

*Approved 4/7/11*

**Amherst Finance Committee Minutes  
March 31, 2011**

CALL TO ORDER: The meeting was called to order at 7:05 p.m. in the first-floor meeting room at Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE: Phil Jackson, Kay Moran (vice-chair), Janice Ratner, Bob Saul, Doug Slaughter, Andy Steinberg (chair), Marylou Theilman.

OTHERS IN ATTENDANCE: John Musante, Town Manager; Sanford Pooler, Finance Director; Guilford Mooring, Superintendent of Public Works

AGENDA AND DISCUSSION:

**1. News affecting budget**

Musante said the House Ways and Means Committee budget proposal will be released 4/13/11. He's hearing that local aid in the House budget will be close to the amount in the Governor's budget, which is good news for the Town. Pooler discussed his 3/31/11 preliminary financial projections for FY 13, which include a 3.4% increase in revenue and spending increases of 3.8%.

**2. Fiscal Year 2012 budget development**

a. Report from the Budget Coordinating Group (BCG)

After learning at this morning's BCG meeting about Musante's hope for more state aid than expected in FY 12 (which would still be a reduction from the FY 11 amount), BCG discussed how to distribute any additional state aid received above the previously agreed to distribution of an additional \$690,000. BCG decided today that any aid received above that figure should go first to fund a Town parks/recreation area supervisor (\$56,452); school one-time costs for creating a train-the-trainer model for ongoing professional development and materials (\$70,000); library restoration of professional cost-of-living adjustments (\$12,000); and capital budget priorities (\$92,000) to get to use of 6.25% of levy. None was directed at reserves. Musante and Pooler said that, given Pooler's estimates for FY 13, we would be safe in assuming existing reserves will be maintained and likely increased a bit at the end of FY 11. Saul argued that we need to build reserves for a rainy day. Slaughter said if we were projecting an increase in state aid for FY 12 he might agree with Saul, but instead state aid will decrease for the fourth year in a row: "This is the rainy day," Slaughter said. Saul believes, however, that it's unrealistic to expect much increase in state revenue. Theilman said things might change by fall, and revenue projections may then be lower than the 3.4% increase Pooler is projecting now. Steinberg said that the

Finance Committee's November 2010 guidelines started with our lowest estimate of state aid for FY 12; we now have a more current projection, which is higher. Musante said the BCG plan does not require use of reserves, and the proposed operating budgets would increase only by about 2%. He pointed out that Standard & Poor's recently gave the Town a AA bond rating, affirming the Town's financial condition and management. Saul agreed, but believes the national economy will decline in the future, and the town should prepare for even worse times in the future. Steinberg asked whether the new Town parks/rec area supervisor position could be sustained in future years' budgets. Musante said that's always a worry; there are a lot of unknowns. One is the possibility of future new Town revenue from a solar installation at the old landfill, which is not now in revenue estimates for FY 13.

Pooler distributed the FY12 budget BCG options restoration list developed during today's BCG meeting. It includes options for restoration in case the state aid situation is even better than anticipated above.

b. Budget updates: municipal, school, library

Amherst FY12 School & District Budget memo dated March 2011(priorities list) and the Jones Library proposed budget draft FY12 priorities list dated 3/31/11 were distributed. See discussion under 2a.

c. Report from the Community Preservation Act Committee (CPAC)

Jessop said that this year the state will match 25% of the town's Community Preservation Act (CPA) revenue raised by a 1.5% surcharge on the property tax. CPAC makes recommendations to Town Meeting about spending CPA funds on particular affordable housing, historic preservation, open space and recreation projects. Town Meeting can accept, reject or reduce money for those recommended projects but can neither increase the amount nor approve different projects.

The estimated CPA fund total available for spending in FY 12 is \$966,387, of which CPAC recommends \$755,952 for new projects. \$200,000 will go back into the CPA fund balance for future use. On 3/24/11 CPAC voted to recommend the list of specific projects that appears on the document "JCPC FY2012 Recommendations to Town Meeting," dated 3/24/11. Totals to be spent on each category are:

\$145,203 for affordable housing  
\$336,950 for historic preservation  
\$150,000 for open space  
\$122,299 for recreation  
\$ 1,500 for administration

The affordable housing, historic preservation and recreation totals include debt service on projects approved by previous Annual Town Meetings.

CPAC voted 7-0 to recommend debt service for the Amherst Housing Authority's 22-unit rehabilitation; purchase of the Hawthorne property; 575 North East Street mitigation; Town Hall masonry; and (5-0, 2 abstain) Plum Brook recreation areas.

The only other Hawthorne-related spending proposal is \$20,000 for a feasibility study on housing and recreation on the property. CPAC divided 4-3 on recommending funding for a consultant to oversee and complete 8 or more historic projects previously funded by CPA money. All other votes were 7-0. In exchange for \$15,000 to the Jones Library to conserve 6 paintings, the Town would get some kind of historic preservation agreement, to be negotiated in the future. Moran suggested the agreement could include a provision that the town be repaid if Jones Library Inc. ever sells the paintings. Finance Committee members asked informational questions about several projects.

The Finance Committee **VOTED 7-0 TO RECOMMEND \$150,000 for purchase of the Stosz property, \$605,952 for other appropriations for CPA projects, and \$200,000 as budgeted CPA reserves recommended by CPAC, all as appropriate uses of CPA funds.**

d. Report from the Joint Capital Planning Committee (JCPC)

Mooring said the Town receives about \$618,000 annually in Chap. 90 money from the state for road maintenance. This year's allocation will mainly pay for work on University Drive. Over the next year the Chap. 90 money will be added to the recent \$4.5 million bond issue authorized by last November's Town Meeting. Work will begin next month on many roads in town.

The Finance Committee **VOTED 7-0 TO RECOMMEND appropriation of \$500,000 in Chap. 90 money for road repair.**

Other capital spending articles: Moran reported JCPC recommends using 6.25% of levy and has a prioritized list of projects to be added beyond that. Pooler said JCPC had to delay \$1 million in projects originally proposed for FY 12; the unfunded list of requests totals \$2,336,900 over the five years of the plan. Theilman asked if appropriated money could be spent on a capital item not on the list in an emergency. Moran and Slaughter could remember only one example. Votes on the remaining three capital articles were postponed until the committee has a better idea of available funds.

e. Further consideration of FY 12 budget

No further discussion.

**3. Non-Financial and Petition Articles – Department of Public Works articles**  
Capital Program – Bond authorization Centennial Water Treatment Plant upgrade

The Centennial water treatment plant in Pelham is near the end of its life and needs a number of upgrades to the treatment facilities, the building and the larger water-pumping system. The warrant article would authorize borrowing the cost of the whole project, \$ 4 million, to be paid back over time from the Water Fund.

The Centennial plant treats water from two small surface water supplies in Pelham. New federal regulations will soon require the Town to remove more suspended solids from drinking water than currently required. When the treatment facilities are upgraded to meet the new regulations, there will be more waste water (cleaner than

untreated water, but dirtier than treated water). Currently, waste water goes into lagoons behind the plant for settling, but the new regulations would require larger lagoons. The Town would have to buy more land for larger lagoons and pay to have sediment trucked out. A less expensive option is installing a sewer line to carry the plant's wastewater to the Town's sewage treatment plant; the sewer line would cost \$1.4 million. Amherst is negotiating with the Pelham Selectmen to do this by 2012, when Pelham repaves Amherst Road. If we do not do this, it will restrict Amherst's available water, which currently comes from three surface water supplies and treatment plants and five wells. Though the Pelham reservoirs are small, the Town depends on drawing from them and the Atkins Reservoir in the spring so that the wells can recharge. The improvements would last 30 years. Debt service to be paid from the Water Fund will not cause water rates to increase, because the larger debt incurred previously for the Atkins treatment plant will be paid off. Pelham residents living along the new sewer line might be able to tie into it at their own cost, but its purpose is to serve the treatment plant.

The committee **VOTED 7-0 to RECOMMEND bond authorization from the Water Fund for the Centennial sewer line, and to sponsor the article if the Select Board doesn't.** Moran said it would be logical for the Select Board, which is also the Water Commission, to be the sponsor.

Article: Accept Rights of Way and Easements from WMECO for Boltwood Walk.

Mooring said installing an underground line through Boltwood Walk to the Boltwood Place development is the only way they can get power to the project. Developers would pay costs.

The committee **VOTED 7-0 TO RECOMMEND.**

Article: Rights of Way Meadow Street reconstruction – Property owners have agreed to grant rights of way on Meadow St. for the Meadow St. reconstruction.

The committee **VOTED 7-0 TO RECOMMEND acceptance of rights of way on Meadow St.**

Article: Rights of Way and easements on Main St. – Property owners have agreed to grant rights of way and easements on Main St. for the Main St. reconstruction.

The committee **VOTED 7-0 TO RECOMMEND acceptance of rights of way and easements on Main St.**

Article: Rights of Way and easements Wildwood Safe Routes Project. Federal funds plus a small state match are paying for construction of this safer walking route from the corner of East Pleasant and Strong streets to Wildwood Elementary and the regional middle school. The Town will grant right of way through town and school property. There's no cost to the Town for construction or engineering; there may be future costs to acquire rights-of-way through private property.

The committee **VOTED 7-0 TO RECOMMEND.**

Article: Authorize Town Manager to enter into lease agreement for term of years for a solar installation at the Old Landfill. The Manager is currently only authorized to enter into leases of up to 3 years without Town Meeting approval. This lease would likely be for at least 30 years. The planned solar installation would bring in added revenue. Steinberg noted that details of the lease aren't complete, but he feels it's appropriate to recommend this now.

The committee **VOTED TO RECOMMEND 7—0.**

**4. Writing assignments for Finance Committee report, speaking assignments for Town Meeting**

The Committee began the process of assigning each warrant article or section of an article to a committee member to write the explanation for our report and present it at Town Meeting.

**5. Report from the Audit Committee regarding FY 2010 audit**

Saul said the audit was comprehensive and "crystal clear." The only suggestion was better control of petty cash in LSSE.

**6. Member reports – liaisons and committees – None beyond the above.**

**7. Minutes of previous meetings**

Minutes of the 3/24/11 meeting were **APPROVED BY A VOTE OF 5-0, 1 ABSTAINING, 1 ABSENT.**

**8. Next Meeting and Agenda**

ADJOURNMENT: The meeting adjourned at 10:15 p.m.

Kay Moran, acting clerk

**DOCUMENTS USED AT THE MEETING**

Town of Amherst Proposed Budget Fiscal Year 2012 ("manager's budget")  
April 2011 report of the Joint Capital Planning Committee, draft dated March 29, 2011, including prioritized project restoration list  
April calendar with tentative budget-development-related dates for Finance Committee  
Summary points from Budget Coordinating Group's 3/31/11 meeting  
Financial projections-General Fund draft dated 3/31/11  
Amherst FY12 School & District Budget memo dated March 2011 – priorities list  
Jones Library proposed budget draft FY12 – priorities list, dated 3/31/11  
FY 12 budget BCG options chart, 3/31/11  
Community Preservation Act Committee recommendations to Town Meeting dated 3/24/11  
May 2, 2011 Annual Town Meeting warrant article assignments/positions list 3/31/11

