

Amherst Finance Committee Minutes
October 15, 2009 6:30 P.M.
Town Room, Town Hall

The Four Board Meeting convened at 6:35 with Ms. O’Keeffe presiding as Chair. Members of the Select Board present included Ms. O’Keeffe, Ms. Stein, Mr. Weiss, and Ms. Brewer. The School Committee was represented by Mr. Rhodes. Members of the Library Trustees, included Ms. Holland, Ms. Gray, and Ms. McKee. Staff administrators included Ms. Isman, Mr. Musante, Mr. Schaffer, Mr. Rodriguez, and Mr. Detweiler. All members of the Finance Committee were present; Mr. Steinberg (Chair), Ms. Moran (Vice Chair), Mr. Slaughter, Ms. Blaustein, Mr. Jackson, Ms. Theilman, and Mr. Saul (secretary pro tem). Members of the press and public were also present.

Mr. Musante presented an overview of FY 2010 and the prospects for 2011. Highlights included:

- Amherst property tax revenue has risen roughly in line with inflation, and even with the economic downturn, tax collections have exceeded 98%.
- Proportion of the Amherst budget supported by State Aid continues to decline.
- Total expenditures for salaries and benefits remain in uptrend relative to other municipalities in the State, but control of health insurance costs has prevented even further benefit expense inflation
- Stable total employee numbers in the municipal budget since 2000 with the proportion shifting toward fire and safety personnel.
- Stable expenditures increasing approximately at the rate of inflation
- Illustration of negative trends in State Aid, economic development growth
- Dramatic increases in the “intergovernmental” assessments category of the budget which includes retiree health insurance, Choice/Charter education, and PVTAs
- A steady increase in the percentage of the budget comprised of salaries and benefits in spite of cost containment in health care.
- Decreasing costs of debt service
- And, diminishing reserve balance available for financial stabilization.

Mr. Musante continued to review FY 2010’s budget highlights, and then provided other updates to the current situation:

- Continuing reduction of health care costs by adding Health Maintenance Organizations as an insurance option has amounted to nearly \$2 million in savings over the last two years
- The Town and the Library have jointly applied for a waiver to the Minimum Appropriation Requirement for FY 10 in order to receive \$67,000 in State Aid for public libraries and maintain library certification.
- Growing road maintenance and repair backlog now totals about \$14 million
- State Tax collections are down \$212 million vs. budget through September. There will be

\$600 million in cuts to the State budget, and Mr. Musante expects more cuts to State Aid to the Town in the current fiscal year.

- Potential solutions for Amherst to close the gap caused by mid year reductions in State Aid include mid year cuts and use of reserves.
- The Town will be going to the bond market in December. Money will be used for the Bangs Center, Town Hall, and Plum Brook projects. If rates stay low, the Town may refinance the Water and Parking Garage debt. The Town will have its first independent bond rating review since 2005. Its current rating is strong.

Mr. Musante continued with some assumptions and projections based upon those assumptions, and concluded that a FY 2011 budget shortfall of between \$4.06 and \$4.6 million was likely using a Level Services baseline assumption for all budgets. Discussion ensued with several questions about the capital budget. Mr. Musante pointed out that the larger budget gap would result if the capital budget increased to 8% of the estimated property tax levy from its current level of 6.5%. The Town will need to decide if catching up on deferred maintenance is affordable. Musante emphasized that this is not about quantifying an override, but it is a way to begin the debate about what the Town will look like under dire financial constraints. Mr. Musante added that each department in the budgeting process needs to outline the sacrifices required to achieve the cuts necessary to balance a budget short of new revenues. The BCG agreed that the current FY2010 was a time to reorganize and prepare to cut budgets back to their core. Ms. O’Keeffe emphasized that it was the Select Board’s responsibility to propose an override, and their decision will heavily rely on the deliberations of the Budget Coordinating Group. The Select Board decision to place an override on the ballot for the March 23 town election must be made by February 16th, and Ms. O’Keeffe emphasized that, with this deadline, the coordination of the budgets was especially important this year. Mr. Jackson suggested multi-year projections. Mr. Musante drew the group’s attention to charts where this was illustrated. Mr. Rhodes asked about controlling cost trends in salaries and benefits. Mr. Musante indicated that health care and pension reform are the keys to lowering these costs. Ms. O’Keeffe asked about school staffing level trends. Mr. Detweiler and Mr. Rodriguez indicated they are preparing that information. Discussion about override deadlines, debate, and format were generally discussed. Ms. O’Keeffe adjourned the Four Board portion of the meeting at 8:17 after noting that guidelines for the budget process will be forthcoming in the next several weeks.

Mr. Steinberg reconvened the Finance Committee meeting to order at 8:35. He noted the lateness of the hour and urged Article presenters to be as brief as possible and talk about the financial impacts of each article directly.

1. STM 11/2/09 Article 14 - Petition – Resolution to Assist in the Safe Resettlement of Cleared Guantanamo Detainees (Ruth Hooke) Ms. Hooke indicated that this article would have no financial impact on the town. Her group, No More Guantanimos, would assume all of the potential financial burdens of resettling two Guantanamo detainees. Ms. Theilman moved that the FC takes no position. Mr. Saul seconded. Mr. Jackson pointed out that there might be indirect costs to the town. The motion passed 7-0.
2. STM 11/2/09 Article 4 - Pelham Watershed Acquisition (David Ziomek and Robert Pariseau) The acquisition would come from the Water Fund Surplus, which currently stands at \$1,578,000. Mr. Ziomek used a map to illustrate the parcels locations abutting

current protected watershed areas and he stated that the parcel would be strategically appropriate for protection of the watershed. The \$155,000 appraisal value for the 65 acres of woodlands limits the Town's financial contribution to the acquisition of the 81 acres. Mr. Ziomek indicated that Conservation and Water Departments are talking to potential "organic/conservation" buyers of the 16 open acres with buildings. Ms. Moran and Mr. Steinberg were concerned about the use restrictions on the residual 16 acres. There was some discussion about the potential effect of 40 year old poultry manure. Mr. Pariseau indicated that an environmental study will be done prior to acquisition. Ms. Moran was also concerned about transfer of the 16 acres to an inappropriate use in the future. Mr. Jackson was concerned about ongoing cost of maintaining forested property. Mr. Ziomek indicated that it would be entered into the long-term forest management plan and eventually generate some revenue for the Town. Ms Moran moved we recommend this article, stating that our watershed is a cost effective water source and we need to protect it. Ms. Blaustein seconded. Motion passed 7-0.

3. STM 11/2/09 Article 5 - Lawrence Circle Street Acceptance (Robert Pariseau and John Musante) Mr. Pariseau indicated that this Street meets all the conditions and standards for "town ways" and that the adoption of the Street will have no financial implications for the Town. Mr. Musante pointed out that the increase in road area and distance might marginally increase Chapter 90 aid. Ms. Theilman moved we recommend the article. Mr. Slaughter seconded. Ms. Blaustein noted that we might take no position. Ms. Moran said the Fincom usually supports these articles since there is a small positive revenue implication. Motion passed 7-0.
4. STM 11/2/09 Article 6 Dimensional Modifications (Footnote a.) (Jonathan Tucker) Mr. Tucker began by noting that the next three articles, 6, 7, and 8, are technical changes to make the zoning bylaws work more efficiently for both residents and building related departments and boards; aka zoning housekeeping. Article 6, in particular, removes references to frontage setbacks and makes language consistent with the dimensional requirements in the zoning bylaw. Ms. Moran moved we recommend the article. Mr. Slaughter seconded. The motion passed 7-0 without discussion
5. STM 11/2/09 Article 7 - Non-conforming Structures (Jonathan Tucker) This article authorizes the Building Commissioner to make a determination on changes to non-conforming structures. Mr. Jackson moved we recommend the article. Mr. Slaughter seconded. Motion passed 7-0 without discussion.
6. STM 11/2/09 Article 8 - Sign Area (Jonathan Tucker) Mr. Tucker explained that allowed signage area currently varies by zoning, and that the methodology of measurement has not been codified. This article sets thresholds and measurement protocol for the permitting process. Planning Board supported the measure 7-0. Ms. Moran noted that it appeared that this had no financial implications for the town. Mr. Slaughter moved we take no position. Mr. Musante noted that it would reduce pressure on staff. Mr. Jackson moved that we support the measure. Mr. Saul seconded. Mr. Jackson moved to defer. Mr. Saul seconded. There was some discussion by members about the value of efficiency in the permitting process. Motion passed 7-0.
7. STM 11/2/09 Article 9 - Medical Offices (Jonathan Tucker) This article divides medical group definitions from small to large, into: office, clinic, practice, and center. Mr. Jackson asked about the Planning Board's 5-3 vote. Ms. Theilman asked about the likelihood of litigation. Mr. Tucker explained that Amherst is always in litigation and that zoning issues

- need to be driven by sensibility, not fear of litigation. Intent is to rationalize medical uses. Ms. Moran moved we defer to Town Meeting. Motion passed 6-1.
8. STM 11/2/09 Article 10, 11, and 12 - (Jonathan Tucker) All three articles implement the guidelines of the yet-to-be finalized Master Plan. Article 10 extends the current Phased Growth bylaw for another year. It has been in force since the late 1980's. It created a point system for new developments; more points yield a faster process, less points yield a more extensive regulatory process. Because of a court decision resulting from litigation involving the Town of Hadley, the current regulation cannot be enforced until it is revised in accordance with an approved Master Plan. The extension will allow for the plan's completion and subsequent review of the bylaw. Article 11 creates a new Neighborhood Business (B-N) zoning district with a streamlined permit protocol, and allows limited commercial uses in residential neighborhoods. Article 12 creates a "Depot Commercial Center" around the Amherst Depot by converting the area from commercial/industrial to limited business. Ms. Moran moved that we defer articles 10, 11, and 12 to Town Meeting. Ms. Blaustein seconded. Motion passed 7-0 without discussion.
 9. STM 11/2/09 Article 13 - Zoning Amendment – 'Green' Building & Lot Coverage (Jonathan Tucker) This article addresses several components of lot and roof coverage. The article is not ready for Town Meeting except part c, the portion regarding permeable paving. The Planning Board has proposed definitions of impermeable, moderately permeable, completely permeable, paving. The concept is that the more permeable the paving, the more it reduces runoff and the need for storm drainage. In the end, it is probably neutral on costs, but positive on environmental benefits. Mr. Jackson moved we take no position on Article 13 as presented. Ms Theilman seconded. Motion passed 7-0 without discussion.
 10. STM 11/2/09 Article 1 - Reports from Boards and Committees. Mr. Slaughter motioned to support. Mr. Jackson seconded. Motion passed 7-0 without discussion.
 11. STM 11/2/09 Article 2 – Transfer of Funds – Unpaid Bills (John Musante) Mr. Slaughter moved to defer consideration of this Article until Town Meeting. Mr. Jackson seconded. Motion passed 7-0 without discussion.
 12. STM 11/2/09 Article 3 - FY 2010 Budget Amendments (John Musante) Mr. Steinberg explained that the purpose of the article is to make the accounts balance. Ms. Moran moved we recommend Article 3a. Ms. Blaustein seconded. Motion passed 7-0 without discussion. Ms. Moran moved we recommend Article 3b. Ms. Blaustein seconded. Motion passed 7-0 without discussion. Mr. Slaughter motioned to defer Article 3c to Town Meeting. Mr. Jackson seconded. Motion passed 7-0 without discussion.
 13. Speaking and writing assignments for STM and Finance Committee reports. Andy will do 2 and 3, Kay 4, Bob 5, Marilyn 6, Phil 7, Doug 8, 9, 10, Bob 11 and 12.
 14. Minutes – September 17, 2009 Mr. Slaughter moved we pass the minutes. Ms. Blaustein seconded. Motion passed 6-0. Mr. Saul abstained.
 15. Member reports. There were none.
 16. Next Meeting will be October 20th at 7 p.m.
 17. Meeting adjourned at 10:44.