

**Amherst Finance Committee Minutes
Wednesday, May 6, 2015
Band Room, Middle School**

ATTENDANCE:

Marylou Theilman (Acting Chair), Steve Braun, Bernie Kubiak, Janice Ratner, Anurag Sharma. Absent: Kay Moran.

OTHERS IN ATTENDANCE:

Sandy Pooler, Finance Director; Amherst Media.

Meeting was called to order at 6:16 pm.

AGENDA AND DISCUSSION

1. News affecting budget - None.

2. Vote recommendations

Last week Town Meeting (TM) voted to add \$105,000 for Community Services. Free cash and the Stabilization Fund are two options for addressing this unexpected addition and for balancing the FY16 budget. The Stabilization Fund is built up over time to cover shortfalls in revenue. Votes to move money in or out of the Stabilization fund require a vote of 2/3rds. The Stabilization Fund currently has a balance of \$4,292,283. Mr. Pooler said that there is no fixed rule for what stabilization funds are used for, different communities use it for different reasons, but that using such funds to balance the budget because of a relatively minor addition such as this is an appropriate use. Mr. Pooler suggests that if the motion (in TM) to use the Stabilization Fund to cover the \$105,000 fails, he recommends that a second motion be made to take the money from free cash.

There was discussion about whether, in the FC motion on this matter, to be specific about the amount or to be general (i.e., not state a specific amount so as to cover the possibility that TM makes further changes in the budget).

Mr. Sharma asked why we do not recommend that the \$105,000 come from cuts somewhere else in the budget, rather than spending the Stabilization Fund. Mr. Pooler said that there is “no appetite for cutting core services.” His sense from the Select Board, town manager, and himself is that this is an appropriate resource and, also, logistically expedient because the bulk of the FY16 budget has already been approved by TM.

Motion: that the FC support the motion to appropriate and transfer from the Stabilization fund the sum of \$105,000 to balance the FY16 Fiscal Year Budget. Approved 5-0, 1 absent, 1 vacant.

Mr. Kubiak suggested that the Committee create a motion that is general in nature to cover the possibility of further budget changes by Town Meeting, which would obviate the need for the Committee to meet again if such changes were made.

Motion: that in the event the current Town Meeting votes further additions to the FY16 budget, those expenses be paid with money from the Stabilization Fund. 2-2-1 abstention.

Mr. Pooler then suggested that the Committee make a motion regarding the fall back position if the TM motion to use Stabilization Funds fails.

Motion. If TM fails to appropriate money from stabilization fund to cover previously-voted additions to the FY16 budget, the Finance Committee supports covering the expenditure from the Free Cash. Approved 5-0, 1 absent, 1 vacant.

There was discussion of a proposed motion that modifies Article 21 (Affordable Housing Property Tax Incentives). The motion would serve to make more specific the language relating to how the proposed tax incentives would be calculated. The motion is in response to concerns that the existing article is too broadly worded and might result in excessively large tax incentives. The motion would specify that the maximum property tax incentive be based on the difference in net operating income for developments with affordable units and the net operating income without such affordable units.

Motion: the FC supports the motion to amend Article 21 with more specific language describing how the proposed tax incentives will be calculated. Approved 5-0, 1 absent, 1 vacant.

3. Minutes of previous meetings. None.

4. Topics not reasonably anticipated by the chair 48 hours in advance of meeting - None

The meeting adjourned at 6:55 pm.

Stephen Braun, acting clerk

Documents used: None.