

**Amherst Finance Committee Minutes**  
**Thursday, Oct. 17, 2013 6:30 PM**  
**Town Room, Town Hall**

**ATTENDANCE:**

Andrew Steinberg (Chair), Kay Moran (Vice-Chair), Janice Ratner, Anurag Sharma, Douglas Slaughter, Sarah Swartz. Absent: Marylou Theilman

**OTHERS IN ATTENDANCE:**

Sandy Pooler, Finance Director

For Agenda item 1: John Musante, Town Manager; Select Board members Stephanie O'Keefe (chair), Diana Stein, Alyssa Brewer, Aaron Hayden; Amherst School Committee members Lawrence O'Brien, Katherine Appy, Rick Hood; Amherst-Pelham Regional School Committee Chair Kip Fonsh; Library Trustees Chris Hoffman and Jonathan McCabe; Schools Superintendent Maria Geryk; Schools Director of Finance and Operations Rob Detweiler; Jones Library Director Sharon Sharry

For other agenda items: Alice Swift, Darcy Dumont, Planning Board Chair Rob Crowner, Amherst Media.

**AGENDA AND DISCUSSION:**

The joint meeting of the Finance Committee, Select Board, School Committee and Library Trustees was called to order at 6:40 p.m.

1. Presentation of Preliminary Financial Projections

Noting that all the documents he's using are available on the FY 15 budget page of the Town web site, Pooler reviewed the Oct. 2013 Financial Trend Monitoring Report. Highlights: The only significant increase in constant dollars of Town revenue came in the year following a successful Prop. 2 ½ vote. Amherst's per-capita tax burden is lower than the state average. State aid in constant dollars is less now than in 2004 and has declined as a percent of budget. From FY 04-11, total spending adjusted for inflation increased 1.5%. Taxes from new growth declined 2007-11, though it has begun to increase. Hotel and meals taxes have plateaued. Debt service has declined as a percent of General Fund revenue.

His budget projections for FY 15 are that property tax revenue will increase 2.5% (about \$1 million), plus about \$600,000 in property taxes on new growth; local receipts will be level; and state aid will increase by 1.0%. Total revenue will increase by 3.1%. On the expense side, health insurance premiums will not increase, and 7% of the levy will be used for capital expenditures, the same as FY 14; however, the Hampshire County Retirement System assessment will increase by 8.0% (\$314,045), and state assessments (Cherry Sheet) will increase 81% (\$157,581). Total revenue will increase by 3.1%, but the amount available for operating budgets increases by only 2.7%. Hood asked why

operating budgets would increase by only 2.7% when total revenue growth is estimated at 3%. Pooler said that's because the larger increases in Retirement System and state assessments leave a smaller percentage for the operating budget.

The joint meeting with other boards adjourned at 7:56 p.m., and the Finance Committee meeting continued.

2. News affecting budget

Pooler handed out copies of the letter from the state Division of Local Services, notifying Amherst Comptroller Sonia Aldrich of the town's certified free cash as of July 1, 2013:

General Fund -- \$4,738,538

Water Enterprise Fund -- \$1,289,068

Sewer Enterprise Fund -- \$1,866,502

Solid Waste Enterprise Fund -- \$125,599

Transportation Enterprise Fund -- \$180,468

These levels are very close to estimates.

3. Discussion of November Special Town Meeting Warrant Articles

**Article 20: Petition – Divestment of Funds from Fossil Fuel Companies**

Swift said the important thing about this article is to spur discussion of the issues of climate change. It asks the Town and the Hampshire County Retirement Board to review investments, to adopt policies precluding new direct and indirect investments in fossil fuel companies, and to issue annual updates of progress toward divestment, and asks Town Meeting to endorse Legislation requiring divestment by the statewide Pension Reserves Investment Trust (PRIT). Dumont noted that the resolution would not affect current funds but just restrict future investments.

Pooler said Amherst is not currently invested in any fossil fuel companies. The state has a very short list of stocks towns can invest in, and none of them is a fossil fuel company. Part of Amherst's Other Post Employment Benefits (OPEB) Trust Fund is invested in the PRIT funds, as is some money in the Hampshire County Retirement system, but the Town has no control over that.

Steinburg asked whether the State Treasurer has taken a position on the proposed legislation. Swift said he hasn't.

The article defines a "fossil fuel company" as "any of the two hundred publicly-traded companies with the largest coal, oil, and gas reserves..." as listed in the Carbon Tracker Initiatives's "Unburnable Carbon" report. Saying that some fossil fuel companies have also invested heavily in renewable energy, Slaughter asked whether any of those are on that list. Swift and Dumont did not know but would provide a Web link to the list.

Sharma pointed out that Amherst has qualified as a Green Community and asked whether support for this resolution might be considered part of that. Some discussion ensued but no clear answer.

Steinberg suggested we put off a decision about Article 20 until we can hear from Patrick Brock of the Hampshire County Retirement Board on Oct. 24 or Nov. 4.

**Article 14: Zoning Amendment – Affordable Duplexes**

Crowner said this adds a third type of duplex to the bylaw. A duplex in which at least one of the units meets the affordable housing criteria in state law Chapter 40B would be allowed by right with site plan review rather than a special permit. Owner occupancy would not be required. After a few committee questions for clarification, the committee determined there would be no clear financial impact on the Town from this change. The Committee **VOTED 6-0, 1 absent, to make NO RECOMMENDATION on Article 14.**

**Article 15: Zoning Amendment – Fraternity Residence Dimensions**

Crowner said this is a follow-up to last spring's article, approved by Town Meeting that allows variances for structures in the Fraternity Residence (RF) district. Since then, a proposal was submitted to and approved by the Planning Board with those variances to allow a large building for student apartments on Olympia Drive. This amendment would build those variances into the Zoning Bylaw, thus making the proposed new building conforming and also allowing bigger buildings in the RF district. Since larger buildings would bring in more tax revenue to the Town, the Committee **VOTED 6-0, 1 absent, to RECOMMEND Article 15.**

**Article 16: Zoning Amendment – Permit Granting Bodies and Signs**

Crowner said this amendment would clarify which board can grant special permits for signs. Also, the Zoning Board of Appeals has been waiving or modifying some requirements for compelling reasons, though that practice was not specifically spelled out in the Zoning Bylaw. This amendment would spell it out. Slaughter said he thinks we should support this technical fix to reduce the possibility of litigation. The Committee **VOTED 6-0, 1 absent, to RECOMMEND Article 16.**

**Article 13. Zoning Amendment – Medical Marijuana Uses**

Slaughter moved to reconsider the committee's Oct. 10 vote of 4-2, 1 absent to recommend this article. The Committee **VOTED 6-0, 1 absent, to reconsider its Oct. 10 vote on Article 13.** Moran said she and Ratner had voted in the negative because they do not think this amendment would have a clear financial impact on the Town. They now believe they should abstain instead, since they don't necessarily oppose the article itself. The Committee **VOTED 4-0, 2 abstaining, 1 absent, to RECOMMEND Article 13.**

**Article 19: Petition – Zoning Amendment – Uses Allowed in Mixed-Use Buildings**

Pooler said the petitioner decided not to come to our meeting to explain this. Crowner said the Planning Board does not believe this article would accomplish what the petitioners hoped and that it would not change anything that could be done in the intended zoning districts. Moran moved to make no recommendation because she saw no clear financial impact on the Town. Steinberg pointed out that it would require a special permit whenever the number of residential units exceeds 6, rather than the 10 now in the Zoning Bylaw. Moran withdrew her motion. Schwartz said Article 19 would undo changes made at last spring's Annual Town Meeting and contradicts proposed changes in Article 18 on this fall's warrant, which we already voted to recommend. The committee **VOTED 6-0, 1 absent, to NOT RECOMMEND Article 19.**

### **Article 8: Capital Program – Acceptance of State Grants**

Part A is a request to accept a state grant of \$36,000 for work around Puffer's Pond, and to borrow \$18,000 to add to the \$15,000 previously appropriated for fence repair there and \$3,000 in private donations. If we are notified that the Town will get the grant, the whole amount must first be in hand and spent by the end of June before the state will reimburse us. If we aren't awarded the grant, only the \$18,000 we already have will be spent and the balance will not be borrowed. Sharma said that a lot of work is needed at Puffer's Pond. Moran agreed that \$36,000 is only a drop in the bucket, but this would use the funds in hand to leverage a little state money, and there's no loss if we don't get the grant.

Part B is similar. The \$60,000 in previously appropriated Community Preservation Act funds would be used as a match for a state grant of \$140,000 to provide a total of \$200,000 for repairs and upgrades at the Mill River Pool. The Town would be authorized to borrow \$140,000 as a means of spending the full \$200,000, but will not actually do so, because the grant will be in hand by the end of June. Pooler said that if we don't get the grant, the previously appropriated \$60,000 would still be spent for its intended purpose.

The Committee **VOTED 6-0, 1 absent, to RECOMMEND Article 8.**

### **Article 9. Special Act - Abatement of Taxes**

Pooler explained that the volunteer board of Amherst A Better Chance Inc. (ABC), a non-profit agency providing supervised housing for youths from educationally underserved communities so they can attend Amherst-Pelham Regional High School, changed personnel and failed to respond to two notices about applying for an abatement on their house at 74 North Prospect St. They also failed to file an appeal to the property tax bill of \$16,988.14 before the state-imposed deadline expired. They have now paid the bill. Since at least 1970, the organization has qualified annually for an abatement. Town officials propose seeking special legislation to allow ABC to get its abatement despite missing the deadlines. Town Counsel has found 14 previous examples of similar legislation in other communities, Pooler said. Pooler and Steinberg noted that there is a small negative financial impact to doing this. If ABC had filed as a tax exempt organization in a timely manner before the tax rate was set, its tax burden would have been spread out among all other taxpayers. If the legislation is filed and approved, ABC can file for abatement, but that would come out of the Overlay account. Therefore, there will be less in Overlay Reserve to return to the General Fund. Slaughter said the loss would be very small, and pointed out that Governor Deval Patrick is a product of the ABC Program. He added that we regularly recommend granting property tax exemptions to the eligible elderly and veterans. The committee **VOTED 6-0, 1 absent, to RECOMMEND Article 9.**

#### 4. Discussion of Preliminary Financial Projections for FY 15 and initial discussion of Preliminary Budget Guidelines

To be discussed at our Oct. 24 meeting, along with Pooler's proposal to include an OPEB appropriation in the FY 15 budget.

5. Member reports – liaisons and committees: None.
6. Minutes of previous meetings  
The minutes of the Sept. 30, 2013, meeting were **APPROVED by a vote of 5-0, 1 abstaining, 1 absent.**
7. Topics not reasonably anticipated by the chair 48 hours in advance of meeting: None.

Kay Moran, acting clerk

## **DOCUMENTS USED AT THE MEETING**

Letter from Mass. Dept. of Revenue, Division of Local Services, notifying Amherst Comptroller Sonia Aldrich of the town's certified free cash as of July 1, 2013.

Town of Amherst Financial Trend Monitoring Report, October 2013

Preliminary Financial Projections for FY15 Budget Planning: paper copies of PowerPoint slides used by Sandy Pooler in his presentation

Town of Amherst Financial Projections – General Fund (Oct. 17, 2013 draft)

Statement of Revenues and Other Sources and Expenditures and Other Uses: Budget and Actual – General Fund for Fiscal Year ended June 30, 2013.

Statement of Revenues and Other Sources and Expenditures and Other Uses: Budget and Actual – Sewer Fund for Fiscal Year ended June 30, 2013.

Statement of Revenues and Other Sources and Expenditures and Other Uses: Budget and Actual – Water Fund for Fiscal Year ended June 30, 2013.

Statement of Revenues and Other Sources and Expenditures and Other Uses: Budget and Actual – Solid Waste Fund for Fiscal Year ended June 30, 2013.

Statement of Revenues and Other Sources and Expenditures and Other Uses: Budget and Actual – Transportation Fund for Fiscal Year ended June 30, 2013.

Town of Amherst – FY2015 Budget Development Calendar, updated Oct. 17, 2013

Town Warrant for Special Town Meeting of Nov. 4, 2013