



FINANCE COMMITTEE REPORT AND RECOMMENDATIONS FOR THE NOVEMBER 04, 2013 SPECIAL TOWN MEETING

Traditionally, the Finance Committee Report includes the full text of the warrant articles. Because this warrant includes several long articles, we have not included the text of any of the zoning or petition articles in this report in order to reduce printing and mailing expenses. Please refer to the Warrant from the previous mailing for the wording of these articles.

Fiscal Year 2013

The report to the Finance Committee and Select Board from the Finance Director and Comptroller regarding the FY13 Municipal Budget, dated October 9, 2013, is included in this mailing. It shows the performance compared to revenue and expense budgets. This is unaudited and subject to modification. The report indicates that General Fund revenue exceeded the budget by \$948,413 and expenses were \$265,847 less than budgeted, through June 30. The total net operating fund surplus was \$1,214,260, about 1.8% of the budget. The Town's Free Cash increased, but not by the total amount of the additional revenue and unspent appropriations, because of adjustments made by the Department of Revenue.

As noted, the difference between the expected and actual outcome is about 1.8% of the total Town budget, essentially the same as in previous years. Budgets are projections before a year begins and financial and operation plans for the year. Variance must be expected in the administration of any enterprise. A variance of less than 2% and in the right direction indicates that our staff and our budget process work well and that our staff does an excellent job managing their budgets and collecting revenue. This is not unique to FY13. The previous six years ended with positive General Fund variances between 1% and 2%.

As the Finance Committee reported to the May 6 Annual Town Meeting, reserves are growing modestly even without allocating funds to reserves in the budget. Despite these small increases, reserves remain slightly below FY05, both in amount (unadjusted for inflation) and as a percentage of the budget. The Department of Revenue has certified June 30, 2013 Free Cash at \$4,738,538. That plus our Stabilization Fund (\$2,915,976) indicates that our reserves are \$7.6 million. The Finance Committee will move to transfer some of the Free Cash to the Stabilization Fund when Article 5, Part B is considered at the Special Town Meeting.

Fiscal Year 2014

When Town Meeting adopted the budget in May, we assumed that state aid would total \$14,040,245. At that time the Senate had not yet taken up the budget. When the state adopted the budget in July, the amount of state aid for Amherst was \$14,066,500. The Finance Committee will propose some budget amendments under Article 4 for reasons explained below. These amendments will not modify the overall spending plan. For reasons that will be evident in the next section regarding FY15, the Committee recommends that we do not authorize any additional expenditures in FY14.

Projections for Fiscal Year 15 and After

The Finance Committee has not developed Preliminary Budget Guidelines as this report is written. Each year, at the beginning of November, the Committee issues Preliminary Guidelines to the Town Manager, Superintendent, and Library Director to provide guidance regarding the amount of available funds for the next fiscal year. This enables the chief executives of the three principal components of the Town to develop an initial draft budget that the Town can afford.

Based upon initial projections, it is likely that the Finance Committee will ask the Town Manager, Superintendent and Library Director to develop budgets that assume an approximate 2.7% increase in the General Fund appropriation. If other revenues from grants, donations, fees, and endowment are unchanged, this should just provide sufficient funds to assure stability of programs and services. But it will be a challenge. Collective bargaining with employee unions has been completed for some employee bargaining units, but not all of them. We have been able to budget with no increase in health insurance costs for several years and will assume no increase for FY15. To add a significant new program or service to the operating budgets, including to continue programs previously funded from grants and other resources, will require the reduction or elimination of other programs and services.

The largest revenue source for the Town, property tax (64%), can only grow by 2.5% plus taxation from new growth. However, it is a predictable amount. The second largest source of revenue is state aid (21%). Last year we projected a modest (0.4%) increase in this revenue from the previous year. As noted above, that projection was essentially correct. As a whole, state aid was stable for the past three years and is unlikely to change significantly in FY15. We project an increase of just 1%.

State aid is an area of uncertainty. Decisions made in Washington can have an impact on the state budget and the funds it can share with local governments. Congress just avoided a default and ended a “shutdown” of the federal government. It postponed making final and long-term decisions about future expenditures, and the House has stated its intent to reduce expenditures on Medicaid and other entitlement programs. Since some of the largest transfers from the federal to state budgets are for these entitlement programs, federal support of programs important to the Commonwealth is uncertain. If there is a cut in Medicaid or other revenue upon which the state relies, there will be fewer funds available for local aid and other state priorities. Also, the state budget is developed after there is a consensus of the Executive Office of Administration and Finance and the Chairs of the Ways and Means Committees regarding a revenue estimate. The consensus estimate for FY15 has not been announced. That estimate will consider revenue history and economic trends that may affect income and sales taxes. Some economists are concerned about the effect on the economy from all of this uncertainty in Washington.

A second area of uncertainty is the support to expect from the Community Development Block Grant. Assuming that we again do not qualify for Mini-Entitlement status for the 2014 grant year, we must apply to the Commonwealth’s Department of Housing and Community Development for a competitive grant. In the current grant year, the Department is providing transition funding to recognize our loss of mini-entitlement status, but that was for one year only. The CDBG supports staff positions, capital improvements to neighborhoods, and services provided by the Town directly and through contracts with providers.

As previously noted, the Town has been able to rebuild reserves without allocating funds in the annual budget for that purpose. We have been able to take advantage of cautious budgeting and sound management, which has led to modest operating surpluses, less than 2% of budget, to achieve that goal. While the Town is no longer in the bottom section of the target range for its reserves, the Finance Committee does not recommend that the funds be used to support recurring expenses. If there is a

precipitous decline in revenue, such as happened with state aid after the 2008 recession began, reserves might be needed to provide stability for essential town services. That said, there may be important one-time needs for funds that merit use of reserves, such as to establish a new program that will have known future revenue, to adjust for loss of funding as a transition, or for unique one-time projects.

The liability for Other Post-Employment Benefits (OPEB), essentially health insurance promised to retirees, continues to grow. The Finance Committee supports efforts to fund the OPEB Trust, which a prior Town Meeting established for this purpose. Those deposits into the Trust can come from appropriate sources such as the Medicare Part D reimbursements (See Article 5, Part A, below) and from other budget allocations that do not otherwise reduce ongoing programs and services. The Committee will consider this as it establishes the Preliminary Budget Guidelines.

Our goal to present budgets that provide for stability of programs and services in FY15 will be severely tested. It is unreasonable to project large increases in state aid in FY16 and 17, or to depend on future property tax overrides.

Fiscal Year 2015 Budget Process

The Finance Committee will issue preliminary guidelines for the development of budgets on or about November 1. The Town Manager, Superintendent and Library Director will develop initial budgets by January. The Committee will review these budgets and hold budget hearings so that it can develop and present a balanced budget for consideration at the Annual Town Meeting.

There are several ways to remain informed and involved in this process. The Town web site has a budget page and sections for the Finance Committee and the Budget Coordinating Group. Finance Committee meetings are public, televised later on Amherst Media Channel 17 and available for viewing in the Meetings on Demand section of the Amherst Media web site. Budget Coordinating Group agenda, minutes, and meeting summaries are posted on the Town web site. The Finance Committee welcomes your questions and comments. Communications by email should be directed to fincom@amherstma.gov.

Finance Committee Members:

Kay Moran, Vice Chair	549-5767
Janice Ratner	253-7214
Anurag Sharma	549-1542
Douglas Slaughter	253-9920
Andrew Steinberg, Chair	549-6826
Sarah Swartz	362-5000
Marylou Theilman	253-7980

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

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

RECOMMENDED by a Finance Committee vote of 6-0, 1 absent.

**ARTICLE 2. Public Art Commission
(Select Board)**

To see if the Town will vote to amend the action taken under Article 7 of the 1990 Annual Town Meeting by increasing the membership of the Public Art Commission from five members to seven members.

NO RECOMMENDATION.

This is a proposal to enlarge and clarify the number of members of the Public Arts Commission. This change will have no financial impact.

**ARTICLE 3. Transfer of Funds – Unpaid Bills
(Finance Committee)**

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 at every Town Meeting that allows the Town to pay unpaid bills from a prior fiscal year, if any, for which funds were not already encumbered. At the time this report was prepared, the Town was 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 4. FY 14 Budget Amendments
(Finance Committee)**

- A.** To see if the Town will amend the budget voted in Article 16 of the 2013 Annual Town Meeting (FY 2014 Operating Budget) to transfer a sum of money from the amount set aside for salary adjustments in General Government to Public Safety, Public Works, Conservation and Development, and Community Services.
- B.** To see if the Town will raise and appropriate \$21,711 from FY14 Estimated Revenue to amend the budget voted in Article 16 of the 2013 Annual Town Meeting (FY 2014 Operating Budget) to increase the appropriation for the Community Services budget by \$17,847 and the General Government budget by \$3,864 to fund the salary, expenses and benefits of a part-time public health nurse.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

Part A of this article will transfer funds from the salary reserve set aside in the General Government section of the budget that was adopted at the Annual Town Meeting to other municipal functional areas (Public Safety, Public Works, Community Services, and Conservation and Development), if the employees in departments in those sections of government have completed collective bargaining and entered into new contracts. At the time of the Annual Town Meeting, none of the collective bargaining was complete and therefore a salary reserve was set aside in the General Government section of the budget to pay for any increases that would result from negotiations. The Town has new contracts with the Police Patrol Officer and SEIU bargaining units. Those two unions have settled and ratified their collective bargaining contracts with the Town for FY14-FY16. If any of the other bargaining units settle and ratify their contracts before this Town Meeting, those costs will be included in the motion. Sufficient funds have been set aside in the salary reserve to cover the costs of these settlements.

Part B of this article will adjust the Health Department budget to provide for a part-time public health nurse. It is necessary because of a change in how the Town shares services with the City of Northampton. For several years, the Town has shared a sanitary inspector with Northampton. The inspector is an employee of the Town of Amherst, and Northampton reimbursed us for half his salary and benefits. Beginning in FY14, the Town and the City expanded this arrangement when Northampton hired a public health nurse. After that change, each community supported the full salary and benefit cost of its employee, and the two employees spent half their time working in Amherst and half in Northampton.

Recently Northampton proposed to change this arrangement so that it will employ a nurse who is working 60% of full-time. Amherst will continue to employ a nurse as a half-time position. The Health Directors in each community propose to return to the old system under which Northampton will reimburse the Town for half the inspector's salary and benefits. Each community will hire its own part-time public health nurse. The effect of this change is to return the Health Department budget to its pre FY14 status. Because Northampton will reimburse the Town for its share of the inspector's salary and benefits, that reimbursement will be additional revenue for the Town. That revenue needs to be allocated to the Community Services budget so that there will be funds to pay the health inspector and the part-time nurse.

**ARTICLE 5. Free Cash
(Finance Committee)**

- A.** To see if the Town will appropriate and transfer \$156,118 from Free Cash in the Undesignated Fund Balance of the General Fund to the following accounts: \$114,090 to the OPEB Trust Fund of the Town of Amherst; \$6,450 to the Town of Pelham; and \$35,578 to the Amherst-Pelham Regional School District 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.

- B.** To see if the Town will appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance to the Stabilization Fund.

RECOMMENDED by a Finance Committee vote of 6-0, 1 absent.

Part A of this article is identical to Part C of Article 12 at the Annual Town Meeting, except that it applies to a different year. The Town provides a drug benefit to our retirees. A provision of Medicare Part D provides for a partial reimbursement of employers' health insurance costs for this drug benefit by the

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federal government, in order to encourage employers to provide this benefit. We have received these reimbursements for the past five years. This is unbudgeted revenue to the Town and becomes part of our Free Cash each year. The subsidy results from benefits to the retirees who receive their health insurance through participation in the Town’s Health Care Trust, our self-insuring health care plan. Those retirees once worked for the participants in the trust: the Town of Amherst, the Town of Pelham, and the Amherst-Pelham Regional School District. This article transfers Amherst’s share of the subsidy directly to the Amherst Other Post-Employment Benefits (OPEB) Trust Fund and transfers the respective shares to the Town of Pelham and the Regional School District.

Part B of this article is similar to Article 4 at last year’s fall Special Town Meeting. The Town’s Financial Management Policies & Objectives state that reserves should be from 5% to 15% of General Fund operating revenue, as a cushion against a financial downturn. The policy on reserves also states that if Free Cash exceeds 5% of operating revenue, the excess may be appropriated to the Stabilization Fund. The Comptroller has filed a Free Cash report with the State Department of Revenue for the fiscal year ending June 30, 2013, and the State has certified our Free Cash at \$4,738,538. Five percent of the FY14 operating revenue equals \$3,412,315. The intent of this article is to appropriate the portion of that Free Cash certification that is in excess of 5% of the FY14 operating revenue to the Stabilization Fund. The Stabilization Fund is more fully within the control of the Town and it has a wider range of options on how it can be invested, so there is usually somewhat more revenue generated by these funds. The Stabilization Fund is fully available to future Town Meetings if there is a need to use the funds. A two-thirds majority is required to transfer money into and out of the Stabilization Fund.

**ARTICLE 6. Capital Program – Debt Repurpose
(Finance Committee)**

To see if the Town will appropriate the following unexpended amounts of money that were initially borrowed to finance capital projects that are now complete, and for which no further liability remains, to pay a portion of the costs of replacement of the boiler at the Wildwood School authorized by Article 21 of the Annual Town Meeting May 15, 2013 and to reduce by a like amount the portion of the Wildwood School boiler project funding to be raised by taxation, as permitted by Chapter 44, Section 20 of the General Laws:

<u>Original</u>	<u>Borrowed</u>	<u>Unexpended</u>	<u>Repurpose</u>
Town Hall Exterior Repairs	\$505,000	\$17,878.98	Wildwood School boiler

Voted: ATM Article 8(C), June 18, 2007 and STM Articles 8(B) and 8(C), Nov. 7, 2007

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

In 2007 Town Meeting authorized borrowing \$505,000 for exterior repairs to Town Hall. The Town sold bonds to finance the work. With the work finished, \$17,878.98 remains unspent. The Town can use that leftover money only for another bondable project, such as the Wildwood School boiler repairs Town Meeting approved last spring. This article would authorize using the remaining Town Hall money for the boiler project, so we will not have to borrow as much for that purpose.

**ARTICLE 7. Capital Program - Equipment
(Joint Capital Planning Committee)**

- A. To see if the Town will raise and appropriate \$12,000 to pay for the purchase of a lawnmower for the School Department.
- B. To see if the Town will raise and appropriate \$31,700 from the Ambulance Fund for the purchase of a monitoring device for the Fire Department.
- C. To see if the Town will repurpose \$55,167 of funds originally appropriated under Article 19 of the 2013 Annual Town Meeting for the purchase of CPR assist devices and instead use such sum for the purchase of hydraulically assisted stretchers for the Fire Department ambulances.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

- A. Part A of Article 7 appropriates \$12,000 to buy a large mower for use on elementary school grounds. The Joint Capital Planning Committee was prepared last spring to recommend this but left it off the list presented to Annual Town Meeting because of uncertainty about the amount of state aid the Town would get. As it turned out, we got enough state aid to make this purchase.
- B. The Town has five ambulances. UMass pays the Town to provide additional ambulance coverage during weekends in fall and spring. To do that, the Amherst Fire Department has equipped a fire truck with the same advanced life support equipment that ambulances have. This \$31,700 appropriation would buy a cardiac monitor/defibrillator for use on that fire truck. We have been borrowing one from the Northampton Fire Department, an arrangement that cannot continue. The money would come from the Ambulance Fund.
- C. Last spring's Town Meeting appropriated \$70,000 from the Ambulance Fund for CPR assist devices for each ambulance. The Fire Department subsequently received a grant for most of that, with part of the appropriation used as a match. The Fire Department wants to use what is left over, \$55,167, to buy hydraulically assisted stretchers for the ambulances. Lifting patients with these power stretchers would be easier on firefighters' backs and would reduce the chance of injury.

**ARTICLE 8. Capital Program – Acceptance of State Grants
(Finance Committee)**

- A. To see if the Town will vote to: (1) authorize the Select Board and/or Conservation Commission to renovate, repair, rehabilitate, improve, and/or restore all or a portion of the land, structures and facilities on the parcels of land on State Street and Mill Street, identified on Assessors Map 2D as Parcel 8 and Assessors Map 5B as Parcels 16, 113, 129, 130, which land shall remain under the care, custody, management and control of the Conservation Commission under the provisions of G.L. c. 40, §8C; (2) to appropriate and transfer \$36,000, of which \$15,000 shall be transferred from previously appropriated funds, \$3,000 from donations, and any remaining balance shall be borrowed in accordance with G.L. c. 44, §§7, 8C and/or any other enabling authority, and to authorize the Treasurer, with the approval of the Select Board, to issue any bonds or notes that may be necessary for that purpose pursuant to G.L. c. 44, and/or any other enabling authority, for the purpose of renovating, repairing, rehabilitating, improving, and/or restoring said land and the structures and facilities thereon; and (3) to authorize the Select Board, the Town Manager, and/or the Conservation Commission, to file on behalf of the Town any and all applications and /or reimbursements from the Commonwealth of Massachusetts deemed necessary under

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the Land and Water Conservation Fund Act (P.L. 88-578, 78 Stat 897) and/or any other applications for funds, gifts, grants, under any federal and/or other state program, in any way connected with the scope of this article, and to enter into all agreements and execute any and all instruments as may be necessary or appropriate to effectuate such article.

B. To see if the Town will vote to: (1) transfer the care, custody, and control of the parcel of land located at 95 Montague Road, which contains 1.0 acres, more or less, and is described in a deed recorded with the Hampshire Registry of Deeds in Book 1592, Page 158, from the board or officer having custody thereof for the purposes for which it is currently held to the Town Manager for recreational purposes under the provisions of G.L. c. 45, § 14, as it may be amended, and other Massachusetts statutes related to recreation, to be managed and controlled by the Leisure Services and Supplemental Education (LSSE) Commission; (2) to appropriate and transfer \$200,000, of which \$60,000 shall be transferred from the Community Preservation Act Fund and the remaining balance shall be borrowed in accordance with G.L. c. 44, §§7, 8C and/or any other enabling authority, and to authorize the Treasurer, with the approval of the Select Board, to issue any bonds or notes that may be necessary for that purpose pursuant to G.L. c. 44, and/or any other enabling authority for the purpose of repairing, rehabilitating, improving, and/or restoring said land and the structures and facilities thereon, including, without limitation, the water line, sidewalks, public restrooms, fencing, pool, and the pool building; and (3) to authorize the Town Manager and/or the LSSE Commission to file on behalf of the Town any and all applications for grants and/or reimbursements from the Commonwealth of Massachusetts under the Urban Self-Help Act (PARC Act) (301 CMR 5.00) and/or others in any way connected with the scope of this article, and to enter into all agreements and execute any and all instruments including the conveyance of a perpetual restriction in accordance with M.G.L. Chapter 184 as required by Section 12(a) of Chapter 44B or Chapter 293 Section 10 of the Acts of 1998 as amended, as may be necessary on behalf of the Town to affect the foregoing. Said restriction may be granted to any organization qualified and willing to hold such a restriction.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

- A. Part A of Article 8 is about Puffer's Pond. Last spring, Town Meeting appropriated \$15,000 to replace a damaged fence guarding the cliffs and dam there. The Conservation Department wants to combine that with \$3,000 in private donations to use as a match for an \$18,000 state grant. If we get the grant, there will be \$36,000 to fix the fence and do additional work around the pond. As with many state grants, the Town must first appropriate the whole amount and then get reimbursed by the state. We will know whether we are going to get the grant before any borrowing takes place.
- B. Part B of Article 8 concerns the Mill River Recreation Area. Last spring, Town Meeting appropriated \$60,000 in Community Preservation Act funds to purchase shade structures and lifeguard chairs for Mill River Pool. The Town has applied for a state Parklands Acquisitions and Renovations for Communities (PARC) grant of \$140,000, using the \$60,000 as the local match, to do additional work at the recreation area. As with Part A, the Town must appropriate the full amount and authorize borrowing, then be reimbursed by the state once the work is done. No money would be borrowed until we know we will get the grant.

The Town received a PARC grant in FY12 for renovating War Memorial Pool. Language in this article about transferring custody of the land to the Town Manager for recreational purposes is identical to that used in the 2011 Town Meeting article for War Memorial Pool. It is required by the state to ensure that, if we get the grant, the property will continue to be used for recreational purposes.

**ARTICLE 9. Special Act – Abatement of Taxes
(Select Board)**

To see if the Town will vote to authorize the Select Board to petition the General Court for special legislation, as set forth below, to authorize the Board of Assessors to accept an abatement application from the Amherst Committee for a Better Chance, Inc., (“ABC House”); provided, however, that the General Court may make clerical or editorial changes of form only to the bill, unless the Select Board approves amendments to the bill before enactment by the General Court; and provided further that the Select Board is hereby authorized to approve amendments which shall be within the scope of the general public objectives of this petition; or take any other action relative thereto.

AN ACT authorizing the late filing of a tax abatement application for the Amherst Committee for a Better Chance, Inc.

Section 1. Notwithstanding any general or special law to the contrary, the board of assessors of the Town of Amherst shall accept an application for abatement of property tax on behalf of the Amherst Committee for a Better Chance, Inc. for the tax year 2013. This application shall be considered timely if filed with the assessors within 90 days after the effective date of this act.

Section 2. This act shall take effect upon its passage.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This Article would authorize the Select Board to petition the Legislature for special legislation allowing a local nonprofit, Amherst Committee for A Better Chance Inc. (the “ABC House”) to apply for a tax abatement for tax year 2013, even though it is past the deadline to file for an abatement. The ABC House owns property at 74 North Prospect St. that is core to its mission. Since 1970, it has provided a supervised home for academically talented and highly motivated African American, Latino, Asian, and Native American students from educationally underserved school districts who attend Amherst Regional High School. The organization is nonprofit and exempt from paying taxes, including property tax on the ABC House. All nonprofits that own real property file an annual form stating that they continue to qualify for the exemption from property tax. The ABC House has done so every year, except in 2013. Due to changes in Board membership, the initial notice, a second notice, and the opportunity to ask for an abatement after a tax bill was mailed were overlooked. The amount of taxes billed is approximately \$17,000. The Legislature has enacted similar special legislation for other organizations upon request. If Amherst files this legislation and it is approved, the ABC House will seek an abatement and avoid using \$17,000 that is otherwise needed to support the students and meet the core mission.

If a timely abatement had been filed, no tax would have been charged. There is a financial impact. Because taxes were already levied to other taxpayers and paid, this abatement would be paid from the overlay reserve for 2013. That reserve, 1% of the tax levy, is set aside each year. The amounts left in the reserve not paid in abatements are ultimately transferred to Free Cash and available to support future town needs. A successful abatement will reduce the eventual overlay surplus and the amount transferred. However, if ABC had filed for an abatement before the deadline, the result would have been the same. This was an inadvertent one-time oversight. The Town can and should assist the ABC House and the students it assists by supporting this one-time request.

**ARTICLE 10. Watershed Land Acquisition - Amherst
(Select Board)**

To see if the Town will (1) authorize the Select Board, in its capacity as the Board of Water Commissioners, to acquire by purchase, gift, or eminent domain, for water supply protection purposes, all or any portion of two parcels of land in the Town of Amherst, being identified as Parcels 39 and 21 on Amherst Assessors' Map 3D, which portions shall contain twelve acres, more or less, (2) appropriate \$360,750 for acquisition of such land and costs related thereto, and, to meet such appropriation, transfer \$360,750 from the Water Fund Surplus; and (3) authorize the Select Board, the Town Manager, and/or such other boards as they deem appropriate, to file on behalf of the Town all applications under the Massachusetts Department of Environmental Protection Drinking Water Supply Protection Grant Program and/or other applications for funds, gifts, grants, including grants of reimbursement under any federal and/or other state program, in any way connected with the scope of this acquisition, and to enter into all agreements and execute any and all instruments to effectuate the foregoing acquisition, provided that the Select Board is authorized to acquire these parcels only if, prior to acquisition, the Town has received a commitment for award of a Drinking Water Supply Protection Grant or other federal and/or state program, to defray at least fifty percent (50%) of the amount appropriated under this article, which may be defrayed by reimbursement to the Town following acquisition, or take any action relative thereto.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This article would appropriate \$360,750 from the Water Fund to purchase three parcels of developable land, totaling 12 acres, within the watershed of Atkins Reservoir. This would help establish a buffer around a critical water resource that supplies about a third of Amherst's drinking water. The Town has applied for a state Drinking Water Supply Protection Grant that would reimburse the Town for at least half of the price. The purchase is contingent on award of the grant.

**ARTICLE 11. Community Preservation Act
(Community Preservation Act Committee)**

To see if the Town will vote to: (a) authorize the Select Board to acquire by gift, purchase, and/or eminent domain, for open space purposes, all or a portion of two (2) parcels of land located off Belchertown Road, shown on Assessors Map 15C as Parcels 22 and 54 containing approximately 19.70 acres, and described in a deed recorded with the Hampshire County Registry of Deeds in Book 9423, Page 318, which land shall be under the care, custody, management and control of the Conservation Commission under the provisions of G.L. c. 40, §8C; (b) appropriate the sum of \$150,950 for the acquisition of said land and costs related thereto, of which \$41,785 shall be transferred from the Community Preservation Act Fund Balance and the remaining \$109,165 shall be borrowed in accordance with G.L. c. 44B, §11, and to authorize the Treasurer, with the approval of the Select Board, to issue any bonds or notes that may be necessary for that purpose pursuant to G.L. 44B, §11, G.L. c. 44, and/or any other enabling authority; (c) authorize the Select Board, the Town Manager, and/or the Conservation Commission, as they deem appropriate, to file on behalf of the Town any and all applications under the LAND Program (G.L. c. 132A, §11) and/or any other applications for funds, gifts, grants, under any federal and/or other state program, in any way connected with the scope of this acquisition, and to enter into all agreements and execute any and all instruments as may be necessary or appropriate to effectuate the foregoing acquisition; and, further, (d) authorize the Select Board and/or the Conservation Commission to convey a restriction on said land in accordance with G.L. c. 184, as required by G.L. c. 44B, §12(a).

RECOMMENDED by Finance Committee vote of 6-0, 1 absent, as an appropriate expenditure of Community Preservation Act funds.

This article would appropriate \$150,950 to acquire as conservation land about 19.7 acres off Belchertown Road. Of that amount, \$41,785 would come from Community Preservation Act funds; the remainder would be borrowed, pending reimbursement from a state grant that has been applied for. This land has been a high priority of the Conservation Commission for some time. (The seller is a former member of the Finance Committee but had resigned before this proposed purchase came to our attention.)

**ARTICLE 12. Acquisition of Easements – Pomeroy Lane and West Street Intersection
(Select Board)**

To see if the Town will authorize the Select Board to acquire, by gift, purchase and/or eminent domain, for public way purposes, temporary and permanent, for the construction of roadways and safety improvements at the Pomeroy Lane and West Street Intersection, and for all uses and purposes incidental thereto, which easements are shown on a plan entitled “Pomeroy Village Center Improvements” prepared by the Town, dated September 2013, which is on file in the office of the Town Clerk.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

The Town has applied for a \$2.4 million state grant to improve the Pomeroy Lane and West Street intersection (Pomeroy Village Center). Preliminary plans include: widening the intersection, adding turn lanes and bike shoulders, enhanced crosswalks, pavement improvements, and splitter islands to calm traffic. Small easements will be necessary for these improvements. In order for the project to begin in the next construction cycle, the Town would like to have these easements in place. This article authorizes the Town to acquire these easements, which are usually obtained at little or no cost.

**ARTICLE 13. Zoning Amendment - Medical Marijuana Uses
(Planning Board)**

RECOMMENDED by Finance Committee 4-0, 2 abstaining, 1 absent.

A majority of the committee recommends this article because of a possible positive financial impact by the use of property that is or could be built, and the encouragement of activity in appropriately zoned areas that may lead to rental or development of other property. These operations could encourage employment and activity and have a beneficial effect on neighboring businesses, present and future. State regulations limit the medical marijuana dispensaries and treatment centers to nonprofit organizations. If a nonprofit owns the property housing a medical marijuana dispensary and treatment center, it is likely that no property tax would be collected. If such facilities are in rented space, there might be a direct property tax benefit. Two members of the committee concluded that the financial benefit to the Town is too speculative and uncertain to warrant a recommendation on financial grounds, and therefore they abstained.

**ARTICLE 14. Zoning Amendment - Affordable Duplexes
(Planning Board)**

NO RECOMMENDATION.

The Finance Committee recognizes that encouraging affordable housing development options is a significant issue for the Town. However, the Committee felt that the proposed zoning changes relative to duplexes would result in no significant financial impact and, therefore, took no position on this article.

**ARTICLE 15. Zoning Amendment - Fraternity Residence (R-F) Dimensions
(Planning Board)**

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

Although this article revisits a section of the Zoning Bylaw amended at the 2013 Annual Town Meeting, the changes proposed preserve the intention of the changes made last spring. The two areas of Town currently zoned R-F will accommodate the changes proposed and a project currently under way will be made compliant with the Zoning Bylaw. As allowed by last spring's amendment, the Planning Board granted variances for the current project. This change would make the new structure compliant, so that routine updates or renovations that do not alter its dimensions will not require the extensive Planning Board approval process. This amendment would also allow somewhat larger buildings in other parts of the R-F zone, which could produce more revenue from property taxes.

**ARTICLE 16. Zoning Amendment – Permit Granting Bodies and Signs
(Planning Board)**

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This change to the Zoning Bylaw more specifically identifies which governing body is allowed to grant the waivers described. This provides greater clarity as to which board is responsible for a given waiver as well as providing greater efficiency in the administration of the waiver process.

**ARTICLE 17. Zoning Amendment – Dimensional Interpretation
(Planning Board)**

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This article addresses problems of interpretation of this section of the Zoning Bylaw identified by the Building Inspector. The Finance Committee recommends this article because these changes are designed to clarify the bylaw, to make its administration easier and more efficient, and to decrease the risk of litigation.

**ARTICLE 18. Zoning Amendment – Uses Allowed in Mixed-Use Buildings
(Planning Board)**

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This article clarifies the language pertaining to mixed-use buildings, explicitly describing the kinds of uses that are allowed. This change will provide clear guidance for applicants and for enforcement as well. The clarity of language will also forestall confusion that might lead to costly litigation.

**ARTICLE 19. Petition – Zoning Amendment – Uses Allowed in Mixed-Use Buildings
(Melissa Perot et al)**

NOT RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

The language used in this article creates confusion regarding mixed use buildings and contradicts Article 18. Moreover, this article intends to restrict the types of commercial activity allowable in mixed use buildings, a restriction that the Committee feels is not in the financial interest of the Town. Furthermore, the lack of precision in language could create confusion that may lead to litigation that is costly for the Town.

**ARTICLE 20. Petition – Resolution - Divestment of Funds from Fossil Fuel Companies
(Alice Swift et al)**

RECOMMENDATION DEFFERRED UNTIL TOWN MEETING.