

DRAFT FINANCE COMMITTEE MINUTES

Meeting Date: December 14, 2006

CALL TO ORDER

The Meeting was called to order at 7:00 P.M. in the First Floor Meeting Room of Town Hall.

COMMITTEE MEMBERS IN ATTENDANCE

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

STAFF IN ATTENDANCE: John Musante, Finance Director/Treasurer

OTHERS IN ATTENDANCE: Walter Wolnik

COMMITTEE ACTION

Voted 5-0-2 to approve the minutes of November 16, 2006 as corrected

Voted 5-0-2 to approve the minutes of November 30, 2006 as amended

DISCUSSION

Overrides: New information, revised information and report outline

J. Musante distributed a table that showed the estimated impact of a property tax override on a single family house. For each \$1 million in override, the tax rate per \$1,000 would increase by \$.49. The analysis uses the current year values and tax rates. Morton suggested that the set of assumptions used in calculating the estimates be included in the override report. It was also noted that these estimates don't include rental or commercial properties.

The committee discussed whether it would be helpful to look at the impact of an override using family income data. The concern was that census data are based on 1999 data, and that evaluating income was too complex to come up with a meaningful analysis. The consensus was that tables in the report should be limited to factual information and other issues (e.g., impact on rental fees, impact on business and commercial property) should be addressed in the pros and cons list. Carlozzi noted that the purpose of an override report is to provide information about what an override is and how it will affect taxpayers. This information will be a resource people can use to decide what to do about the cut list.

The committee reviewed the outline of the report proposed by Steinberg and Slaughter. The intent is that this will be a report for the general public. Members of the committee volunteered to work on different parts of the report and will submit their sections to Carlozzi by January 4. An outline of the report will be distributed to the BCG at their next meeting. A target date of January 22 was set for completion of the report.

MMA Update: Musante reported that the MMA fiscal policy committee has taken a first look at how the draft local aid formula would affect a select number of towns. The new formula proposes that 40% of corporate, sales and income taxes be targeted to local aid—it is currently at

32%. The formula for distributing the increases is sensitive to factors such as cities and towns that are employment centers and also looks at revenue capacity. Amherst would benefit compared with other communities. Amherst is a large employment center and the Town's ability to raise revenue is limited because a large percentage of land is tax exempt. Both would result in larger amounts of aid. The amount of money the Town could realize would be dependent on how many new dollars go into the formula. The Governor's budget is scheduled to be released in February and more will be known at that point.

Musante also reported that presently the elementary schools fare better than the region with the proposed formula.

ADJOURNMENT

The meeting adjourned at 9:05 P.M.

Marilyn Blaustein
Acting Clerk