

Amherst Finance Committee Meeting Minutes

April 5, 2012, First Floor Meeting Room, Town Hall

The meeting began at 7:10 p.m.

Committee members present: Janice Ratner, Kay Moran (vice chair), Bob Saul, Anurag Sharma (after 8:10 p.m.), Doug Slaughter, Andy Steinberg (chair), Marylou Theilman

Others present: Finance Director Sanford Pooler; Town Engineer Jason Skeels; Michael Hanke, chair of the Historical Commission

1. Fiscal Year 2013 budget

a. New information affecting budget, review of budget projections

Pooler distributed and reviewed updated financial projections dated 4/5/12. Spending changes include \$218,200 added to the elementary school budget from Free Cash as a bridge to FY 14, when school choice revenue of about that amount can be used; and \$40,000 added to Community Services to fund after-school programs to be run by LSSE in cooperation with the School Department, money which replaces CDBG funding no longer available. Adjustments to revenue estimates, mainly the hotel and meals taxes, make this possible. School Superintendent Maria Geryk and Town Manager John Musante will attend our next meeting to explain after-school program plans.

b. Report from Budget Coordinating Group: Saul reported that the BCG discussed and agreed to the after-school program plan. Fees may eventually cover most of the costs.

c. Adopt proposed budget for each functional category: The following proposed budgets (Article 12) were adopted with very little discussion because all had been discussed at length at previous meetings.

Library: The committee VOTED 7-0 to RECOMMEND Town tax support of \$1,690,789 for a Library budget of \$2,209,386.

Elementary Schools: The committee VOTED 6-0, 1 abstention, to RECOMMEND an Elementary School budget of \$21,558,039. Slaughter abstained because he is an employee of the schools.

Regional School Budget: The committee VOTED 6-0, 1 abstention to RECOMMEND an assessment to the Town of \$13,796,524 to fund a Regional School budget of \$28,527,558. Slaughter abstained because he is an employee of the schools.

Conservation and Development: The committee VOTED 7-0 to RECOMMEND a Conservation and Development budget of \$927,560.

Public Safety: The committee VOTED 7-0 to RECOMMEND a Public Safety budget of \$8,877,651.

Public Works: The committee VOTED 7-0 to RECOMMEND a Public Works budget of \$1,996,684.

(Pooler and Steinberg noted that employee benefits for Conservation and Development, Public Safety, Public Works, and Community Services are in the General Government budget. The latter two functional areas will be voted on next week, after the presentation on the after-school program and its implications for employee benefits.)

Water Fund: The committee VOTED 7-0 to RECOMMEND a Water Fund budget of \$3,498,354. Pooler said this sum is lower than it was in the Town Manager's January budget because bonding costs were lower than predicted.

Sewer Fund: The committee VOTED 7-0 to RECOMMEND a Sewer Fund budget of \$3,652,855, of which \$3,410,187 is from taxation (fees) and \$242,668 is from Sewer Fund surplus. This budget is slightly higher than the Manager's January budget because the term of the Harkness Road sewer bond is shorter than predicted and the debt will be paid off sooner.

Solid Waste Fund: The committee VOTED 7-0 to RECOMMEND a Solid Waste Fund budget of \$549,855, of which \$496,800 is from fees and operating revenue and \$53,055 is from the Solid Waste Fund surplus.

Transportation Fund: The committee VOTED 7-0 to RECOMMEND a Transportation Fund budget of \$984,383, of which \$884,165 is from fees and operating revenue and \$100,218 is from the Transportation Fund surplus.

Debt Service: The committee VOTED 7-0 to reconsider our vote of 3/22/12, to allow for updated numbers. The committee then VOTED 7-0 to RECOMMEND Debt Service of \$1,827,368, of which \$1,619,737 is from taxation, \$123,833 is from the Community Preservation Act Fund, and \$83,798 is from the Fund Balance Reserved for Debt Service Account.

2. Town Meeting Warrant Articles other than FY 13 Operating Budget

a. Article 27 – Local Historic District

The area covered would coincide with the existing Dickinson Historic District, which is on the National Register. Hanke gave a PowerPoint presentation with photos of historic buildings now standing within this area surrounding the Dickinson Homestead. The current designation does not place any restrictions on changes to structures. A Local Historic District would give those buildings more protection by requiring alterations to be in keeping with the district's historic heritage, thus preserving that heritage for future generations and enhancing the district as a tourist attraction. A Local Historic District Commission of seven people would hear applications and decide what alterations can be allowed. The application process would be similar to that for the Design Review Board. There would be no application fee. More than 120 Massachusetts communities have LHDs, including Northampton. Hanke said some owners of property within the proposed district are in favor, others including the Amherst Woman's Club are opposed, and Amherst College is neutral. Establishing a Local Historic District would be one step toward the Town earning Certified Local Government status, which would bump it higher on the list in competition for state historic preservation grants, he said. Skeels asked whether it would apply to changes in the public way, such as adding bus shelters or moving the roadway. Hanke said probably not. Moran asked about, for instance, adding solar panels on the roof of the Amherst Police Station. Hanke said that could be allowed,

although written material he distributed seems to say such panels could not be visible from the public way.

Steinberg summarized the potential financial benefits and costs for the Town. If a Local Historic District increases tourism, revenue from the hotel and meals taxes might increase, and the designation might make Amherst more likely to receive state grants. On the other hand, there will be increased administrative costs and another committee to staff without any compensating revenue from fees, and it could make renovating the police station more expensive. Any effects are “speculative and small,” Steinberg said.

The committee VOTED 6-0, 1 absent, to make NO RECOMMENDATION.

b. Review other articles on the Warrant

Article 5 – Street acceptance, Sunrise Avenue

Skeels said the Amherst Housing Authority, which owns some buildings at the end of this street, also owns the street. The Town plows it but had not wanted to accept it as a public way because it had not been maintained to Town standards. The Housing Authority has now paid to bring the street up to Town standards, with the work done by the Town Department of Public Works. Skeels said accepting it would add slightly to the Town’s total road mileage and thus add slightly to the Town’s allocation of Chapter 90 road maintenance money from the state.

The committee VOTED 6-0, 1 absent to RECOMMEND Article 5.

Article 6 – Street acceptance, University Drive Expanded Layout

Skeels said the reconstruction of the Big Y intersection on University Drive is complete except for installation of traffic lights. He distributed a map showing in yellow the small area at the Big Y entrance to be accepted.

The committee VOTED 6-0, 1 absent to RECOMMEND Article 6.

Article 7 – Sewer Easement Acceptance – Harkness Road Project

The Town is negotiating with landowners around the Stoney Hill Road intersection for easements that would allow a less expensive connection of the new sewer line with the existing line. This article would allow purchase and/or acceptance of gift of right of way. Steinberg said it would allow for “orderly administration and completion of the project.”

The committee VOTED 6-0, 1 abstention to RECOMMEND Article 7. Sharma abstained because he had missed the presentation and discussion.

Article 15 – Capital Program – Chapter 90

As discussed at the meeting 3/19/12, this is state money allocated for road maintenance.

The committee VOTED 7-0 to RECOMMEND Article 15.

Article 16 – Capital Program – Equipment

The Joint Capital Planning Committee’s recommendation was discussed at the 3/29/12 Finance Committee meeting.

The Finance Committee VOTED 7-0 to RECOMMEND \$1,213,804 for equipment.

Article 17 – Capital Program – Buildings and Facilities

JCPC's recommendation was discussed at the Finance Committee's 3/29/12 meeting.

The committee VOTED 7-0 to RECOMMEND \$368,396.

Article 18 – Capital Program – Debt Authorization

As described in JCPC's 2012 report and discussed at the Finance Committee's 3/29/12 meeting, this borrowing would be for a tree-planting project (\$612,000), a Department of Public Works truck (\$150,000), repairs to the roof and apparatus floor at Central Fire Station (\$184,000), and police communications equipment (\$125,000).

The committee VOTED 7-0 to RECOMMEND \$1,071,000 in total debt authorization for those projects.

Article 19 – Debt rescission

In November 2007 Town Meeting authorized \$195,000 and in April 2008 another \$105,000 for a total of \$300,000 in debt for portable classrooms at Mark's Meadow School. Only \$220,000 of debt was issued. Pooler said it is not financially good for the Town to carry on its books \$80,000 in authorized debt that was not needed. He said Article 19 is "like cutting up a credit card we never used." (Mark's Meadow closed in the spring of 2010, and the Town is trying to sell the unused portable classrooms.)

The committee VOTED 7-0 to RECOMMEND Article 19.

Article 20 – Debt repurpose

Of the \$220,000 borrowed for portable classrooms at Mark's Meadow School (see above), \$6,261.96 was not spent. The Town must use that money before the end of June, within three years of the initial borrowing, and the purpose must be for a project that is bondable. Pooler said the Town intends to reallocate the money to Bangs Center sidewalk repairs. An equivalent sum of tax revenue previously spent on the sidewalk repairs will then return to Free Cash.

The committee VOTED 7-0 to RECOMMEND Article 20.

Article 8 – FY 12 Budget amendments

8A – Transfer sums of money between subsections of Operating Budget. The FY 12 General Government budget approved last spring included money to pay any raises negotiated with Town employee unions during the coming year. 8A would distribute that money among the appropriate functional areas. The exact amounts won't be known until after Town Meeting begins. The committee will take it up then.

8B – Transfer sums of money from Free Cash to the Health Claims Trust Fund to account for Medicare Part D reimbursements received by the Town of Amherst for prescription drug costs incurred by the HCTF for the Town of Amherst, Amherst-Pelham Regional School District, and Town of Pelham members. Since the drug charges were incurred by all four members, it would not be fair for the Town of Amherst to keep it all.

The Committee VOTED 7-0 to RECOMMEND transferring \$91,508 in Medicare Part D reimbursements from Free Cash to the Health Claims Trust Fund.

8C – Transfer a sum of money from Free Cash to Reserve Fund for Oct. 2011 storm cleanup. The Town expects reimbursement from the Federal Emergency Management Agency for storm clean-up costs but the reimbursement might not come

until FY 13. In order to avoid deficit spending in FY 12 if the reimbursement is delayed, this transfer would allow the Finance Committee to vote Reserve Fund money for storm clean-up costs and end FY 12 with a balanced budget. When the FEMA reimbursement is received, it will be closed out to Free Cash at the end of FY 13.

The committee VOTED 7-0 to RECOMMEND transferring \$426,206 from Free Cash to the FY 12 Reserve Fund.

3. Process for developing report to Town Meeting. Steinberg urged everyone to write their assigned sections and send them to him and Moran as soon as possible.

4. Ordering motions on budget articles at Town Meeting was postponed to next week.

The meeting adjourned at 9:58 a.m.

Kay Moran, acting clerk

Documents used at the meeting

Town of Amherst Financial Projections – General Fund, dated 4/5/12

Summary chart for General Fund FY 13 budget

FY 13 General Fund debt schedule, dated 4/5/12

Summary chart for Water Fund FY 13 budget

Summary chart for Sewer Fund FY 13 budget

Summary chart for Solid Waste Fund FY 13 budget

Summary chart for Transportation Fund FY 13 budget

Map of Sunrise Avenue showing area to be accepted by the Town (Article 5)

Map of the southern end of University Drive showing area to be accepted by the Town (Art. 6)

Summary points and FAQs for the proposed Dickinson Local Historic District, dated 3/2/12

21 pictures taken from PowerPoint presentation for the proposed Dickinson Local Historic District

Town Meeting assignment sheet dated 4/5/12