adoption of appropriation and borrowing order FY23-08A, An Order Appropriating and Authorizing Debt for the Rehabilitation Improvements of the Amherst Regional High School Track and Field under Open Space/Recreation, as amended by changing the words “historic preservation” to “open space and recreation.”

5. Repairs funding, referral from Council

Miller called the meeting of the African Heritage Reparation Assembly to order and confirmed members can hear and be heard.

Miller spoke about the AHRA recommendation for appropriations from cannabis tax revenue to the reparation stabilization fund.

Schoen spoke about the need for federal and state action to allow use of funds for reparations, and a plan for who might be eligible needs to be discussed first. Schoen raised questions about current wealth and income, residency, questions about ancestry,

Miller spoke about the group’s charge to identify a funding stream for reparations, and that the work on those issues would be conducted in the future.

Hegner asked what the expectation is if there is no free cash.

Miller responded that there is a risk of a lack of free cash, and the comfort level is that using the cannabis tax revenue is a model and taking those funds from free cash is a way of meeting that plan.

Mangano spoke about the various funding plans for various financial needs, such as OPEB; if funds are not available, then the plan would be underfunded for a period of time.

Schoen spoke about competing financial needs and committing funds, stating pre-committing to that funding plan makes her uneasy without an idea of how to determine eligibility.

AHRA member Irv Rhodes stated that waiting until after eligibility is determined to make a commitment is not an acceptable process to those who feel that there has been a promise made. Rhodes asked that there be a commitment made and if the criteria cannot be set up, then the money can still be used for that purpose.

AHRA member Alexis Reed spoke about symbols, and the main mission of intended impact to repair the relationship between an institution and a demographic; an institutional commitment needs to be made.

Walker asked if there is an average free cash amount.

Mangano stated that the Town aims for 5% of the budget and excesses of 5% move to a stabilization fund or appropriations are made from free cash.

Steinberg spoke about the Town policy regarding free cash, which has been in effect for many years; the reason the policy was adopted to assist with capital projects and periods of substantial financial stress has a savings account to continue essential services. Steinberg spoke about inflation, interest rates, construction costs, and potentially another recession as factors for financial concern in the coming years.

Miller stated that the message that comes across is that Black people don't matter, that the Town made a commitment to address harms and the proposal is very reasonable and takes into consideration other checks and balances.

Walker spoke about making a commitment to address structural racism, and we need to figure out how to commit to this plan.

Schoen stated we should not underestimate the commitment the Town has made and raised questions about eligibility criteria as a way to determine how much funds should be put into a stabilization account for reparations.

Shabazz expressed frustration that members are concerned about funds, stating that the money will be there and that the commitment is what matters; if a financial crisis arises in the future appropriations can be made from the fund; this has been done in Evanston; the AHRA needs the support and commitment.

Public Comment:

Meg Gage, Amherst resident, echoed Schoen's comments, spoke about assigning motives and appearances to statements during the discussion, and spoke about reparations at the federal level, and it is unclear what the strategy is in Amherst, and spoke about her work with the League of Women Voters for racial justice.

Lauren Mills expressed frustration that the AHRA or other Black-led reparatory organization would have to return every year for funding to the Town Council. Mills commented about the new school budget and stated that communities of color want a fund that can be drawn without difficult conversations every year.

Brianna Owen commented that CRESS should not be used as a check box to show that a commitment has been made, more needs to be done.

MOTION: Griesemer moved, second by Walker, to recommend that the Town Council each year upon certification of free cash by the Commonwealth of Massachusetts (October), and upon review and recommendation by the Town's Finance Committee based on the Town's overall financial health at that time, that the Town Council add an amount equal to the certified cannabis tax revenue for the previous year (approximately July) to the Stabilization fund established for the purpose of reparations until such time as the fund equals \$1M.

Schoen spoke in support of the motion and rescinding the vote taken last week, and asked if free cash is a small amount, would we add an amount equal to cannabis tax if it is smaller than that.

MOTION: Miller moved, second by Walker, to amend the motion to replace \$1M with \$2M.

Mangano asked about financial orders that would be drafted each year for this purpose.

Holloway expressed concern that the entire cannabis tax revenue stream would be dedicated to reparations, and that this motion feels like a policy recommendation that would lead to annual debate or be a challenge annually; it would be more comfortable to know what the funding will be used for.

Steinberg spoke about calling the funds an endowment, and the limitations of what the Town can do with Town funds, what can be brought forward in projected revenue, and it has been assumed without additional discussion about it.

Walker disconnected, members briefly discussed reviewing minutes for approval at a future meeting while Walker reconnected. Walker reconnected at 5:18 pm.

VOTED 2-3 with 1 non-voting member supporting the motion, 1 non-voting member in opposition to the motion, and 1 non-voting member absent by roll call (Miller and Walker voted Yes; Griesemer, Schoen, and Steinberg voted No; Hegner supported the motion; Holloway opposed the motion; Kubiak was absent) to amend the motion to replace \$1M with \$2M. The motion failed.

Schoen commented that she would be more comfortable with the motion reading “an amount up to the certified cannabis tax revenue” – the motion failed due to lack of a second

VOTED 4-0, with 1 abstention, 2 non-voting members in support of the motion and 1 non-voting member absent by roll call (Griesemer, Miller, Steinberg, and Walker voted Yes; Schoen Abstained; Hegner and Holloway supported the motion; Kubiak was absent) to recommend that the Town Council each year upon certification of free cash by the Commonwealth of Massachusetts (October), and upon review and recommendation by the Town’s Finance Committee based on the Town’s overall financial health at that time, that the Town Council add an amount equal to the certified cannabis tax revenue for the previous year (approximately July) to the Stabilization fund established for the purpose of reparations until such time as the fund equals \$1M.

MOTION: Griesemer moved, second by Schoen, to reconsider and rescind the Finance Committee vote on June 7: that the Finance Committee recommend that the Town Council ask the Town Manager to direct the staff to prepare an order to transfer an amount of free cash to a stabilization fund in the actual amount of the FY22 cannabis tax receipts.

VOTED 5-0, with 2 non-voting members in support of the motion and 1 non-voting member absent (Kubiak) by roll call to reconsider and rescind the Finance Committee vote on June 7: that the Finance Committee recommend that the Town Council ask the Town Manager to direct the staff to prepare an order to transfer an amount of free cash to a stabilization fund in the actual amount of the FY22 cannabis tax receipts.

6. Future meeting planning

7. Items not anticipated by the Chair 48 Hours in advance

8. Adjourn

Steinberg declared the meeting adjourned at 5:29 p.m.

Minutes prepared by Clerk of the Council A. O’Keeffe

Record of Agenda Packet Materials and Documents Presented:

06-21-2022 Finance Committee Agenda

CO FY23 - 08A CPA - High School Track and Field - BORROWING AUTHORIZATION

CPAC Special Report FY23 - ARHS- Track and Field Project

Dedicating Cannabis Tax Revenue for Reparations Policy Proposal