

**Amherst Finance Committee Minutes
Friday, June 12, 2015
First Floor Meeting Room, Town Hall**

ATTENDANCE:

Marylou Theilman (Acting Chair), Steve Braun, Bernie Kubiak, Janice Ratner, Anurag Sharma. Absent: Kay Moran and newly-appointed member Tim Neale.

OTHERS IN ATTENDANCE:

Sandy Pooler, Finance Director; Patrice Wilson, Amherst Media.

Meeting was called to order at 10:08 am.

AGENDA AND DISCUSSION

- 1. News affecting budget** - None.
- 2. Discussion of issues related to Spring Town Meeting**

In a supplementary report to 2013 special town meeting, the FC articulated a set of criteria designed to guide decisions about whether or not to take a position on a given zoning-related warrant article. Ms. Theilman presented a set of edits to that original document, with the intent of making it more like a guideline and more flexible. She said that in her opinion the previous guidelines tended to push the FC to weigh in on zoning decisions even when data were scarce, rather than giving the FC the option *not* to take a position.

In response to a question by Mr. Sharma, Mr. Pooler said that new tax revenue growth this year is expected to be roughly \$600,000 on a base of a roughly \$42 million property tax base. This is about average for growth seen in recent years. He noted that in FY16 new revenue may be somewhat higher because of several new developments in town. Mr. Sharma asked if there should be some kind of agreed-upon target for new growth (using some kind of running average).

Mr. Kubiak noted that since there will soon be an economic development director, it might make sense to set some benchmarks for such development. He said there have been several “cost of community services” studies that might allow some modeling of the economic impact of proposed developments, although he noted that models involve numerous variables, such as the type of housing being proposed. He said such models are available online.

Mr. Pooler said there are a variety of ways to set benchmarks, which may include other types of budgetary growth (e.g., Prop 2.5 allowances). He also noted that the Planning Board doesn’t usually use, or require, estimates of the economic impact of zoning changes, limiting themselves to whether the zoning is legal, internally consistent, and/or favored by the community. Mr.

Sharma agreed, but noted that the Planning Department could estimate the impact of a given development on the operation of the department itself, which would be useful information.

Mr. Sharma said that the FC usually does not have adequate data on which to make recommendations on zoning articles, but that, in general, he's inclined to support development because he believes the town needs the extra tax income development provides.

Ms. Theilman suggested that we prepare a set of standard questions to ask of either the Planning Board or petitioners about the economic impact of their proposals. Mr. Pooler suggested that the FC send a memo to the Planning Board summarizing our discussion, to open lines of communication and improve efficiency. A meeting between the FC and Planning board is another option that was mentioned.

Ms. Ratner noted that zoning changes vary widely in their complexity, and often the proposed changes are difficult to understand, both for TM members and other committees. She asked if the Planning Board or petitioners could better explain their proposals in the future.

The Committee discussed Ms. Theilman's proposed edits. There was general support, since the edits serve to provide the committee more flexibility and set a general expectation that more often than not, the committee will not have the kind of accurate financial estimates that will allow it to take a vote on a proposal.

Mr. Pooler noted that it's relatively easy to come up with estimates of the direct revenue income from a new development, but estimating the possible costs to the town is much harder because of variables such as number of school-aged children that will live in the units, the need for increased police or fire services, or the need for new infrastructure related to a development (e.g., water/sewer/roads).

Mr. Pooler noted that the Master Plan came up several times in the previous TM. He noted that even though the Master Plan was not voted on by TM, that doesn't mean it's not valid, since it was developed according to accepted and standard state procedures. He recommends that FC members become familiar with the master plan if they are not already.

Some members reflected that the Master Plan has no legal standing, hence it's easy for people to disregard it, and that it is also vague—it supports, for example, denser development in town centers, but *how* dense is not stated, nor are such important details as heights of developments or provision of parking spaces, etc.

Ms. Theilman asked how the FC can better communicate to TM about how the committee goes about making decisions on zoning articles and whether we need to make a general statement, or simply include such information, if relevant, in our statements on individual articles. The matter was discussed, but no clear consensus was reached.

Mr. Pooler addressed questions that have been raised about the appropriateness of funding “studies” with funds allocated by the Joint Capital Planning Committee (JCPC). He thinks studies are an important part of long-term planning, e.g., traffic studies done before major

expenditures, and, hence, are appropriate. Also, the Planning Department has a limited budget for these kinds of studies, and JCPC is another potential revenue source. Finally, JCPC guidelines about using money are contained in the town's financial policies, so those who are concerned about this issue should look at those policies. Ms. Theilman suggested that the FC draft an explanation/description of this issue to share with relevant boards, committees, or individuals when appropriate.

Mr. Pooler commented that this spring Town Meeting seemed to involve a lot of personal attacks on Town staff. Ms. Ratner said that she felt some of the anger directed at Town staff was related to people's lingering opposition to some of the new developments in town, developments which people, rightly or wrongly, felt as though they didn't have enough input into. Mr. Pooler suggested that the FC "pick its battles" in terms of what it takes a stand on, and that it focus narrowly on its mission as an advisory committee to TM on financial and economic issues.

Mr. Braun asked whether it is appropriate for an FC member to speak to an article independent of his or her position taken on the FC. There was agreement that FC members who are also TM members *can* speak pro or con on an article as long as they clearly state that they are speaking as a TM member from a specific precinct rather than as an FC member. It may be logistically best if Committee members who know, in advance, that they would like to speak independently to an article, not be the one chosen to present the FC's position on the matter.

There was discussion of eminent domain. Mr. Kubiak said that issues involving eminent domain tend to be "messy and difficult" and most of the time should be avoided, although sometimes it's necessary to legally have eminent domain authority in order to apply for a grant (so as to demonstrate that you have control of a target property, for example). Motions that include a provision of eminent domain require a 2/3 vote by TM. In such votes, the FC (or the moderator) might consider proposing a "double vote" on an article, one without eminent domain (simple majority needed) and another with eminent domain (2/3s majority). Ms. Theilman volunteered to ask the Moderator for clarification on this matter.

Mr. Kubiak noted that the wording on pg. 12 of the FC report relating to motions to change budget line items, does not make clear that people cannot increase a budget item if a specific number is included in the article--they can only move to decrease the amount. He says a warrant article that states a specific budget number, that number sets an "upper boundary." Some Committee members said they were unfamiliar with this concept and questioned its veracity. Ms. Theilman again volunteered to ask the Moderator for clarification on this matter.

3. Minutes of previous meetings

Minutes of March 19, 2015. Approved 4-0, 3 absent. (Scrivener's errors will be corrected by Mr. Kubiak in final minutes)

Minutes April 29, 2015. Approved 4-0, 3 absent.

Minutes of May 6, 2015. Approved 4-0, 3 absent.

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

5. Next Meeting

The next FC meeting is scheduled for July 9, 10 a.m. The Committee will have final budget numbers that may require some decisions about transfers of money to balance the budget. An additional potential topic of discussion may be consideration of a reassessment of the current compensation for members of the Select Board.

The meeting adjourned at 11:40 a.m.

Stephen Braun, acting clerk

Documents used:

Existing FC Zoning Bylaw Recommendation Criteria and a new version showing edits by Ms. Theilman.