

**Amherst Finance Committee Minutes
Thursday, January 29, 2015
Town Room, Town Hall**

ATTENDANCE: Kay Moran (Chair), Marylou Theilman (Vice-Chair), Stephen Braun, Bernie Kubiak, Janice Ratner, Anurag Sharma, Douglas Slaughter.

OTHERS IN ATTENDANCE:

Sandy Pooler, Finance Director; Amherst Media; Sharon Sharry, Library Director; Guilford Mooring, Superintendent of Public Works; Arnold Alper, Recycling & Refuse Management Committee

Meeting was called to order at 7:00 pm.

AGENDA AND DISCUSSION

1. News affecting budget

Mr. Pooler reported the “good news” that at the Massachusetts Municipal Association meeting on 1/23/15, Governor Baker, as he had previously promised, said there would be no cuts in either FY15 or FY16 to local aid or Chapter 70 funds in an attempt to address the state’s FY15 budget deficit, although there may be cuts in other types of state aid, such as money for Transportation Aid, charter school reimbursements, and Special Education money. With level funding of state aid, however, Mr. Pooler said the town would still be short by \$200,000 to \$225,000, which should be possible to cover with adjustments elsewhere in the budget.

Mr. Pooler said that the biggest unanswered question related to FY15 state aid is what the town will be reimbursed for charter schools. He thinks we’re within \$9 ,000 of the original estimates (for FY15). We do not have any clear idea what lies in store for FY16.

In other good news, Amherst has again been given a AA+ rating by Standard & Poor’s. Our average house costs and incomes are lower than they would otherwise be, because the student population and rental units dilute the numbers. Nonetheless, S&P suggested that if we continue building our reserve funds, we may be eligible for the highest rating: AAA.

Bond interest rates are still very good—under 2%. The town has taken advantage of these rates to the extent possible. For example, the town recently sold bonds for \$1.95 million at an interest rate of 1.43%. Whether rates will remain this low for long enough that the town can take advantage of them for the large capital projects that will come forward in the next three to five years remains uncertain.

2. Budget Presentations

Library

Sharon Sharry, Library Director, presented a budget summary. She says the library is currently working on a thorough 5-year planning process. Will cover all aspects of the library including buildings, circulation, hours--everything. She is seeking input from public on this process.

The proposed budget does not include any new staff, just Cost-of-living (COLA) and step increases. Paying for the estimated \$9,000 for the prorated benefits for part-time employees is not included in this budget, she says, because that issue developed after the budget was prepared. She expects that cost will be covered by state aid.

The endowment spend rate will be 4% in FY16, which Ms. Sharry says is a sustainable draw rate going forward. The draw rate has been going down in recent years in an effort to preserve the endowment (the draw had been 5.4% for several years and has dropped by a half-percent per year in the past few years.)

The Library Board adhered to a 2.5% increase in the town appropriation (\$1,833,246 in FY16).

The library has raised \$49,000 thus far in its Annual Fund Drive, and is on track to raise a total of \$70,000 in this fiscal year. There will be a fund raiser on April 16, at the Yiddish Book Center.

By October 2016, the library expects to have architectural plans in place for renovations to the Jones Library, which Ms. Sharry says she is confident will happen.

There are preliminary talks about combining the Amherst Historical Society's Strong House property with the library's, which Ms. Sharry said could have benefits for both organizations. The library has not submitted any capital requests to the Joint Capital Planning Committee (JCPC) related to either this possible agreement or other library needs because they are in the planning process for renovations and expect most, if not all, of these capital items to be included in the renovations.

Conservation and Planning

This presentation will be rescheduled because staff are busy with other meetings.

Public Works

Guilford Mooring, superintendent of DPW, summarized the DPW budget. Biggest change is the addition of a new analyst to oversee the work order system, an improved system for communications with the public, and other matters that are

now beyond the office capacity at current staffing levels. Mr. Mooring expects the new person to “help immensely.”

Mr. Mooring described a new system for monitoring roadway conditions, an E-Road pavement management system, which should provide better data for planning road repairs. The system uses a truck with advanced sensors that acquires data on road conditions rapidly and efficiently.

In FY15 the town received an additional \$400,000 in Chapter 90 highway funds. Whether a similar “bonus” will be forthcoming in FY16 is not known (Chapter 90 funds have to be approved by the legislature and the governor).

The new pothole patching machine is working well, but it can’t work when the temperature drops below 25 degrees, which is why many of the current “crop” of potholes have not been filled.

Mr. Mooring discussed the town’s response to a possible federal mandate to upgrade the town’s storm water infrastructure. This system of drains, pipes, and containment structures is separate from both the drinking water supply system and the sewer system. This separation is good, since towns with combined sewer/storm water systems must pay the significant costs of creating separate systems. Whether, and to what extent, Amherst will have to upgrade the storm water system is not known. Mr. Mooring says his department hopes to spend the next 5 years gathering data and planning, which will determine how much it will cost to comply with the federal laws.

Solid Waste Fund

Mr. Alper reviewed the current efforts to maintain the town’s two closed landfills and transfer station. He said his committee is looking for ways to add new facilities and processes for recycling materials and that he hopes this will raise \$20,000 annually. A new cell tower is expected to be installed by Verizon on the “new” landfill (near the transfer station).

The new Valley Recycling operation in Northampton is taking some business away from the transfer station. The transfer station manager estimates he could handle 50% more traffic with current staff and facilities.

Mr. Alper said there needs to be a greater effort to educate the public that they can use the transfer station instead of having curbside garbage and recycling pickup, and that the fees for using the transfer station are significantly lower than having private curbside pickup.

The town's recycling coordinator resigned, and some of her duties have been reassigned. The position is not going to be filled until the solid waste master plan is finished and it is more clear what kinds of tasks are needed.

Water Fund

Mr. Mooring said the water department is now fully staffed after a year in which there were a number of personnel changes, starting with the retirement of the previous division director. A new employee was hired as a backflow cross connection inspector and treatment operator. In 2017, the town will have to renew its water permits. Mr. Mooring said he expects to lose some permitted water, and that he will have to address that challenge, perhaps with redesign of the water treatment plant.

Overall water consumption has been going down slightly in past few years, but may increase slightly because of new building at UMass (UMass is the biggest organizational consumer of water in town). Amherst has good water capacity for development—the system could have accommodated all the projects that had been on the horizon, and now that the Retreat project is not moving forward, there is correspondingly more capacity.

Water rates will rise this year ~2.9% (10 cents/cu. ft.)

Sewer Fund

The Sewage Treatment department also saw personnel changes in the previous year, which have now been addressed. All supervisors are in place. There are no expected changes in staff. Some electrical upgrades to the treatment plant are expected. A facilities plan is being developed. The sewage treatment plant was built in 1970 and has been operating reliably since then. The sewer rate will increase by 2.7% (10 cents/cu. ft.).

3. Liaison and representative reports

Mr. Slaughter reported that the JCPC held its first meeting. The library will have no capital requests, and requests from Conservation and Planning were for a tractor and other usual equipment. He notes that current requests to JCPC, in general, outstrip resources by about \$1.5 million, so decisions will need to be made. Process has begun and will continue in coming months.

Ms. Theilman reported on the current status of school budgets. The Amherst elementary school budget is estimated at \$21,868,835, an increase of \$379,272 (2.3%). Amherst elementary enrollment is down 2.37%

The Regional budget is expected to be \$30,029,505, an increase of \$411,027.
Regional enrollment is down 3.26%

The ~\$1 million shortfall in the regional budget appears to be manageable, according to the school's finance director, although details of how the shortfall will be covered are not known yet.

4. Minutes of previous meetings

Minutes of the January 22, 2015 meeting were reviewed, amended to clarify wording, and approved 6-0-1.

5. Next meeting and agenda

Next meeting is Thursday, February 5 at 7 p.m. in the Town Room.

6. Topics not reasonably anticipated by the chair 48 hours in advance of meeting

None.

Meeting adjourned, 9:08 p.m.

Respectfully submitted,
Stephen Braun
Secretary *pro tem*