

AMHERST FINANCE COMMITTEE MINUTES
Meeting of March 25, 2010, 7:00 pm
First Floor Meeting Room of Town Hall

ATTENDANCE:

Phil Jackson (7-7:35 pm), Kay Moran (Vice-Chair), Douglas Slaughter, Andrew Steinberg (Chair), Marylou Theilman

OTHERS PRESENT:

John Musante, Assistant Town Manager/Finance Director; Larry Shaffer, Town Manager; Sonia Aldrich, Comptroller; Scott Livingstone, Police Chief/Campus and Community Coalition; Jonathan Tucker, Amherst Planning Dept.; David Ziomek, Director of Conservation and Development; Roy Rosenblatt, Community Development; Peter Jessop, CPAC; Diane Fedorchak, UMass Campus and Community Coalition; Peter Lillya, Public Transportation and Bicycle Committee; Walter Wolnik and Kevin Collins, Citizens

AGENDA:

Community Preservation Act Committee recommendations
Non-financial and petition Articles
Reactions to the election outcome (Not Discussed)
What we learned or can learn from the process and the voters (Not Discussed)
News affecting budget
Revised budget totals for the four operating budgets
Process for the development of final budgets for Finance Committee and Town Meeting
Member reports
TMCC forum
Next meetings and agenda
Minutes of March 4 and March 11 (if available) (Deferred)
Miscellaneous

MINUTES:

Minutes were deferred until the meeting of April 1, 2010.

DISCUSSION: (Article #'s are from the draft Town Warrant dated April 5, 2010)

Community Preservation Act (CPA) Committee (Article 18)

Jessup reported that the CPA has estimated funds of \$880,000 of which \$116,500 or 31% is the estimated state match for FY10 and received in FY11. The Committee has voted to support the following:

- Administration
- Affordable Housing
 - Habitat for Humanity
 - Housing Authority Renovation
- Historic Preservation
 - 575 North East Street
 - Town Hall Masonry
 - Archival Material Conservation/Restoration
 - Town Clerk Special Collections
 - Library Special Collections
 - Amherst History Museum Rehabilitation
 - Jones Roof Restoration
- Open Space/Recreation
 - Plum Brook Debt

Next week the Committee will take positions on the following:

- Historic Preservation
 - North Amherst Library Rehabilitation
- Open Space/Recreation
 - Hawthorne Property
 - Open Space Surveys and Appraisals
 - Szwacz Property
 - Poor Farm
- Undesignated Budgeted Reserve

The Housing Authority Renovations for \$350,000 would receive a matching grant from the Department of Housing and Community Development which would give the town \$700,000 for the renovations. The project would be funded with a ten year Bond paid with future CPA funds. Bonding is also being considered for the Hawthorne property which would provide valuable open/recreation space. Should the CPA be repealed, a CPA property tax surcharge would continue at a declining rate until all debt is paid.

The Historical Commission is considering a request for \$30,000 from the Jones Library to provide climate control for its Special Collections. That request will be decided next week.

In regard to a \$165,000 debt obligation, Jessup commented that the CPA Committee is comfortable with that amount.

The CPA Committee will finish its work next week with a written report completed by April 8.

For specific details see “CPA FY2011 Proposals to be Considered” dated March 23, 2010.

Non-Financial, Financial and Petition Articles

*Citizens Petition (Article 19) -- Resolution: Energy Facilitation Outreach Worker (Collins)
Collins presented his citizen’s petition for an Energy Facilitation Outreach Worker who would help bring energy incentives to Amherst residents and businesses. The goal of the one-year position is to weatherize and rehab one hundred homes in Amherst. The proposal includes facilitating cooperation between the Town and the UMASS Natural Resources and Environmental Conservation Extension Services, as well as, other agencies involved in energy conservation. Money is being sought as an appropriation from Town Meeting. Steinberg stated that the budget process began in January and that the budget was tight. He also stated that while the proposal is creative and Collin’s work is appreciated, it may not be a proposal that the Finance Committee can support, as this is a difficult financial year for the Town.

See Citizens Petition. Resolution: Energy Facilitation Outreach Worker for specific proposal details.

*Olympia Drive (Article 18) – Disposition of Property

This Article is a request to dispose of, through a long-term lease, the Olympia Drive property to a developer to develop 42 units of affordable housing of which 10% will be for low income and possibly homeless units. The disposal of land is the next step in a long process and is the only issue about the property before Town Meeting.

In 1987 the property was taken by eminent domain and consists of 15 acres of which 6 are buildable and the rest is in conservation. The Town does not own the road or have legal frontage and will ask the University for the right of way which will allow Olympia Drive to be reconstructed with funds from the developer and once accepted, maintained by the Town. The road design would accommodate the needs of the residents. Infrastructure will be done by the Town which has received

information that it could get \$750,000 in block grant funds and in addition could receive another \$1,000,000 award from the next grant cycle. Development of the site by a developer will require a Comprehensive Permit.

Authorization to go out for bid must be voted by Town Meeting.

Wentworth Farm APR (Agricultural Preservation Restriction) – Compensation for 575 Northeast Street (Not on Town Warrant)

*Ziomek stated that when the Town voted to save the house on Northeast Street, it entered into two agreements; compensation and mitigation. The CPA is meeting the compensation agreement of \$25,600 per year for 5 years. The mitigation agreement requires adding 10 acres of prime APR land in exchange for taking the Northeast Street parcel out of APR. This Article proposes that 5 acres of prime soil located in the 21.1 acres on Wentworth Farm, off Old Farm Road, meet the APR for mitigation purposes and be under control of the Conservation Commission. The land is presently owned by the Town but not under the authority of the Conservation Commission. Another 5 acres would be needed by 2011 to meet the total required in the mitigation agreement or the Town would need to pay the state \$50,000 or \$10,000 per acre.

Once designated APR, the land would be leased out to farmers and access to the property would be moved from its present location to another place along Old Farm Road to accommodate use by farmers.

If finalized, this Article will appear on the warrant for the Spring Town Meeting; otherwise, it will appear in the fall.

*Public Transportation & Bicycle Committee -- Charge Amendment (Article 27)

Lillya presented the proposed changes to the Committee's Charge to bring it up to current practice and add one new explicit purpose.

The role of the Committee is one of advising and advocacy and not decision making.

Since there appears to be no financial implications, the Finance Committee may not make a recommendation on this Article.

See three page handout, "Proposed Changes to the Charge of the Public Transportation and Bicycle Committee March 2010", for specific changes to the Charge Amendment.

*General By-Laws Amendments: Open Containers, Unlawful Noise, Keg Licensing (Articles 28, 29, 30)

Fedorchak and Police Chief Livingstone presented the Amendments which would increase the violation fee to \$300 for each offense and not change any other part of the bylaws. The present graduated violation fee requires time consuming tracking and is difficult for policing and enforcement. A set higher fee for each offense would free up police time for other duties. There is no cost to the Town. All revenue generated from violation fees remain with the Town.

More information can be found in the handout, "Campus and Community Coalition" dated 2/12/10.

*Patterson Property - Option Agreement (Article 16)

Schaffer presented the proposal for the Patterson property which consists of 59+ acres of undeveloped land. The property is zoned Professional Research Park (PRP) and contains open fields two farm ponds and approximately 31 acres of wetlands. Since zoned as a PRP, there is no need to

go back to Town Meeting for zoning changes. Abutters on both sides of the Patterson property are interested in the Town acquiring their land also.

Although the property has been zoned a PRP for decades, no private concerns have been successful in providing the infrastructure and negotiating the many needed levels of approval. The Town is in a unique position to facilitate all these aspects and recruit a major private concern to the site.

The goal of the Patterson Project is to increase the total taxable assessed value of the Town by approximately 5% or \$100,000,000. Presently the Town expands its tax base from real growth by approximately 1%-1 ½ % which does not keep pace with the cost of providing public services per year of approximately 5 ½%.

If Town Meeting authorizes this venture, the Town would plan to secure an option agreement for a three year period with an agreed upon set of terms for the conveyance of the property to a private entity. The one to three year option agreement would require an annual payment of \$40,000, not to exceed \$120,000, from the Town. With the terms of the transfer fixed, the Town can plan, design and seek grants for the needed public infrastructure. The Town would then proceed to recruit the appropriate entities for the site. The option is transferrable, through a vote of Town Meeting, to a private entity/end user. The agreement of the owners with the private entity requires an annual payment of \$415,000 per year for 99 years or a 20 year buyout of \$5,000,000.

The pre-option is in place until September 1, 2010. Town Meeting will be asked to approve the authorization to execute the option of an annual payment of \$40,000 for a period of up to 3 years to determine what land is usable and significant for development. The Joint Capital Planning Committee (JCPC) will vote on the proposal for \$40,000 per year for no more than three years.

Schaffer stated that this is a signature project and one that would meet the Facilitations Committee recommendation for expanding the tax base. It was noted that the presentation and questions for Town Meeting should be framed around property taxes and the tax base.

This Article will determine Town Meeting's interest in this project.

For specific information including overview, maps, lease agreements, etc. see lengthy handout "Overview and Goals For the Development of the Patterson Property in North Amherst", Laurence Shaffer, Town Manager, March 12, 2010.

*Patterson Property – Designation as a Priority Development Site (Not on Town Warrant)
This is not an Article, but one of the steps the Select Board takes after 43B is accepted by Town Meeting.

*Acceptance of MGL-43D (Article 15)

Tucker stated that this Article would allow the Town to declare the Patterson Property Project to be a priority development site and authorize the Town to access state grants. Acceptance of this Article will draw attention to the site and expedite the application process, as under 43D the entire application process can take no longer than 180 days. Promotion of this site would be of significant interest to the state in terms of job creation.

*Master Plan Compliance Amendment - Planning Board (Article 23)

Tucker presented the Amendment which acknowledges the recommendations of the Master Plan. Once adopted the Master Plan needs to make adjustments in zoning and regulations to be in compliance. While there is no legal consequence for not having such an Amendment, there is a legal benefit to having one, as it acknowledges the recommendations.

There are no financial consequences either way.

Information is found in the Planning Board Report to Town Meeting Handout.

***Non-Profit Uses Amendment - Planning Board (Article 24)**

Tucker stated that this Amendment is intended to fill in the gaps on the Use Classification Chart of the present Zoning Bylaw Section 3.330 which allows only educational or religious uses. There is no provision for non-resident human services uses such as the Survival Center. This Amendment seeks to address non-profit human service uses which are neither educational nor religious in nature.

In terms of taxation, the Use Classification Chart regulates what can exist in an area. Property use for taxation purposes is determined by the Town Assessor.

Information is found in the Planning Board Report to Town Meeting Handout.

***University Drive Rezoning - Planning Board (Article 25)**

Tucker presented the Article which would amend the Official Zoning Map to change the zoning designation of Map 13B, Parcel 33, from Office Park (OP) to Limited Business (B-L) in order to allow a wider range of potential uses of this property.

Presently the east side of University Drive is the only part of town with an OP zoning district. If the property would be rezoned to B-L it would allow for a mixture of retail, office and residential uses. Any potential project for this site could include mixed uses, as well as, affordable congregate housing for the elderly. During the Master Plan process this site was discussed as a potential area for both non-residential and mixed use development.

While there appears to be some environmental and infrastructure limitations, including some drainage problems, Tucker stated that the appropriate place to address them would be during the permit process. The Town would be willing to work with any developer to improve conditions.

Information is found in the Planning Board Report to Town Meeting Handout.

***Four Unrelated Persons Definition (See Warrant Article Petition Form -- Article 26)
(Possible separate Planning Board Article)**

The petitioner's Article proposes to delete the words "not to exceed 4" from Section 12.142 of the Zoning Bylaw.

The petitioner was not present to address the petition and attempts to contact him have been unsuccessful. The Planning Board unanimously voted to refer the petition to the Planning Board and Board of Health for their input to better address student housing.

Many communities have this zoning with varying numbers. Boston is the latest with zoning that will restrict not more than four undergraduate students in a dwelling unit. Municipalities are waiting to see if the Boston zoning will be legally challenged and if so, the outcome.

News Affecting the Budget

The Legislative Calendar remains the same as in previous years. The worst case scenario for state funding at this point in time is a 4% reduction in state aid. With this information, Amherst Town

Meeting will be able to address fiscal articles in a “normal” time frame during the first part of May. The Select Board will sign the Warrant on 4/5/10.

Musante reported that there is pending legislation, the ‘Municipal Relief’ bill, which addresses a number of pension/benefit issues. One would extend the pension funding schedules out from 2030 to 2040 to make up for losses in 2008 and 2009. Also, cities and towns would be able to pro-rate health insurance benefits for new hires. Early retirement incentives approved by a town could be implemented. Since it is not of benefit to the Town, Amherst will not implement such a plan.

Musante further reported that there is a bill in the legislature, which would give municipalities the same authority, as the State, to modify health plans without going through the negotiations’ process/collective bargaining. The bill is controversial.

Revised Budget Totals for the Four Operating Budgets

Final budget proposals will be available next week for the Budget Coordinating Group (BCG).

Process for the Development of Final Budgets for Finance Committee and Town Meeting:

Musante reminded the Finance Committee (FC) that all whole budgets were based on assumptions about projected revenues including a state aid reduction of 5%. Police and Fire gave up some wage concessions prior to the Select Board establishing the amount for the override. After the override for \$1.68 million, teachers gave back approximately \$1000 each and the state aid reduction is only 4% and not 5%. The overall difference in revenue for all four areas of the Town budget is \$500,000. If Town Meeting supports the budgets as presented, the tax levy for the Town will be in the \$1.2 - \$1.3 million dollar range rather than \$1.68 million. The Town then could phase in the remaining amount of the tax levy over several years.

The BCG recommended that the Finance Committee recommend the budget amounts as presented for the override.

Member Reports

The Budget Coordinating Group (BCG) will have summary points in the next two days and Steinberg will forward them to the Finance Committee.

Town Meeting Coordinating Committee (TMCC) Forum

The TMCC requested the participation of the Finance Committee in its informational forum. It is planning to use the Department of Public Works as an example on how to address topics in the operating budget, capital program and enterprise funds. Mooring and Musante have been invited. Steinberg will let the TMCC know who from the Finance Committee is available for the April 27, 2010 meeting.

NEXT MEETING AND AGENDA:

The next meeting is Thursday 4/1/10. Budget updates will be presented from the schools, library and town.

ADJOURNED:

The meeting adjourned at 10:15 pm.

Submitted by:

Marylou Theilman, Acting Clerk