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**TOWN OF AMHERST, MASSACHUSETTS
FINANCE COMMITTEE REPORT**

and

**RECOMMENDATIONS TO THE
250th ANNUAL TOWN MEETING**

Part One

MAY 4, 2009

7:30 O'Clock p.m.

Amherst Regional Middle School Auditorium

2009 TOWN MEETING SCHEDULE

Town Meeting Begins:

MONDAY, MAY 4, 2009

The following dates are tentative. Town Meeting will decide each night when the next session will be.

WEDNESDAY, MAY 6, 2009

MONDAY, MAY 11, 2009

THURSDAY, MAY 14, 2009

MONDAY, MAY 18, 2009

THURSDAY, MAY 21, 2009

WEDNESDAY, MAY 27, 2009

MONDAY, JUNE 1, 2009

THURSDAY, JUNE 4, 2009

MONDAY, JUNE 8, 2009

THURSDAY, JUNE 11, 2009

MONDAY, JUNE 15, 2009

WEDNESDAY, JUNE 17, 2009

MONDAY, JUNE 22, 2009

TUESDAY, JUNE 23, 2009

WEDNESDAY, JUNE 24, 2009

THURSDAY, JUNE 25, 2009

All meetings begin at 7:30 p.m.

Meetings will be held at:

Amherst Regional Middle School Auditorium

THERE ARE ONLY A LIMITED NUMBER
OF REPORTS AVAILABLE.
PLEASE BRING THIS REPORT WITH YOU.

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AMHERST TOWN BYLAWS - ARTICLE 1

RULES OF ORDER FOR TOWN MEETING

1. **CONSENT CALENDAR.** At least five business days prior to the opening of the first session of the Annual Town Meeting or any Special Town Meeting, the moderator shall propose to all members a "Consent Calendar" listing all articles and budget areas which, based on the records of recent town meetings, the moderator deems to be non-controversial. At the first session of the meeting, at the request of any member, any article or budget area shall be removed from the Consent Calendar so that it can be debated and voted upon in accordance with the provisions of these Rules of Order. All items remaining in the Consent Calendar shall then be voted upon by a single vote without debate.
2. Any motions shall be in writing if requested by the moderator.
3. Any question may be divided on call of a member when the sense will admit of such division.
4. **GREEN AND RED CARDS DURING DEBATE.** To assist the moderator in shaping an orderly and equitable debate, green and red cards shall be used by members to indicate a desire to speak for or against the current motion on the floor. A desire to speak without advocacy or to ask a question shall be indicated by raising a hand without a green or red card.
5. When a question is under debate, the moderator shall receive no motion but to adjourn, to dismiss, for the previous question, to postpone for a day certain, to commit, or to amend, which several motions shall have precedence in the order herein mentioned. The meeting shall not vote to dismiss an article without having heard a voter speak in its favor, unless no one seeks to do so.
6. Following a motion under any article, the Moderator shall first recognize the proponent thereof to speak for up to five (5) minutes in favor of the motion, or with leave of Town Meeting, for additional time. Thereafter, and in the absence of leave of Town Meeting granting additional time, each subsequent speaker shall be limited to three (3) minutes. No person shall speak more than twice on the same subject, without leave of the meeting, except to raise a point of order or to answer a question.
7. When two or more motions are made with regard to the same subject relating to sums of money, numbers or times, the question shall first be put upon the largest sum or number, and the longest time.
8. **VOICE VOTES, TALLIED VOTES, AND STANDING VOTES.** All votes unless otherwise provided for by law shall in the first instance be taken by 'ayes' and 'noes' voice vote.

If any member questions the voice vote, or if a four-fifths or nine-tenths vote is required by statute and the vote is not unanimous, the vote shall be taken by counted standing vote. When a two-thirds vote is required by statute, a counted standing vote shall not be taken unless the voice vote is doubted by the moderator or questioned by a member.

If, within a short but reasonable period of time following the voice vote, which period of time shall be fixed by the moderator, any member requests a tally vote and if 14 members manifest their concurrence with that member, the vote of each member shall be tallied by the use of a color-coded (green for aye, red for no) cards. Each such card shall bear the member's name and indicate his/her vote. Each member shall cast his/her own vote only. Such cards shall be collected and counted by the tellers, which count shall be determinative of the question.
9. A vote may be reconsidered only on motion of a member who did not vote with the minority. When a motion for reconsideration is decided that decision shall not be reconsidered, and no question shall be twice reconsidered.
10. A motion to dissolve shall be debatable, but a motion to adjourn to a day certain shall not be debatable.
11. No motion to dissolve a town meeting shall be in order until every article in the warrant therefor has been acted upon.
12. A registered voter of the town who ceased to be an elected town meeting member upon election as chair of the finance committee and who subsequently ceases to be a town meeting member at large upon ceasing to be chair of the finance committee shall be a town meeting member at large for a period ending on the date of the next annual town election.
13. After 10:00 PM, and in the absence of a majority vote of Town Meeting so permitting, no motion under any article other than the article then under debate may be made.

THE FINANCE COMMITTEE AND THE BUDGET PROCESS

Duties of the Finance Committee

The bylaws of the Town of Amherst require the Finance Committee "to investigate all proposals in the articles of the warrant for any town meeting that shall in any way affect the finances of the town and to recommend to the town...a course of action thereon, and in general to make recommendations to the town in regard to any financial business of the town." This report is in partial fulfillment of our responsibility in regard to the 250th Annual Town Meeting.

Budget Process

The budget process takes place throughout the year. It begins in early fall with the development of the Select Board's policy guidelines to the Town Manager, the Amherst School Committee's policy guidelines to the Superintendent of Schools, and the Library Trustees' policy guidelines to the Library Director. The various administrators confer with department heads, boards and committees to develop specific budget proposals which they feel will best meet the needs of the Town, Schools and Libraries for the next fiscal year. The Amherst-Pelham Regional Schools use the same procedure.

Also in the fall, the Town Manager presents financial projections to the other administrators, the elected boards and committees, and the Finance Committee. This provides preliminary guidance on the level of resources that may be available for the coming year. Using this information, the Finance Committee develops preliminary budget guidelines for spending.

In January, the budgets are presented to the Finance Committee, whose members spend the next few months reviewing the budgets, asking questions, and hearing comments. In the same period of time, the Joint Capital Planning Committee examines requests for capital spending in the coming year within the context of a five-year capital spending plan; it then makes recommendations to the Finance Committee, the Select Board, the School Committee, and the Library Trustees, all of whom are represented on the Joint Committee. In addition, the Budget Coordinating Group, consisting of administrators, finance officers and board and committee representatives of the Select Board, Amherst and Regional School Committees, Jones Library Trustees and Finance Committee, meets to coordinate their calendars and share information and views on the Town's budget.

After much deliberation, the Finance Committee determines its recommendations on the budget to be presented to Annual Town Meeting. The budget, as voted by Town Meeting each spring, then becomes the plan of action for the following fiscal year (July 1 through June 30). Concurrently with this work, and also immediately after the close of the fiscal year, the budget of the present year is monitored and evaluated so that experience with it can guide future budget decisions.

Budget Presentation

Spending articles. The operating budget for the Town as a whole makes up Article 22 of the warrant for this Annual Town Meeting. The budget is divided into sections covering five separate municipal functional areas, the elementary schools, the Regional School assessment, library services, each of four enterprise funds, and debt service. For each section, a motion will be made proposing the total amount to be spent on that section. In all cases, Town Meeting will be able to discuss individual budget lines within the sections and provide advice and direction.

Most capital spending appears in separate articles, as does funding for Community Preservation Act projects and the various special services the Town provides. Capital spending of the enterprise funds appears in their operating budgets. The same is true of the Regional Schools.

Procedures. Any member of Town Meeting who wishes to propose an amendment to an operating budget motion may do so by moving to increase or reduce the amount of an appropriation that has been moved. Town Meeting members should remember that the subject of these articles is the appropriation of money and not the day-to-day administration of the Town. If an amendment is proposed, it is essential for the Meeting to know what the amendment is intended to accomplish, but it should be kept clearly in mind that responsibility for running the affairs of the Town rests with the Select Board, School Committee, Library Trustees, and appointed officials.

The issues covered under each motion may be complex, especially in sections of the budget that are supported by a variety of revenue sources. Town Meeting members who want to make an alternate motion or amendment are encouraged to seek assistance from the Moderator, a member of the Finance Committee or the Select Board, or an appropriate staff person prior to introducing the amendment.

If a Town Meeting member wishes to propose an increase in the operating budget, he or she should be aware that a source of funding will have to be found to cover the increase. This could be a reduction made elsewhere in the budget, an override or exclusion referendum, or use of reserves. In general, the amounts of money stated in the separate spending articles cannot be increased significantly on the floor of Town Meeting. If you have questions about this, please consult with the Moderator.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

A Report In Two Parts

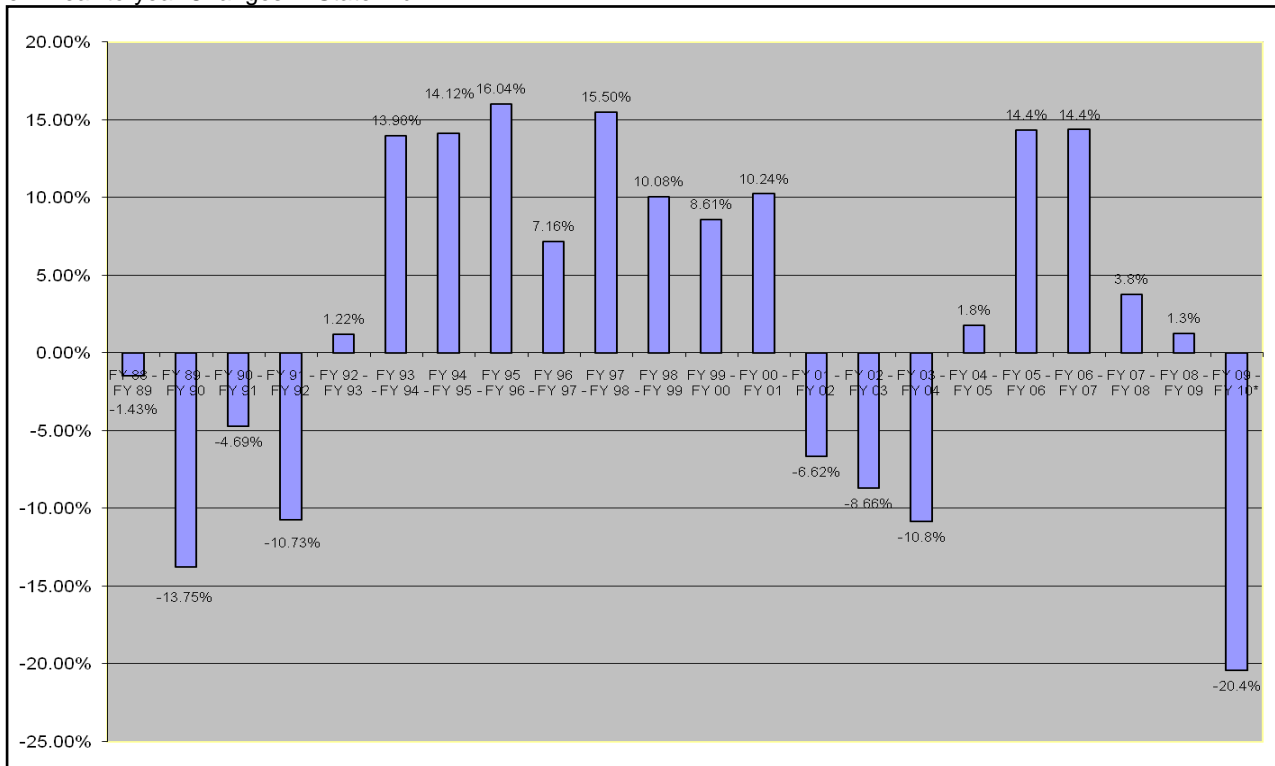
The Finance Committee's Report to Amherst Citizens is being presented in two parts this year. Part One describes the Town's financial outlook and presents the non-FY 10 financial articles, those FY 10 articles that are assessments from other governmental entities that we are obligated to pay, and those funded by Community Preservation Act revenue. Part Two will provide recommendations for a balanced operating and capital budget for fiscal year (FY) 2010, and other articles affected by FY 10 revenues. Town Meeting will be asked to postpone consideration of financially significant FY 10 warrant articles until June 1st when we hope to have the latest information on potential passage of local option tax revenue proposals being debated in Boston, and firmer estimates of FY 10 state aid allocations for Amherst. However, the actual amount of state aid will not be known until the state budget is passed and signed by the governor.

Resources

Money for the Town to pay for its schools, libraries and municipal services comes primarily from local revenues. The next largest source of money is state aid. A much smaller amount comes from the federal government and other miscellaneous sources. Our local taxes and fees are the most stable, predictable sources of our income. There has been a modest, steady increase in the tax levy over several years resulting from growth in the amount and value of real and personal property, although for FY 10 that growth is estimated to slow considerably. State aid, in contrast, can be quite volatile with respect to year-to-year changes in amount. Figure 1 shows this volatility clearly and Figures 2 and 3 depict how the sharp decline of state aid in different years has resulted in a corresponding increase in the property tax burden to support Town services. Our current situation is that the Governor cut FY 09 state aid to Amherst in January by \$978,298, or 9.75%, in response to decreased tax collections at the State level. The Governor's FY 10 budget released in January cut state aid to Amherst by nearly \$2.8 million from the original FY 09 level, a 16.2% cut. The House Ways and Means Committee proposal, released April 15th, cuts state aid by an additional \$615,000 for a total cut of \$3.4 million, or 20.4% from the FY 09 original level. Since last fall, state revenue collections have declined steadily and estimates for FY 10 revenues have been decreasing almost weekly. It is entirely possible that with the continuing decline in State revenue, the Senate version of the budget will have a further reduction in local aid.

One fact that has continually been clear even before the current economic downturn is that the Town's recurring revenues - money from sources that continue year after year - do not keep up with annual cost increases. This structural deficit was a major focal point of the Facilitation of Community Choices Committee report last fall (<http://www.amherstma.gov/DocumentView.asp?DID=1807>).

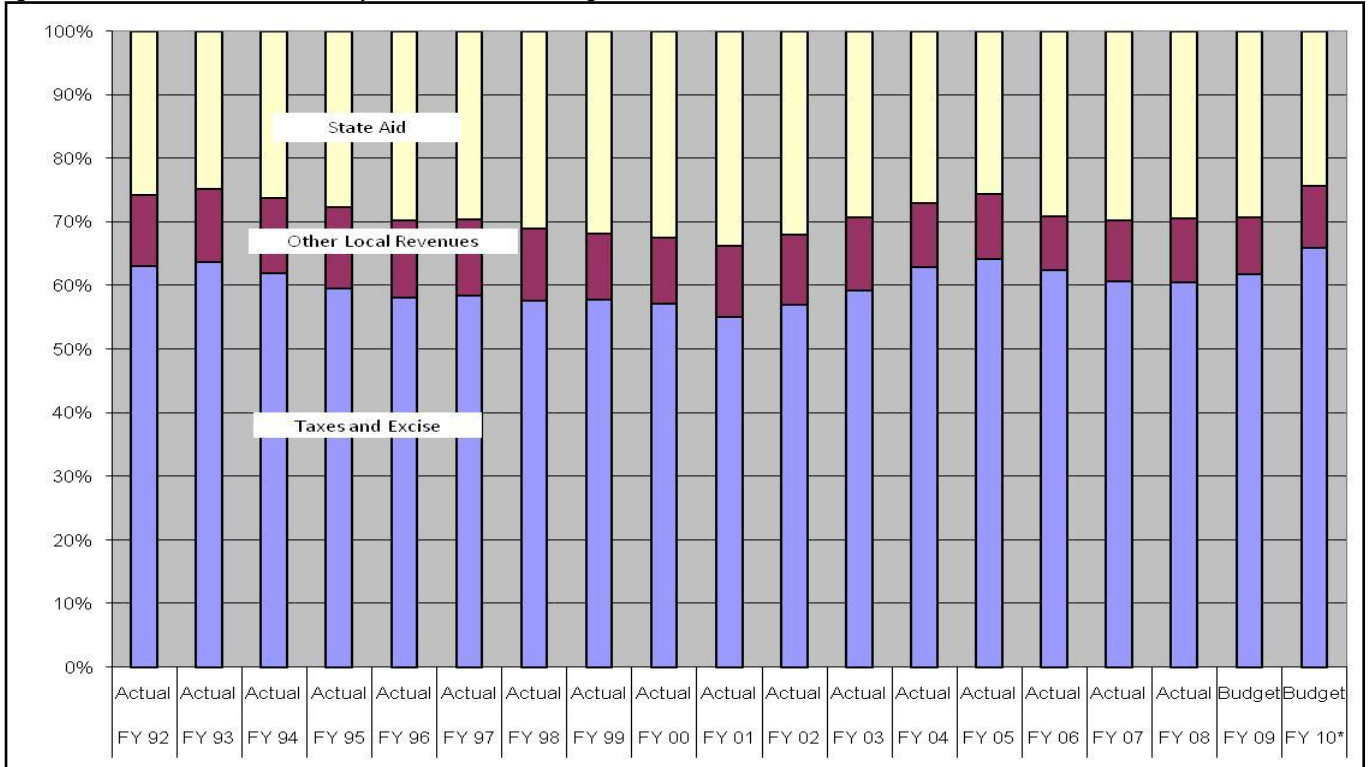
Figure 1 Year-to-year Changes in State Aid



* FY 10 is based on the House Ways & Means Proposal of April 15, 2009.

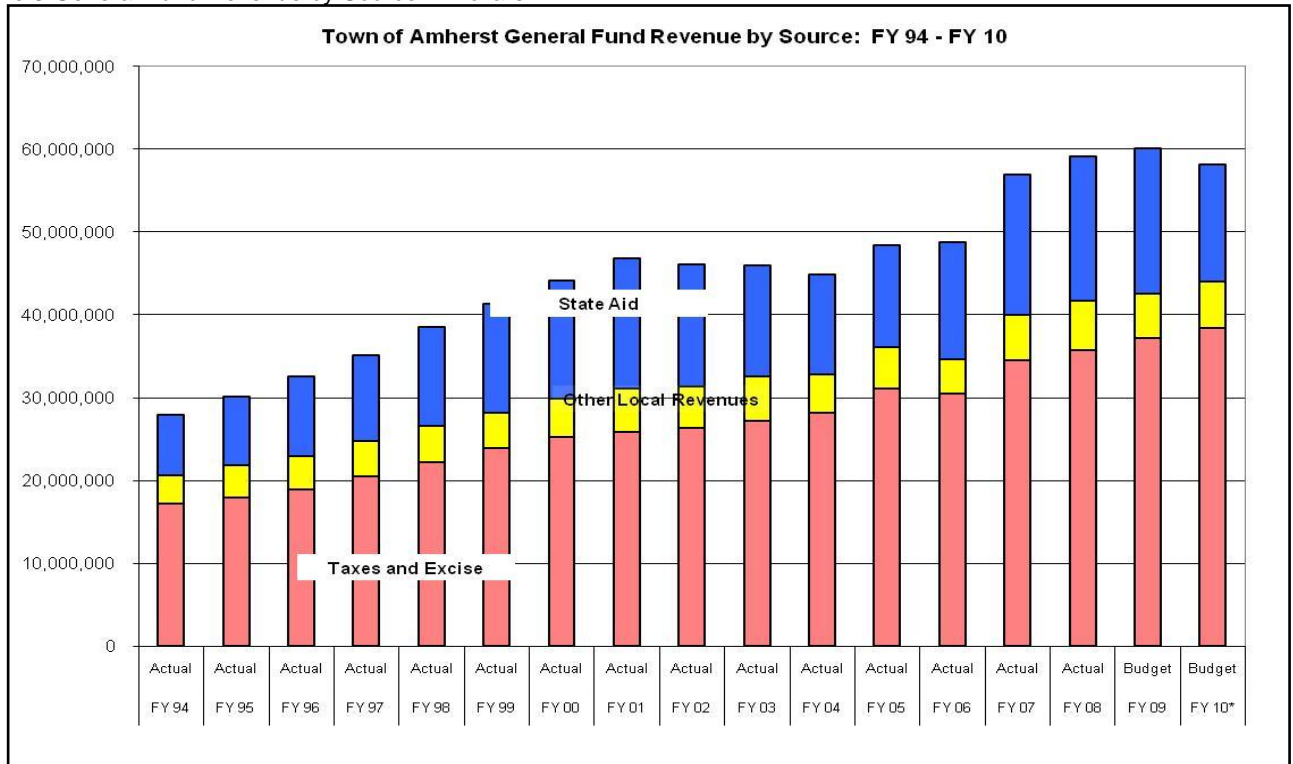
FINANCE COMMITTEE REPORT - FY 10

Figure 2 General Fund Revenue by Source in Percentage



* FY 10 is based on the House Ways & Means Proposal of April 15, 2009.

Figure 3 General Fund Revenue by Source in Dollars



* FY 10 is based on the House Ways & Means Proposal of April 15, 2009.

FINANCE COMMITTEE REPORT - FY 10

Use of Reserves

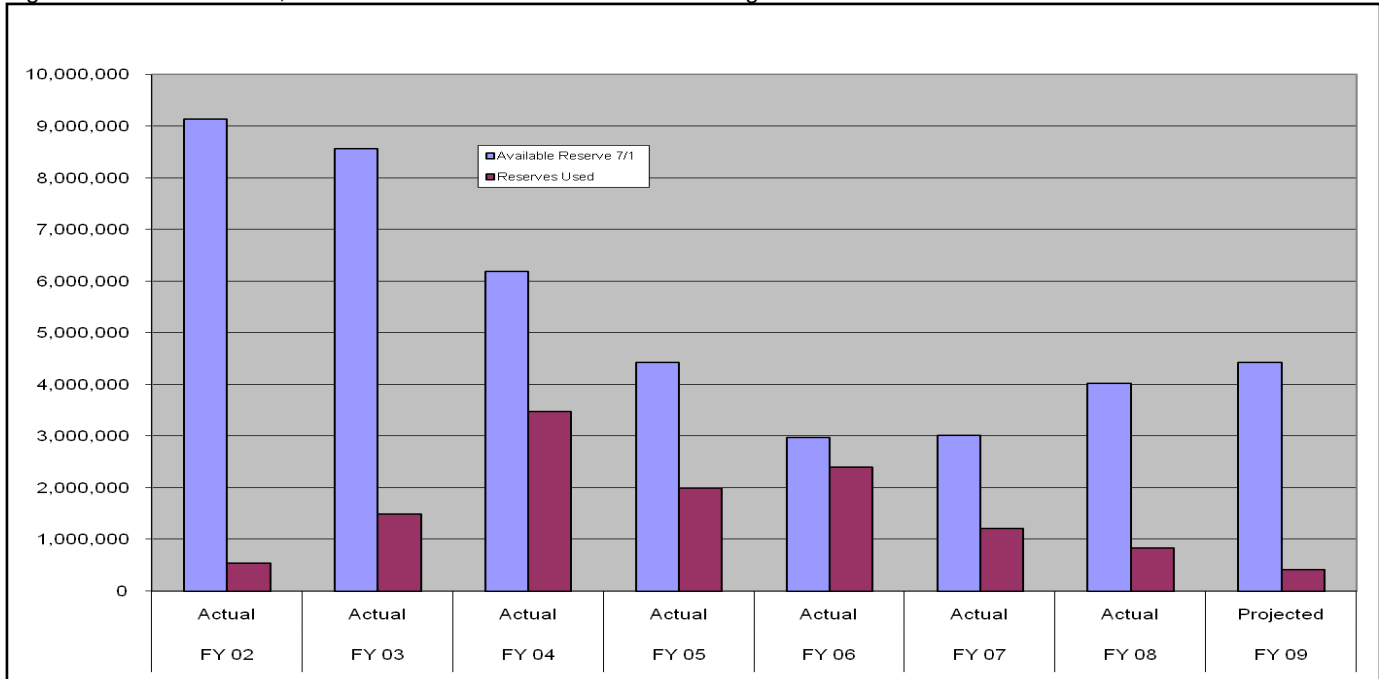
Town financial policies adopted in January 2008 state that “reserves, including the combined balance of Free Cash and Stabilization Fund, should be maintained at 5 – 15% of general fund operating revenues. The primary objective of the Town’s reserve policy is to provide the Town the flexibility to sustain service levels despite the adverse financial impacts of economic downturns and unforeseen and extraordinary expenses.” This goal is a widely accepted measure of good financial standing and a key factor in Amherst’s bond rating. Adhering to this guideline means that the amount of reserves currently available for use to mitigate state aid losses over the next three to four years (roughly the historical average period of aid reductions and reserve use) is about \$1.4 million of our reserve balance of \$4.4 million. In comparison, the Town used nearly \$14 million during and after the recession of the early 1990s and roughly \$9 million during and after the 2001 recession (See fig. 4). Given the magnitude of the budget gaps we potentially face over the next few years and the relatively small amount of reserves available, the use of reserves can only play a small dollar role in the overall strategy during this recession. Additionally, reserves are a non-recurring revenue source, and should be spent carefully and strategically in any given year.

The Finance Committee firmly believes in the wisdom of this policy and its goals. With this in mind, we formulated three criteria for the Finance Committee to use when looking at budget proposals for FY 10 and beyond, and what level of reserves might be applied as a revenue source for a given year. (See our memo online at <http://www.amherstma.gov/DocumentView.asp?DID=2312>)

- 1) The first criteria relates to the use of reserves to implement bona fide plans to move toward models of service provision that would provide net savings to the town in the future while providing acceptable levels of service. Since we feel that moving in this direction is extremely important for the long-term sustainability of services, if reserves are to be used, we encourage targeted use of reserves to aid the process of transitioning to new models that reasonable analysis indicates have a likelihood of providing future cost savings, but might have some costs associated with a transition, or require a reasonable and finite time to implement.
- 2) Second, some level of reserve use to leverage outside revenue in order to maintain existing core services might be appropriate. This applies to current funding sources as well as potential new sources.
- 3) Finally, we are not inclined to recommend the use of reserves simply to fill a portion of a revenue gap for the operating budget as has been past practice. Use of reserves in this fashion, especially if a large amount is used, could set the stage for even larger cuts next year if new revenue sources are not developed or made available for the Town’s use.

As of the writing of this report, we have not committed to recommending a specific level of reserve use for FY 10 because we are awaiting more information from the State concerning local aid, potential local option meals, lodging, and telecom taxes, and other potential municipal relief options being proposed at the State level. Additionally, we are waiting to see what proposals come forward from the Town, Schools and Libraries within the context of our reserve use criteria.

Fig. 4 Available Reserves, Actual Reserves Allocated to Balance Budgets



FINANCE COMMITTEE REPORT - FY 10

Spending

Last November, the Finance Committee issued preliminary budget guidelines (available online at <http://www.amherstma.gov/DocumentView.asp?DID=1828>) based on the information we had available at the time. Those preliminary guidelines asked for Town and Elementary budget increases of no more than 2%, a Library budget with a tax support increase of no more than 2% and a Regional School budget with an assessment increase to Amherst of no more than 3 1/2 %. When those guidelines were issued we emphasized that they were preliminary guidelines and, given the international financial downturn, they might reflect a best-case scenario. There were too many unknowns at that point to budget for a worst-case situation. However, we indicated a need to watch for a decline in local excise receipts, the tightening of the credit market, and state tax collections below budget, which might cause state officials to revise downward the amount of state aid for FY 10 and even reduce state aid already promised for the current fiscal year. All of those negative developments came to pass. At the same time, we were then hoping, and continue to hope, that a Municipal Relief package would be passed by the legislature and signed by the governor that contains initiatives such as local option taxes, and relief in the form of a variety of other proposals by the Legislature's Special Commission on Municipal Relief, co-chaired by Senator Rosenberg. As of the writing of this report, the package has not been voted by the legislature.

In February, based on the \$2.8 million cut in state aid contained in the Governor's FY 10 budget proposal, we issued a status memorandum (<http://ma-amherst2.civicplus.com/DocumentView.asp?DID=2078>) supporting the Budget Coordinating Group's request for budget developers to prepare budgets showing the effects of meeting the \$2.8 million cut assuming no new revenues became available. Those "worst case" budget scenarios, developed in varying degrees of specificity, depict significant cuts and program changes that dramatically alter the scope of and manner in which services that are retained may be provided. One of the goals of this piece of the FY 10 budget process was to attempt to identify the core services provided by each budget and to then try and find ways to protect that core going forward within existing revenue constraints. That process is still underway, and the results will be incorporated into the budgets that we will eventually debate at Town Meeting.

On April 15th, the House Ways and Means Committee budget was released (to be debated in the last two weeks of April and scheduled to be voted by April 30th) with cuts to local aid of an additional \$615,000, worsening our already devastating worst-case budget scenarios. The Senate version, due to be released later in May, could include even lower revenue estimates than the House Ways and Means budget proposal. On top of that, estimates of local revenues for FY 10 have been reduced since January by some \$390,000 because of the recession. The bottom line at this point is that if services were to be provided at current levels in FY 10, even with the \$413,000 in new fee revenue contained in the Manager's January municipal budget proposal, we would be \$6.3 million short before considering reserve use or an override.

Unless the State reduces the level of cuts to local aid or provides relief through local option taxes or other relief proposals, balancing the FY 10 budget will be an excruciatingly painful process that, in the absence of significant new local revenue, will likely involve recommending service and program cuts that under any but the most dire circumstances would not even be considered. We sincerely hope Town Meeting will also recognize their necessity, should they be required.

Finance Committee Members:

We invite your questions and views about Town money matters.

Marilyn Blaustein	253-5963
Kay Moran, Vice Chair	549-5767
Brian Morton, Chair	549-4161
Robert Saul	253-6631
Andrew Steinberg	549-6826
Douglas Slaughter	253-9920
Marylou Theilman	253-7980

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 1. Reports of Boards and Committees
 (Select Board)**

To see if the Town will hear only those reports of Town officers, the Finance Committee, and any other Town boards or committees which are not available in written form.

RECOMMENDED by Finance Committee vote of 7 – 0.

**ARTICLE 2. Transfer of Funds – Unpaid Bills
 (Select Board)**

To see if the Town will, in accordance with Chapter 44, section 64, of the Massachusetts General Laws, appropriate and transfer a sum of money to pay unpaid bills of previous years.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

This is an article that allows the Town to pay unpaid bills from a prior fiscal year, if any, for which funds were not already encumbered. As of the printing of this report, the Town is not aware of any such bills requiring action by Town Meeting. If no such bills are received prior to Town Meeting, the Finance Committee will move to dismiss this article.

**ARTICLE 3. Optional Tax Exemptions
 (Select Board)**

To see if the Town will authorize a maximum additional exemption of up to 100 percent for taxpayers qualifying for exemption under Chapter 59, Section 5, Clauses 17D, 22, 37A, or 41C of the Massachusetts General Laws.

RECOMMENDED by Finance Committee vote of 7–0.

This local option authorizes assessors to reduce property taxes for certain qualifying taxpayers (limited income elderly or blind persons, veterans and surviving spouses). The reduction is in addition to the base amount allowed by the state. The option has been in effect in Amherst since FY 94, the first year for which Town Meeting adopted it. The option must be renewed annually. The total cost to the Town in FY 09 to provide these tax exemptions, including the optional tax exemptions, was \$122,746 in foregone tax receipts. Reimbursement by the state for the base exemptions was \$35,774. The cost to the Town in FY 09 to provide the additional optional tax exemptions was \$45,417.

**ARTICLE 4. Authorization for Compensating Balances
 (Select Board)**

To see if the Town will accept the provisions of Chapter 44, Section 53F of the Massachusetts General Laws, which authorize the Treasurer to enter into written agreements with banking institutions pursuant to which the Treasurer agrees to maintain funds on deposit in exchange for banking services.

RECOMMENDED by Finance Committee vote of 7-0.

Acceptance of this provision of the Massachusetts General Laws authorizes the Town Treasurer to enter into certain banking agreements that require maintenance of a minimum account balance. These agreements typically offer either higher interest rates or some free services in exchange for maintaining a minimum balance. Town Meeting authorization is required annually because, in effect, funds may be expended for services without an appropriation. The Treasurer bids all banking services and bank service fees and determines which proposals are most advantageous for the Town. The Finance Committee believes it is appropriate to provide the Treasurer with the flexibility to use this type of account.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 5. Atkins Corner Right of Way Issues
(Select Board)**

To see if the Town will vote to amend the vote taken under Article 7 of the May 7, 2007 Annual Town Meeting to authorize the Select Board to acquire, by gift, purchase or eminent domain, the fee in parcels of land from the owners described below:

Part A. To acquire from Hampshire College the fee in a parcel or parcels of land and related easements, and to convey the excess right-of-way to Hampshire College, all as shown on the plans entitled "Reconstruction and related work on Route 116 (West St.- Atkins)," prepared by Camp Dresser & McKee, Inc., dated February 2009, which are on file with the office of the Town Clerk.

Part B. To acquire from Atkins Fruit Bowl the fee in a parcel or parcels of land and related easements, and to convey the excess right-of-way to Atkins fruit Bowl, all as shown on the aforementioned plans, and further, to authorize the Town to pave the new Atkins Fruit Bowl parking lot as compensation for the conveyance of said property to the Town.

Part C. To acquire from Hampshire Village I & II Community Corp., the fee in a parcel or parcels of land and related easements, and to convey the excess right-of-way to Hampshire Village Community Corp., all as shown on the aforementioned plans.

RECOMMENDED by a Finance Committee vote of 6-0, with one abstention.

This project has been in process for almost ten years. The traffic volume through the interchange at Bay Road and West Street is high, the intersection is laid out in an awkward and dangerous manner, and is at the center of an area with Hampshire College, two nationally-recognized museums, and a major business, Atkins Fruit Bowl. It is also a designated village center that can be further developed and enhance the nonresidential tax base. The 2007 Town Meeting passed a similar motion that enables the Select Board to obtain easements on land needed for the newly configured roads. This article will allow the Select Board to acquire that land, not just easement rights.

The major cost for the construction of the roadways is funded from federal and state grants. The grants cannot be used and the improvements cannot be completed unless we acquire the land specified in these motions.

Part A will acquire land from Hampshire College. There will be no cash payment but the Town will agree to make changes to entrance roads to the campus as compensation and deed part of the abandoned right of way to the college. The fair market value of the work to be performed will not exceed \$250,000, with much of the work to be performed by the Department of Public Works. Part B will acquire land from Atkins Fruit Bowl. Again, there will be no cash payment but the Town will agree to perform work in kind on the store's parking lot and deed the discontinued right of way to the Atkins Fruit Bowl. Similar to the arrangement with the college, the fair market value of the work to be performed will not exceed \$250,000, with much of the work to be performed by the DPW. Part C will acquire land from Hampshire Village Community Co-op. The compensation will much smaller than in Parts A and B. The work to be performed by DPW will be paid from Chapter 90 funds from the state, and will be spread over several years.

**ARTICLE 6. Zoning Amendment – Taxi Services
(Planning Board)**

To see if the Town will amend Sections 3.340.3 and 5.013, and Article 12, of the Zoning Bylaw, by deleting the ~~lined-out~~ language and adding the language in ***bold italics***, as follows:

A. Amend Section 3.340.3 as follows:

3.340.3 ***Transportation facility***

3.340.30Railroad or bus depot or other transportation facility

R-O												
<u>R-LD</u>	<u>R-N</u>	<u>R-VC</u>	<u>R-G</u>	<u>R-F</u>	<u>B-G</u>	<u>B-L</u>	<u>B-VC</u>	<u>COM</u>	<u>OP</u>	<u>LI</u>	<u>PRP</u>	<u>FPC</u>
SP	SP	SP	SP	SP	SP	SP	SP	SPR	SP	SP	SP	SP

Standards & Conditions

~~Excluding any office, storage, or repair use unless otherwise allowed by the regulations of the district.~~

ANNUAL TOWN MEETING WARRANT ARTICLES

3.340.31 Taxicab, limousine service and similar uses.

R-O	R-LD	R-N	R-VC	R-G	R-F	B-G	B-L	B-VC	COM	OP	LI	PRP	FPC
N	N	N	N	N	N	SPR	SP	SPR	SPR	SP	SP	SP	N

Standards & Conditions

The operation of a taxi or limousine (livery) service shall be considered a principal use regulated under this section of the Bylaw when any of the following conditions are met: 1) passengers are transported from or delivered to the site, or; 2) three or more vehicles are physically dispatched from or stored on-site, or; 3) any vehicle carries more than 8 passengers, or; 4) on-site activities include ongoing associated vehicle maintenance and repairs.

The operation of a taxicab or limousine service may be permitted as an accessory home occupation under the provisions of Section 5.013 when all of the following conditions are met: 1) on-site activity is limited to dispatch and storage of no more than two vehicles, 2) no vehicle used by the service is capable of carrying more than eight passengers, 3) only occasional minor vehicle maintenance occurs on-site, and 4) no passengers visit the premises.

B. Amend the first paragraph of Section 5.013, as follows:

5.013 Home Occupation - The Board of Appeals may authorize, by issue of a Special Permit, the use of a portion of a dwelling or building accessory thereto as the workroom of a resident artist, craftsman, beautician, dressmaker, milliner, photographer, cabinetmaker, skate sharpener, radio repair technician, or other person engaged in a customary home occupation, **or as the office of a resident taxicab or limousine service operator (see Section 3.340.3)**, or as a place for incidental work and storage in connection with the off-premises trade by a resident builder, carpenter, electrician, painter, plumber or other artisan, or by a resident tree surgeon, landscape gardener or similar person, provided that: . . .

C. Amend Article 12, by adding the following new definitions, the first under current Section 12.22, and the second under Section 12.34 or 12.35, as appropriate, with the remaining sections renumbered as appropriate:

12.22 **Limousine:** *A livery vehicle primarily garaged or engaged for hire in the town of Amherst, which is used to carry passengers under pre-arranged contract for an agreed-upon hourly fare, or; operates as a charter, business courtesy, employee shuttle, customer shuttle, or; a motor vehicle on a regularly scheduled route without the use of a taximeter.*

12.35: **Taxicab:** *A vehicle for hire garaged in Amherst and used for the conveyance of persons from any point of origin within the town of Amherst to any other location for a fee, whether hourly or by a taximeter; except livery vehicles as previously defined or a vehicle operated in a manner and for the purposes stated in Massachusetts General Laws, Chapter 159A.*

NO RECOMMENDATION.

ARTICLE 7. Zoning Amendment – Municipal Parking District (Planning Board)

To see if the Town will amend the Official Zoning Map to increase the boundary of the Municipal Parking District (MPD) to include the entirety of the town center General Business (B-G) District and abutting Limited Business (B-L) districts north of Kellogg Avenue and Cowles Lane, along with the following properties in the General Residence (R-G) District:

- All of those properties north of Cowles Lane that are bounded on the west by North Prospect Street and on the north by Hallock Street
- On the north side of Kellogg Avenue, the following properties: Assessors Map 11C, Parcels 291, 292, 293, and 294
- All of the properties comprising Kendrick Park
- The northern portions of Assessors Map 11C, Parcels 265 and 322, and Map 11D, Parcel 42.

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NO RECOMMENDATION.

ARTICLE 8. Zoning Amendment – B-G & B-VC Lot Frontage (Planning Board)

To see if the Town will amend footnote b. of Table 3, Dimensional Regulations of the Zoning Bylaw, by deleting the ~~lined out~~ language and adding the language in ***bold italics***, as follows:

b. Applies to Residence Uses only (Section 3.32). In the B-G and B-VC districts, the Basic Minimum Lot Area shall apply only to the first dwelling unit on the ground floor of subdividable dwellings and converted dwellings. For townhouses, apartments, buildings containing dwelling units in combination with stores or other permitted commercial uses, and other permitted multi-unit residential uses in these districts, the Basic Minimum Lot Area, and Additional Lot Area/Family, ***and Basic Minimum Lot Frontage*** requirements shall not apply.

NO RECOMMENDATION.

ARTICLE 9. Mullin Rule (Planning Board)

To see if the Town will vote to accept, for the following boards, committees or commissions holding adjudicatory hearings in the Town, the provisions of M.G.L. c.39, §23D, which provide that a member of a board, committee, or commission holding an adjudicatory hearing shall not be disqualified from voting in the matter solely due to the member's absence from one session of such hearing, provided that certain conditions as established by said statute are met.

Boards & Committees Affected:

- Planning Board
- Conservation Commission
- Historical Commission
- Select Board.

NO RECOMMENDATION.

ARTICLE 10. Rescind General Bylaws, Article IV, Housing Review Board (Select Board)

To see if the Town will vote to rescind General Bylaws, Article IV, Housing Review Board, commonly known as the "Rent Control Bylaw," voted by the Town at the February 26, 1986 Special Town Meeting under Article 4, pursuant to Chapter 72 of the Acts of 1986, and later amended at the May 1, 1989 Annual Town Meeting under Article 64.

RECOMMENDED by Finance Committee vote of 7 – 0.

The Finance Committee routinely recommends articles that clean up our bylaws, eliminate conflicts within them, or bring them into compliance with state law. We refer to this as a housekeeping measure. (Keeping our house in order) A state referendum in the 1990's outlawed "Rent Control" (except in mobile home parks) as is delineated in this bylaw, therefore, to rescind the bylaw will bring us into compliance with state law.

ARTICLE 11. General Bylaws of the Town of Amherst, Massachusetts – Human Rights Bylaw (Select Board)

To see if the Town will amend the HUMAN RIGHTS BYLAW (STM – November 8, 1999 - Art. 16), by adding the language in ***bold italics***, as follows:

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1. The Town of Amherst hereby adopts a "Human Rights Policy" pursuant to which it shall be the policy of the Town that no person, public or private, shall be denied any rights guaranteed pursuant to local, state, and/or federal law on the basis of race or color, gender, physical or mental ability, religion, socio-economic status, ethnic or national origin, affectional or sexual preference, **gender identity or expression, genetic information**, lifestyle, or age.

a. The term "gender identity", shall include a person's actual or perceived gender, as well as a person's gender identity, gender-related self-image, gender-related appearance, or gender-related expression whether or not that gender identity, gender-related self image, gender-related appearance, or gender-related expression is different from that traditionally associated with a person's sex at birth.

b. The term "genetic information", shall mean any written, recorded individually identifiable result of a genetic test as defined by this section or explanation of such a result or family history pertaining to the presence, absence, variation, alteration, or modification of a human gene or genes. For the purposes of this By-Law, the term genetic information shall not include information pertaining to the abuse of drugs or alcohol which is derived from tests given for the exclusive purpose of determining the abuse of drugs or alcohol.

NO RECOMMENDATION.

ARTICLE 12. Petition – Special Act – Resident Aliens (Morales)

"To see if the town will vote to authorize the Select Board to file with the legislature a request for a special act entitled, An Act authorizing local voting rights for permanent resident aliens residing in Amherst, as follows:

Section 1. Notwithstanding the provision of section one of chapter fifty-one of the General Laws, or any other general or special law, rule or regulation to the contrary, resident aliens eighteen years of age or older who reside in Amherst may, upon application, have their names entered on a list of voters established by the town clerk for the town of Amherst and may thereafter vote in any election for local offices and local ballot questions.

Section 2. The Select Board of Amherst is authorized to formulate regulations and guidelines to implement the purpose of this act.

Section 3. Nothing in this act shall be construed to confer upon permanent resident aliens the right to vote for any state or federal office or any state or federal ballot question."

To see if the Town will adopt a comprehensive operating budget for the ensuing year and raise and appropriate money therefor.

NO RECOMMENDATION.

ARTICLE 13. Petition – Gas Tax (O'Connor)

"To see if the town will vote to support by resolution, with reservations and reform requirements:

a) Governor Deval Patrick's proposal to increase the Massachusetts state gasoline tax by not more than 19 cents per gallon; and,

b) a proposal to increase the federal gasoline tax by an amount not greater than the amount needed to bring that tax in line with inflation since the last increase in the federal gasoline tax."

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

The Finance Committee is awaiting actual working of the motion before making its recommendation.

ARTICLE 14. FY 2009 Budget Amendments (Finance Committee)

A. To see if the Town will transfer \$185,000 from the Ambulance Receipts Reserved for Appropriation Account to be used as an other financing source in the General Fund for FY 2009.

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RECOMMENDED by Finance Committee vote of 6 – 0, with one abstention.

Part A of this article corrects an error in the wording of the approved motion from Article 15 – Capital Equipment from the 2008 Annual Town Meeting. The written reports of both the Joint Capital Planning Committee and the Finance Committee had recommended that \$185,000 for an ambulance and a fire staff vehicle be funded from the Ambulance Fund. The motion under article 15 inadvertently omitted the Ambulance Fund as a source of funds for the article.

- B. To see if the Town will, in accordance with M.G.L. c. 44, § 53 (2), appropriate and transfer a sum of money from the Insurance Recovery Fund to the FY 2009 Operating Budget – Public Safety for reimbursement of the cost of repairs to the damaged ambulance.

RECOMMENDED by Finance Committee vote of 7 – 0.

One of our ambulances was involved in an accident and sustained significant damage requiring repair. The vehicle was repaired and the cost was paid from the Fire Department operating budget; further, a claim was submitted to our insurance carrier for the accident which was subsequently paid in the amount of \$39,578. Normally, insurance settlements received by the Town can be applied directly to pay for the repairs. However, Mass General Laws c. 44, § 53 (2) states that insurance recoveries in excess of \$20,000 require a Town Meeting appropriation. This part of the article asks to appropriate the money to the Public Safety budget in reimbursement for the repair costs incurred.

- C. To see if the Town will appropriate and transfer \$106,243 from Free Cash in the Undesignated Fund Balance of the General Fund 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 Health Claims Trust Fund for Town of Amherst, Amherst-Pelham Regional School District, and Town of Pelham members.

RECOMMENDED by Finance Committee vote of 7 – 0.

Medicare Part D, enacted in 2003, reimburses health care insurers, including our Health Claims Trust Fund (HCTF), for roughly 28% of eligible prescription drug costs incurred by subscribers. The program took several years to implement and the first reimbursement to Amherst was received in FY 08 (\$33,842.67) with another payment received in FY 09 (\$72,400.47). The State Department of Revenue requires that the money go to the Town of Amherst General Fund (via the Free Cash certification process); however, the HCTF is comprised of the Town of Amherst, the Town of Pelham, and the Regional School District. Since the payments for the prescriptions came from the HCTF and since it would not be right for Amherst to keep all of the reimbursement, this part of the article asks to appropriate the money from Free Cash (where the reimbursement will be when Free Cash is certified) to the Health Claims Trust Fund where it rightfully should be.

- D. To see if the Town will amend the budget voted under Article 12 of the 2008 Annual Town Meeting (FY 2009 Operating Budget) to transfer sums of money between General Government, Public Safety, Public Works, Planning, Conservation, and Inspections, Community Services, and Debt Service accounts to balance the 2009 Fiscal Year.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

Motion D would allow the Town to transfer appropriated funds between functional areas of the municipal portion of the budget to address any potential shortfalls in the operating budget. A specific motion will be developed closer to Town Meeting, with the most current information, and we will then make our recommendation.

- E. To see if the Town will amend the action taken under Article 13 of the 2008 Annual Town Meeting (Reserve Fund) and appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance of the General Fund.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

Motion E would allow a supplemental appropriation, if necessary, to the \$100,000 Finance Committee Reserve Fund that is available for extraordinary and unforeseen expenditures during FY 09. A specific recommendation and motion will be developed closer to Town Meeting, based on the most current information.

- F. To see if the Town will transfer \$153,975 from Overlay Surplus to be used as an other financing source in the General Fund for FY 2009.

RECOMMENDED by Finance Committee vote of 7 – 0.

Motion F provides part of the solution to balance the FY 09 budget after the mid-year cut to our state aid imposed by Governor Patrick in January to respond to the state's revenue shortfall caused by the recession. Amherst's share of that cut was \$978,298, a 9.75% decrease from the original FY 09 cherry sheet revenues. Three funding solutions have been brought together to fill the void left by this cut, two of which are administrative in nature and do not require Town Meeting action and one which does require a Town Meeting appropriation.

The first administrative piece is that the Town received reimbursement last September from the state for its share of the Wildwood School roof replacement project. When the FY 09 budget was created, we knew we were going to get this money eventually but we did not know when. Therefore, it was an unbudgeted FY 09 revenue. According to Department of Revenue guidelines, we can use that portion equal to the debt we have paid to date on the project (\$362,198 out of the total of

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\$550,311 received) to apply to the FY09 budget as an offsetting revenue. This action is administrative and does not require Town Meeting action. The remainder will be available as offsetting revenue against debt service over the next four fiscal years.

The second piece is \$462,125 in savings resulting from a premium holiday for employer and employee members in the Health Claims Trust Fund. Changes in plan offerings and recent claims experience have combined to create a fund balance of approximately \$3.4 million, significantly more than we need to cover current claims and claims incurred but not yet billed as required by the Department of Revenue. Instituting the payment holiday will capture some of the excess without jeopardizing future revenue flows or the required fund balance level. This action is administrative and does not require Town Meeting action.

The third piece does require Town Meeting action. Every year, 1% of the tax levy is set aside in an overlay reserve account to cover possible tax abatements and exemptions for the fiscal year. State law states that the overlay must remain in place until all possible abatements have been adjudicated, which can take several years. Periodically, the overlay surplus account is analyzed, and when all liabilities have been paid or held in reserve and a balance still remains for a given fiscal year, the Board of Assessors can vote to certify that the balance is no longer needed and release that money back to the General Fund. This year, the amount released from prior fiscal years (FY 02 – FY 08) is \$292,932. Of that, \$153,975 is proposed to be appropriated to fill the remainder of the funding gap created by the mid-year state aid reduction and the remainder would close to Free Cash at the end of the fiscal year.

ARTICLE 15. Accept M.G.L. Chapter 32B, Section 18A– Medicare Enrollment for Retirees (Select Board)

To see if the Town will vote to accept the provisions of M.G.L. c. 32B, § 18A that allows the Town to enroll eligible municipal retirees into Medicare without penalty.

RECOMMENDED by Finance Committee vote of 7 – 0.

Since the early 1990s, town retirees turning 65 have been strongly urged to enroll in Medicare Parts A and B if they are eligible. Approval of this motion would allow the town to make that a requirement for all future Medicare-eligible retirees. There is no premium for Medicare Part A, which covers hospital expenses. Retirees pay a monthly premium (\$96.40 in 2009) for Part B, which covers some doctor, outpatient, physical therapy, and other medical expenses; the Town currently reimburses 75% of the Part B premium. Town retirees can sign up for supplemental policies that cover medical expenses not paid by Medicare, paying 25% of that premium; the Town pays the other 75%. With Medicare Parts A and B and the supplemental plan, retirees receive slightly better benefits than if they stayed in the plan for under-65 retirees, and monthly premium charges are lower for both the retirees and the Town. This change impacts the Health Care Trust Fund that covers employees, retirees and non-teaching retirees of the towns of Amherst and Pelham and the Amherst-Pelham Regional School District. Before it goes into effect, it has to be accepted by Town Meetings in both towns and by the Regional School Committee.

ARTICLE 16. Retirement Assessment (Select Board)

To see if the Town will raise and appropriate \$3,000,652 for the Hampshire County Retirement System assessment.

RECOMMENDED by Finance Committee vote of 7 – 0.

The Town, as a member of the Hampshire County Retirement System, pays an annual assessment that covers benefits to current retirees and funding for future retirees. The assessment is based on the payrolls of municipal and library employees as well as non-teaching elementary school employees. The \$3,000,652 to be appropriated in this article is an increase of \$83,643, or 2.9%, from the FY 09 assessment. The pension funding schedule is based upon a January 1, 2007 actuarial study. The losses incurred by the Hampshire County Retirement Fund in 2008 due to the severe economic downturn will be reflected in subsequent actuarial updates and will increase the member towns' assessments no later than FY 12.

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**ARTICLE 17. Regional Lockup Assessment
(Select Board)**

To see if the Town will raise and appropriate \$31,323 for the Hampshire County Regional Lockup Facility assessment.

RECOMMENDED by Finance Committee vote of 7 – 0.

The Town, as a user of the Hampshire County Regional Lockup, pays an annual assessment based on population that covers its portion of the operating costs of the Regional Lockup. (The Sheriff's office, the University, and the other communities that use the lockup are the other contributors.) The \$31,323 to be appropriated in this article for FY 10 is the same as it was for FY 08 and FY 09.

**ARTICLE 18. Community Preservation Act
(Community Preservation Act Committee)**

To see if the Town will appropriate a sum of \$344,800, for Community Preservation Purposes recommended by the Community Preservation Committee and that the following amounts (items A – P) be appropriated or reserved from Community Preservation Funds as follows:

	Project	Total Appropriation	Source of Appropriation
	Affordable Housing		
A	Habitat for Humanity	\$30,000	\$30,000 from CPA FY10 Estimated Revenues
B	Housing Reserve	\$17,200	\$17,200 from CPA FY10 Estimated Revenues
	Total Affordable Housing	\$47,200	
	Historic Preservation		
C	West Cemetery ironwork (Cutler & Dickinson plot fencing, Tomb Door)	\$25,000	\$25,000 from CPA FY10 Estimated Revenues
D	West Cemetery Town Tomb reconstruction	\$30,000	\$30,000 from CPA FY10 Estimated Revenues
E	West Cemetery Landscape Improvements (1730-1870 sections)	\$20,000	\$20,000 from CPA FY10 Estimated Revenues
F	Kimball House Historic Preservation 575 North East street (year 3 of 5)	\$25,600	\$25,600 from CPA FY10 Estimated Revenues
G	Archival Material Conservation & Restoration (year 4 of 5) Town Clerk - special collections Jones Library special collections	\$20,000	\$20,000 from CPA FY10 Estimated Revenues
H	Jones Library roof study/bid specs & emergency repairs (if needed)	\$15,000	\$15,000 from CPA FY10 Estimated Revenues
I	Jones Library Special Collections climate control (HVAC) study/bid specs	\$10,000	\$10,000 from CPA FY10 Estimated Revenues
J	Civil War Tablets – Phase I Conservation, Engineering & Design, Installation and Interpretation	\$65,000	\$65,000 from CPA FY10 Estimated Revenues

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K	North Congregational Church Slate Roof Repairs	\$7,000	\$7,000 from CPA FY10 Estimated Revenues
L	Historic signs (Writer's Walk - Dickinson, Frost, Francis, etc.)	\$30,000	\$30,000 from CPA FY10 Estimated Revenues
M	Historic Register District Nomination (Dickinson District expansion & new Amherst Depot District)	\$10,000	\$10,000 from CPA FY10 Estimated Revenues
N	Historic Resource Inventory Phase II, Historic Barns/outbuildings	\$15,000	\$15,000 from CPA FY10 Estimated Revenues
	Total Historic Preservation	\$272,600	
	Open Space		
O	Open Space Surveys and appraisals	\$23,500	\$23,500 from CPA FY10 Estimated Revenues
	Total Open Space	\$23,500	
	Administrative		
P	To fund CPC administrative expenses.	\$1,500	\$1,500 from CPA FY10 Estimated Revenues
	Total Administrative	\$1,500	
	Total for Article # 18	\$344,800	

RECOMMENDED by Finance Committee vote of 7-0 as an appropriate expenditure of CPA funds.

This article and Articles 19 and 20 all appropriate money derived from a 1.5% surcharge on the property tax, after the first \$100,000 of the value of each owner-occupied home is excluded. The state first provided a 100% match of the amount collected by Amherst, but matched just 35% in FY 09 and will match only an estimated 29% in FY 10. The slump in real estate sales cut the amount of money going into the state CPA fund (which comes from a tax on real estate transfers). And as the pie shrinks, more municipalities are seeking a share of it.

Each of the requests in these articles are explained in the Community Preservation Act Committee's written report to Town Meeting. The Community Preservation Act Committee chooses which projects to recommend for open space, historical preservation, community housing, and recreation purposes. Town Meeting can only appropriate CPA funds for projects recommended by the CPA Committee. Town Meeting could reject but cannot go beyond CPAC's recommendations.

- A. Habitat for Humanity, \$30,000, a contribution toward construction of the third Habitat home on Stanley Street. In return, the Town receives a long-term affordable housing restriction on the deed.
- B. Housing Reserve, \$17,200, which together with part A brings this year's allocation for affordable housing to the required 10% of total FY 10 CPA revenues.

Total Affordable Housing: \$47,200

- A. West Cemetery ironwork, \$25,000. This and parts D and E are coordinated projects for preserving the historic West Cemetery located between Triangle and North Pleasant streets, as described in the CPAC report.
- B. West Cemetery Town Tomb reconstruction, \$30,000.
- C. West Cemetery landscape improvements, \$20,000.
- D. Kimball House historic preservation, \$25,000. This is the third of five annual payments to the State Department of Agriculture in compensation for the release of APR property as part of a larger land swap that preserved the privately owned 1815 farmhouse and its immediate surroundings at 575 North East St.
- E. Archival material conservation & restoration (year 4 of 5) of historic documents in the Town Clerk's office and Jones Library Special Collections, \$20,000.
- F. Jones Library roof study/bid specifications and emergency repairs, \$15,000. This is for work on the slate roof over the older part of the building. The proposed capital budget (Article 27) contains money for work on the newer roof.

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- G. Jones Library Special Collections climate control (HVAC) study and bid specifications, \$10,000, as described in the CPAC report.
- H. Civil War tablets – Phase I conservation, engineering and design, installation and interpretation, \$65,000, as described in the CPAC report.
- I. North Congregational Church slate roof repairs, \$7,000, as described in the CPAC report. In return, the Town receives a historic-preservation restriction on the deed.
- J. Historic signs (Writers Walk – Dickinson, Frost, Francis, etc.), \$30,000, as described in the CPAC report. These would be coordinated with wayfinding signs in the proposed capital budget (Article 27).
- K. Historic Register District nomination (Dickinson District expansion and new Amherst Depot District), \$10,000, as described in the CPAC report.
- L. Historic resource inventory Phase II, historic barns/outbuildings, \$15,000, as described in the CPAC report.

Total Historic Preservation: \$272,600

- M. Open space surveys and appraisals, \$23,500, as described in the CPAC report.

Total Open Space: \$23,500

- N. To fund CPC administrative expenses, \$1,500, as described in the CPAC report.

Total Administrative: \$1,500

Total for Article 18: \$344,800

ARTICLE 19. Community Preservation Act – Open Space - Johnson (Community Preservation Act Committee)

A. To see if the Town will appropriate \$75,000 from the Community Preservation Fund annual revenues or available funds for the purchase of a Conservation Restriction in South Amherst (Map 23B, Parcel 45).

B. To see if the Town will authorize 1) the Select Board to acquire by gift or negotiated purchase a Conservation Restriction in South Amherst (Map 23B, Parcel 45), to be held by the Conservation Commission in accordance with M.G.L. c. 40, § 8C, in common with The Kestrel Trust, Inc., 2) authorize the Town Manager and/or the Conservation Commission or their designee to seek and file on behalf of the Town any and all applications deemed necessary for grants through the Executive Office of Energy and Environmental Affairs or any other program governed by federal or state statute under which this Conservation Restriction acquisition may be eligible for funding, and 3) authorize the Select Board, the Town Manager, and/or the Conservation Commission to enter into any and all agreements, including, without limitation, agreements with The Kestrel Trust, and execute any and all instruments as may be necessary or appropriate to effectuate the acquisition of said Conservation Restriction.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

This article would allow purchase of a conservation restriction on 15+ acres of the Johnson property on South East Street in South Amherst. This is one of the unprotected parcels remaining in the Lawrence Swamp Complex and will help to safeguard one of the Town's critical drinking water sources. The Finance Committee is awaiting actual wording of the motion under Part B before making its recommendation.

ARTICLE 20. Community Preservation Act – Open Space - Olendzki (Community Preservation Act Committee)

A. To see if the Town will appropriate \$150,000 from the Community Preservation Fund annual revenues or available funds for the purchase of land for open space purposes in South Amherst (Map 20D-51).

B. To see if the Town will 1) authorize the Select Board to acquire by gift or negotiated purchase the fee interest in and to a portion of a parcel of land (Map 20D, Parcel 51), to be managed and controlled by the Amherst Conservation Commission in accordance with M.G.L. c. 40, § 8C for conservation and passive recreation purposes, and a conservation restriction on the remaining portion of said parcel, which parcel is located south of Station Road and contains a total of 25.61 acres, more or less, all as shown on a plan entitled "Station Road Conservation Land Plan," on file with the Town Clerk, 2) raise, borrow and/or appropriate from available funds an additional \$380,000 for the acquisition of said parcel of land and the conservation restriction,

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and to meet such appropriation with funds transferred and/or borrowed in accordance with M.G.L. c. 44B, the Community Preservation Act, 3) authorize the Treasurer, with the approval of the Select Board, to issue any bonds or notes that may be necessary for that purpose, as authorized by M.G.L. Chapter 44, or any other enabling authority, 4) authorize the Town Manager and/or the Conservation Commission or their designee to file on behalf of the Town any and all applications deemed necessary under the LAND Program (M.G.L. c. 132A, §11) or any other applications for funds in any way connected with the scope of this acquisition, and 5) authorize the Select Board, the Town Manager, and/or the Conservation Commission, as they deem appropriate, to enter into all agreements and execute any and all instruments, including the conveyance of a perpetual conservation restriction in the portion of the parcel of land that is acquired by the Town in fee in accordance with M.G.L. c. 184 as required by Section 12(a) of M.G.L. c. 44B, as may be necessary on behalf of the Town to effectuate said purchase.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

This article would allow purchase of and a conservation restriction on 16+ acres of the Olendzki property on Station Road in South Amherst. This is one of the unprotected parcels remaining in the Lawrence Swamp Complex and will help to safeguard one of the Town's critical drinking water sources. The Finance Committee is awaiting actual wording of the motion under Part B before making its recommendation.

APPENDIX

GLOSSARY

These definitions explain the meaning of some terms frequently used at Amherst Town Meeting as the terms apply to Amherst government.

Appropriation - The authorization by Town Meeting of an expenditure for a specified purpose using money from one or more specified sources (taxation, borrowing, grants, etc.). In most cases, a simple majority vote is required; authorization to borrow and appropriations from the Stabilization Fund require a two-thirds vote.

If the expenditure turns out to be less than the appropriation, the remainder is called an appropriation balance. An appropriation balance from a specific project or use can be made available for similar or related purposes by subsequent votes of appropriation transfers. Appropriation balances in the General Fund which stem from the Town's operating budget revert to Free Cash at the end of the fiscal year.

Capital expenditure exclusion - See "Exclusions".

Capital plan - A list of proposed expenditures and funding sources for needs such as land acquisition, construction, major equipment and maintenance, and other special projects that add to the value of the Town's assets.

Cherry Sheet – The official notification from the State of the amounts and types of aid the State will provide to each municipality in a fiscal year, and the amounts each municipality must pay the State and regional entities for a variety of services provided. The document is called a "cherry sheet" because it comes on pink paper.

Contingent appropriation - An appropriation voted by Town Meeting that becomes effective only if the amount is approved in a Proposition 2 1/2 override election.

Debt exclusion - See "Exclusions".

Enterprise fund - A fund established to provide specific services. The state allows enterprise funds only for water, sewer, solid waste, hospital, recreation services, and transportation. Amherst has five: water, sewer, solid waste, golf course, and transportation. Both the costs and the revenues of the enterprise are segregated from other finances of the Town. The costs of the operation are intended to be financed totally or primarily from user charges. Surplus funds, called unreserved retained earnings, may accumulate in the fund for future use by the enterprise. Surpluses result primarily from revenues in excess of estimates and from unexpended appropriations.

Excess taxing capacity - The difference between actual real and personal property taxes levied in any given year and the amount authorized to be assessed under Proposition 2 1/2.

Exclusions - Exclusions allow, by referendum, an increase in the amount of property taxes which a community may levy, for a limited period of time, and only for capital purposes. The revenue is in addition to the levy limit, but it neither increases the levy limit nor becomes part of the base for calculating levy limits of future years. "Capital purposes," in this context, are those for which the Town is authorized to borrow under Massachusetts General Laws, Chapter. 44, sections 7 and 8. Generally, this includes public building and public works projects and land and equipment acquisitions.

The money to pay for these projects is authorized by Town Meeting, but only the Select Board, by a two-thirds majority, can place exclusion questions on the ballot to raise money by increasing the levy.

Capital expenditure exclusion - A one-year increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project. The referendum question defines the project, states the maximum amount of the exclusion, and specifies the fiscal year in which the payment will occur.

Debt exclusion - A temporary increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project by means of debt. Both principal and interest are excluded from the levy limit until the debt is retired. The referendum question defines the project, but it does not state the amount of money to be excluded or the years of debt payments. (Estimated amounts are publicized prior to the referendum.)

GLOSSARY

Free Cash - The unreserved, undesignated fund balance of the General Fund that accumulates from revenues collected in excess of estimates and from unexpended appropriation balances. These are the only sources of Free Cash; money cannot be appropriated to Free Cash. The amount is calculated and certified by the state's Department of Revenue each year as of July 1, the first day of the fiscal year. Free Cash may be spent by Town Meeting appropriation only, by majority vote.

General Fund - The general operating fund of the Town. It includes revenues from taxation, general state aid, school aid, and all other financial resources that are not held for specific purposes. Expenditures from this fund may be for any purpose for which a municipality may legally appropriate funds. Enterprise Fund money is not part of the General Fund.

Levy - *Verb*: To impose a tax. *Noun*: The total amount of real and personal property taxes assessed in any given year, referred to as "the levy".

Levy ceiling - The limit imposed by Proposition 2 1/2 which equals 2 1/2% of the total full and fair cash value of all property in the Town. The levy may not exceed this amount; taxpayers may not vote a higher amount in an override. The levy ceiling is equal to a tax rate of \$25 per \$1,000 of valuation.

Levy limit - The amount that a town may raise in taxes each year without approval by the voters in a referendum. The levy limit is the prior year's limit plus 2 1/2% of that amount plus an amount approved by the state that resulted from "new growth".

Referenda of two types may be used to increase the limit: override and exclusion.
These are defined elsewhere in this list.

New growth - The increased value in a given year of new development and other growth in the tax base that is not the result of revaluation. Included are physical additions or improvements to taxable property, exempt real property returned to the tax roll, new personal property, and new subdivision parcels and condominium conversions. New growth of one year becomes part of the base for calculating the next year's levy limit.

Overlay / reserve for abatements and exemptions - Tax abatements and exemptions are allowed for a variety of reasons specified in the Massachusetts General Laws. At the time the levy is assessed, the amount of qualifying abatements that will be granted is not determinable; therefore an amount of money must be set aside to provide for these abatements. If at the end of a fiscal year a balance remains in the reserve and the Assessors determine that no further claims are pending, the amount remaining may be reappropriated for other purposes or closed to Free Cash.

Override - A permanent increase in the levy limit approved by the voters in a referendum. The increase becomes part of the base for calculating levy limits of future years.

An override ballot question requests funding for expenses that are expected to continue into the future. The purpose stated in the question may be broad (for example, "general operating expenses") or narrow (for example, "two fire fighters"). The amount of money is also stated in the question, along with the fiscal year in which the increase is to become effective. Money from an override is earmarked for the purpose stated in the ballot question in the first year the override is in effect. Funding for this purpose can be expected to continue, even though, in subsequent years, the money is considered to be an undifferentiated part of the General Fund.

Overrides may be structured in any of three forms: a single ballot question stating a single purpose and related amount of money; a "pyramid" consisting of two or more separate ballot questions stating the same purpose but different amounts of money in each question; or a "menu" of separate questions, each stating a different purpose along with its related amount of money.

Override questions can be put on the ballot only by majority vote of the Select Board. The form of the override and the wording of the question or questions is also determined by the Select Board.

Reserve Fund - An account voted annually by Town Meeting to be used for extraordinary and unforeseen expenses that may occur during a fiscal year. The appropriation may not exceed 5% of the previous year's tax levy. Transfers from this fund are made by majority vote of the Finance Committee.

GLOSSARY

Reserves - Money accumulated for future expenditure. Free Cash and the Stabilization Fund are general reserves that may be used for a wide variety of purposes. Some reserves are available only for restricted purposes, for example, the Ambulance Account, the Conservation Fund, the Parking Meter Receipt Account, and the Sale of Real Estate Account.

Revolving Fund - A special purpose account that accumulates revenues based on charges for services and from which expenditures are made without Town Meeting appropriation for uses for which the revenue was collected. The purposes for which the Massachusetts General Laws authorize such accounts to be established are recreation, adult education, and school lunch. These funds differ from enterprise funds in that they do not accumulate and capitalize assets, there are restrictions on the size of fund balances they may retain from year to year, and some restrictions are placed on the purposes for which funds may be expended.

Stabilization Fund - An account established to save funds for future needs. Town Meeting may appropriate funds to the account, subject to limits imposed by state law. Transfers from the account may be made at Annual or Special Town Meetings for any lawful purposes. A two-thirds vote of Town Meeting is required to transfer money out of the fund. The state originally limited use of this fund to capital purposes only, a restriction that no longer exists.