



# **FINANCE COMMITTEE REPORT AND RECOMMENDATIONS FOR THE NOVEMBER 02, 2015 SPECIAL TOWN MEETING**

## Fiscal Year 2015

The report on the FY15 municipal budget to the Finance Committee and Select Board from the Finance Director and Comptroller, dated August 24, 2015, is included in this mailing. It shows actual performance compared to revenue and expense budgets. This is unaudited and subject to modification. General Fund revenue exceeded the budget by \$877,812 and expenses were \$237,896 less than budgeted, through June 30. The net operating surplus was \$1,115,708. 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 and approximately \$1.6 million in Free Cash expenditures made by Town Meeting.

The difference between the expected and actual outcome is about 1.6% of the total Town budget, essentially the same as in previous years, though a little less than last year. Budgets are projections made before a year begins and are the financial and operation plans for that year. A variance of less than 3% and in the right direction shows that the budget process works well and that our staff does an excellent job managing budgets and collecting revenue.

After several lean years of fiscal restraint and reductions in services, reserves have finally built up to a level not seen since the early years of this century, providing a needed cushion for future downturns in the economy. The Department of Revenue has certified Free Cash at \$4,322,441 as of July 1, 2015. That plus our Stabilization Fund (\$5,603,245) comprise our reserves of \$9,925,686 million. The Finance Committee will move to transfer some of the Free Cash to a Stabilization Fund when Article 4 is considered at the Special Town Meeting.

## Fiscal Year 2016

The FY16 budget adopted by Town Meeting last spring was essentially a "level services" budget. Total state aid is estimated to be \$14,656,286, an increase of \$347,436, or 2.4%, above FY15 aid. This is our second largest revenue source, representing about 20% of our total operating budget, and we do not expect significant state aid increases in future years. The largest source, property tax revenue, is estimated to be \$46,686,579, or 65% of the budget. Under Proposition 2½, the property tax levy can grow no more than 2½% a year, plus property taxes on any newly constructed property.

## Projections for Fiscal Year 17 and After

Each year at the beginning of November, the Finance Committee issues preliminary guidelines to the Town Manager, Superintendent, and Library Director to provide guidance about funds expected to be available for the next fiscal year. This is intended to help the chief executives of the three principal components of the Town to develop a draft budget that the Town can afford. The Finance Committee had not completed the preliminary budget guidelines in time for this mailing, but they should be available at Town Meeting.

Based upon initial projections, it is likely that the Finance Committee will ask the interim Town Manager, Superintendent, and Library Director to develop budgets that assume an increase of approximately 2.5% in the General Fund appropriation. If other revenues from grants, donations, fees, and endowment are unchanged, this should provide just enough funds to assure stability of programs and services, though it will be a challenge. Adding any significant new program or service to the operating budgets, including programs previously funded from grants and other resources, will require the reduction or elimination of other programs and services. We have been able to budget with no increase in health insurance costs for several years; once again, we will assume no increase for FY17. As of this writing, other FY17 labor costs are uncertain, since all current collective bargaining contracts with employee unions expire June 30, 2016.

The increase in the largest revenue source for the Town, property tax, is limited to 2.5% a year, plus taxation from new growth. However, it is a predictable amount. The second largest source of revenue is state aid. State aid is less predictable but has been stable for the past three years and is unlikely to change significantly in FY17. We project an increase of just 2.1%.

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 Governor's budget is not expected until January 2016. The consensus estimate for FY17 has not been announced. That estimate will consider revenue history and economic trends that may affect income and sales taxes.

The Town has been able to rebuild reserves without allocating funds in the annual budget for that purpose. This has happened because of prudent budgeting and sound management, leading to modest operating surpluses that are less than 2.5% of budget. Our reserves are within the range established by the Town's Financial Policies. While the Town is now in the upper section of the target range for its reserves, the Finance Committee continues to urge caution in the use of these funds to support recurring expenses. Reserves might be needed to provide stability for essential town services if there is a precipitous decline in revenue, such as happened with state aid after the 2008 recession began. There may also be important one-time funding needs 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. Reserves could also provide partial financing for one or more of the four large capital building projects anticipated in the near future: a new fire station, relocation of the Department of Public Works headquarters, renovations and/or additions to the Jones Library, and major changes to the elementary schools.

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 3, 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 is to present budgets that provide for stability of programs and services in FY17. It is unreasonable to project large increases in state aid in FY18 and 19, or to depend on future property tax overrides to fund operating budgets.

Fiscal Year 2017 Budget Process

The Finance Committee will issue preliminary guidelines for the development of budgets at the beginning of November. The interim Town Manager, Superintendent, and Library Director will develop initial budgets by January. The Committee will review these budgets and hold 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 municipal budget page at <http://www.amherstma.gov/Budget>. The Jones Library budget page is <http://www.joneslibrary.org/budget/index.html>; and information on the elementary and Amherst-Pelham Regional budgets is available at [http://www.arps.org/administration/budget\\_information](http://www.arps.org/administration/budget_information). The Town web site also has sections for the Finance Committee, the Budget Coordinating Group, and the Joint Capital Planning Committee. 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. Agendas, 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](mailto:fincom@amherstma.gov).

Finance Committee Members:

Stephen Braun	413-559-7992
Bernard Kubiak	413-259-1285
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Timothy Neale	413-345-1671
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Anurag Sharma	413-549-1542
Marylou Theilman, Vice Chair	413-253-7980

**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.

**NO RECOMMENDATION.**

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**ARTICLE 2. 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.

**RECOMMENDED by Finance Committee vote of 7-0.**

This is an article at every Town Meeting that allows the Town to pay unpaid bills, if any, from a prior fiscal year for which funds were not already encumbered. As of this writing, 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.

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**ARTICLE 3. Free Cash – Other Post-Employment Benefits (OPEB)  
(Finance Committee)**

To see if the Town will appropriate and transfer a \$185,973 from Free Cash in the Undesignated Fund Balance of the General Fund to the following accounts: \$96,345 to the Other Post-Employment Benefits (OPEB) Trust Fund of the Town of Amherst; \$7,079 to the Town of Pelham; and \$82,549 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.

**RECOMMENDED by Finance Committee vote of 7-0.**

This article is similar to one at last fall's Town Meeting. The Health Claims Trust Fund provides health insurance to employees and retirees of the Town of Amherst, the Town of Pelham, and the Amherst-Pelham Regional School District. Retirees receive a drug benefit that meets Medicare Part D requirements. As an incentive to employers to provide this benefit, the federal government has given Amherst, the administrator of the Trust Fund, partial reimbursement as it has for the past seven years. The total amount of the reimbursement, \$185,973, becomes part of the Free Cash of Amherst, since it has not been included in the budget. Some of this amount really belongs to the Town of Pelham and to the Regional School District since retirees from those entities have helped generate the subsidy by participating in the Health Claims Trust Fund.

This article divides the total reimbursement into three parts. Amherst's share (\$96,345) will be transferred into Amherst's Other Post Employment Benefits (OPEB) Trust Fund, which is essentially a savings account to pay future health care benefits for Town of Amherst employees. The other two parts will be transferred to the other participating entities, the Town of Pelham (\$7,079) and the Regional School District (\$82,549).

**ARTICLE 4. Free Cash – Stabilization Funds  
(Finance Committee)**

- A. To see if the Town will create a Capital Stabilization Fund and further vote to appropriate and transfer \$650,702 from Free Cash in the Undesignated Fund Balance to the Capital Stabilization Fund.
- B. To see if the Town will appropriate and transfer \$650,702 from Free Cash in the Undesignated Fund Balance to the Stabilization Fund.

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. As of July 1, 2015, total reserves (Free Cash plus Stabilization) stood at \$9,925,686, or 13.8% of General Fund operating revenue. The policy on reserves also states that if Free Cash exceeds 5% of operating revenue, the excess may be appropriated to a Stabilization Fund. The State has certified our Free Cash for the fiscal year ending June 30, 2015, at \$4,322,441. Either part of this Article would transfer excess Free Cash of \$650,702 into a Stabilization Fund, increasing the total in such funds to \$6,253,947. This is the same thing Town Meeting has approved for the past several years, essentially moving part of our savings from one account to another where it can earn a little more interest. A two-thirds majority is required to transfer money into and out of a Stabilization Fund. Total reserves stay the same, no matter what action is taken under this Article.

**A. RECOMMENDED by Finance Committee vote of 6-0, 1 abstaining**

First, Part A would create new Capital Stabilization Fund, a sort of savings account from which Town Meeting can appropriate money only for capital expenses. Then it would authorize the transfer of \$650,702 from Free Cash to the new Fund, as explained above. In addition to regular capital expenditures such as new trucks, building repairs, and road resurfacing, several proposed large building projects are being studied – remodeling or new construction of one or more elementary schools and the Jones Library, a new headquarters for the Department of Public Works, and a new fire station. It makes sense to begin setting aside money in a fund specifically earmarked for capital projects. One Finance Committee member abstained from the vote to recommend this because he felt ambivalent about creating a second Stabilization Fund.

**B. RECOMMENDED by Finance Committee vote of 7-0, if A is not approved**

If Town Meeting approves Part A, the committee will move to dismiss Part B. If Part A fails, we will propose transferring \$650,702 from Free Cash to the existing Stabilization Fund, for the reasons stated above. Except for the amount, this is identical to action Town Meeting has taken in the previous three years.

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**ARTICLE 5. Bylaw Amendment – Electronic Voting  
(Town Meeting Electronic Voting Committee)**

To see if the Town will amend the General Bylaws, Article I, Section 8 by deleting the ~~lined out~~ language and adding the language in **bold**.

8. VOICE VOTES, **ELECTRONIC 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 voted is doubted by the moderator or questioned by a member. or if the Moderator is in doubt, the procedure in either 8.a. or 8.b. shall be followed.~~

**8.a. Procedure if Electronic Voting is available: The vote shall be taken by an Electronic Count unless, 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 an Electronic Tally and 14 members manifest their concurrence with that member, in which case an Electronic Tally shall be taken. For an Electronic Tally, the Clerk will record the name and vote of each member, along with the total received ayes and noes and abstentions. For an Electronic Count, the Clerk will record only the total received ayes and noes and abstentions. In either case, the electronic vote shall be determinative of the question. Each member shall cast his/her own vote only.**

**8.b. Procedure if Electronic Voting is not available: The vote shall be taken by a counted standing vote unless, ~~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, **in which case** 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.**

**RECOMMENDED by Finance Committee vote of 7-0.**

Articles 5 and 6 are the result of recommendations by a Town Meeting Electronic Voting Study Committee (TMEVSC) appointed by the Moderator in January 2015. Article 5 seeks to amend the General Bylaws to add language allowing for the use of electronic voting systems in Town Meeting. The proposed changes would not abolish any of the existing procedures for voting, but would provide for a more rapid, accurate, and tamper-resistant means of voting when the Moderator is unsure of a voice vote or when the requisite number of Town Meeting members requests a standing or tally vote. This seems very likely to reduce the burden of time-consuming votes in Town Meeting, which may, in turn, encourage more people to participate in our town's form of government. Using an electronic voting system would also save staff time that is currently required for recording, and subsequently publishing, tallied votes.

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**ARTICLE 6. Capital Program - Equipment**

**(Joint Capital Planning Committee)**

1. To see if the Town will appropriate \$26,000 to pay for the purchase of an electronic voting system for Town Meeting.

**RECOMMENDED by Finance Committee vote of 7-0.**

Contingent upon approval of Article 5, this Article would appropriate \$26,000 for the purchase of an as-yet-undecided electronic voting system. This expenditure is also recommended by the Joint Capital Planning Committee (JCPC). The TMEVSC explored a number of options, including renting or leasing electronic voting equipment and determined that purchasing is the most cost-effective way to obtain this equipment.

**ARTICLE 7. Capital Program - Bond Authorization for Public Ways  
(Joint Capital Planning Committee)**

To see if the Town will appropriate \$200,000 to pay costs of repairing the Amity Street parking lot and sidewalks and accessibility ramps and for the payment of all costs incidental and related thereto, and to determine whether this amount shall be raised by borrowing in accordance with Chapter 44, Section 7 of the General Laws or pursuant to any other enabling authority.

**RECOMMENDED by Finance Committee vote of 7-0.**

This article would authorize borrowing \$200,000, to be repaid by money in the Transportation Enterprise Fund, to pay for much-needed improvements and repaving of the Amity Street parking lot (across Amity Street from the Jones Library). This is a very heavily used parking lot in serious need of repair. Repairs would also be made to the ramp across the street leading to the Library's sidewalk. This expenditure is a wise investment in the Town's infrastructure. Borrowing, with repayment from the Transportation Fund, is an appropriate way to finance the work.

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**ARTICLE 8. Capital Program – Bond Authorization Amendment  
(Joint Capital Planning Committee)**

To see if the Town will vote to amend the vote taken under Article 16(A) of the 2014 Annual Town Meeting, by adding the language in italics and therefore fulfill its purpose, to read as follows: To see if the Town will appropriate \$700,000 for making the following repairs and improvements to the East St. School – *roof repair, asbestos monitoring, window painting and caulking, and design services* – and to meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to MGL Chapter 44, Section 7 or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.

**RECOMMENDED by Finance Committee vote of 7-0.**

The 2014 Annual Town Meeting authorized borrowing \$700,000 to repair the East Street School, as well as to bring it into compliance with requirements of the Americans with Disabilities Act (ADA) so that it could be used as the headquarters of the Town's Leisure Services and Supplementary Education Department (LSSE). Repairs to keep the building from deteriorating have been made, at a cost of approximately \$135,000. However, the amount borrowed was not enough to cover the additional cost of making ADA improvements, when the bids for that work were opened. A new site for LSSE at Amherst Regional Middle School has been identified. The Town has already borrowed the full \$700,000, which under the terms of the bond issue can be used only for qualifying capital projects. This article amends Town Meeting's 2014 vote to specify the scope of the work to be done (in italics) to East Street School, so that when the specified work is completed, the remaining amount is available for other projects.

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**ARTICLE 9. Capital Program – Debt Repurpose  
(Finance Committee)**

To see if the Town will (i) appropriate \$150,000 to pay costs of creating office space and purchasing related equipment for the Leisure Services and Supplemental Education Department offices at the Amherst Regional Middle School building; (ii) authorize the transfer of unexpended proceeds from amounts previously borrowed to pay costs of various capital projects, which projects are now complete,

and for which such funds are no longer needed, to pay costs of one or more capital projects; or (iii) take any other action relative thereto.

**RECOMMENDED by Finance Committee vote of 7-0.**

Completing the process started in Article 8, Article 9 would authorize spending \$150,000 of the unused East Street School appropriation for furniture, modular office units, and other improvements to prepare the Amherst Regional Middle School space for Leisure Services and Supplementary Education offices. The remaining \$415,000 from the \$700,000 bond will be repurposed for other capital projects at the 2016 Annual Town Meeting. Legally, this borrowed amount should be used within two years.

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**ARTICLE 10. Community Preservation Act  
(Community Preservation Act Committee)**

**A. RECREATION and HISTORIC PRESERVATION – North Common**

To see if the Town will vote to: (1) transfer the care and custody of a portion of the North Common, bordered by Boltwood Avenue, Spring Street, South Pleasant Street, and the Main Street parking lot and shown as “North Common” on a plan of file with the Town Clerk, to the Leisure Services and Supplemental Education (LSSE) Commission and Historical Commission for recreational purposes under the provisions of G.L. c. 45, §3 and historical preservation purposes under G.L. c. 40, §8D, as the same may be amended, and other Massachusetts statutes related to recreation and historical preservation; (2) appropriate the sum of \$590,148 for the cost of rehabilitating and preserving the North Common, of which \$190,148 shall be transferred from the Community Preservation Act Fund Balance; (3) authorize the Town Manager, the Historical Commission, and/or the LSSE Commission or their designee, to apply for and accept on behalf of the Town funds granted under the PARC Grant Program (301 CMR 5.00) and/or any other funds, gifts, grants, under any federal and/or other state program in any way connected with the scope of this article, and enter into all agreements and execute any and all instruments as may be necessary or convenient to effectuate the foregoing project.

**B. RECREATION – Crocker Farm Pre-School Playground**

To see if the Town will appropriate a sum of \$240,000 for Community Preservation Act Purposes, recommended by the Community Preservation Act Committee, for the rehabilitation of the Crocker Farm Pre-School Playground, appropriated from Community Preservation Act Funds, and to authorize the Town to accept or convey property interests where applicable, as required under M.G.L. Chapter 44B, Section 12.

The Community Preservation Act Committee (CPAC) chooses which projects to recommend for each of four approved CPA uses: open space, historical preservation, affordable housing, and recreation. Town Meeting can appropriate CPA funds only for projects recommended by CPAC. Town Meeting may decrease or reject the amount recommended by CPAC, but cannot appropriate a higher amount.

**A. RECOMMENDED by the Finance Committee vote of 7-0.**

Clause (1) to transfer the care and custody of a portion of the North Common in Amherst's downtown to the Leisure Services and Supplemental Education (LSSE) Commission and Historical Commission allows the Town to apply for funding under the Parkland Acquisition and Renovation for Communities (PARC) grant program and is similar to other transfers made by Town Meeting in the past.



Clause (2) refers to the total amount of the project, \$590,148, of which \$190,148 would be paid from CPA funds and \$400,000 from a PARC grant the Town applied for in July. This project is an appropriate use of CPA funding under both the historical preservation and recreation categories. The full amount must be appropriated for the project to go forward, but if the grant is not received, no money will be spent.

The Town submitted a PARC grant in July 2015, referred to in clause (3), and will be empowered to expend that grant by this article. The grant reimburses 70% of the total project cost up to \$400,000. The final expenditure by the Town would be \$190,148, contingent upon receipt of the grant funding. The PARC grant and CPA funds would be spent over two fiscal years.

**B. RECOMMENDED by the Finance Committee vote of 7-0**

The development of a new preschool playground that is in compliance with requirements of the Americans with Disabilities Act addresses the need for an appropriate play space for children enrolled in the Amherst Public Schools. Crocker Farm is the only school that houses the preschool programs. Although there are two additional playgrounds at the school, they do not provide preschool children with the kind of motor and social interactions that are critical for their overall development. It is anticipated that the playground will be completed before the school year begins in 2016. The space will be open to the public outside of school hours as are all other school playgrounds.

These CPA funds would be added to the \$25,000 in capital funding already appropriated by the 2015 Annual Town Meeting and a grant of \$14,000 from the Amherst Education Foundation, for a total project cost of \$279,000.

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**ARTICLE 11. Net Metering Credit Purchase Agreements for Solar Photovoltaic Facility  
(Select Board)**

To see if the Town will vote to authorize the Town Manager to (i) enter into one or more net metering credit purchase agreements with the owner(s) of solar photovoltaic facilities for periods of up to 30 years, and (ii) take any actions and execute any other documents and ancillary agreements necessary, convenient, or appropriate to accomplish the foregoing and to implement and administer such net metering credit purchase agreements, all of which agreements and documents shall be on such terms and conditions and for such consideration as the Town Manager deems in the best interests of the Town; or to act in any manner in relation thereto.

**RECOMMENDED by Finance Committee vote of 7-0.**

Net metering allows the Town to be compensated for the value of the electricity sent into the grid from a solar facility, with credits received from the distributor (in our case, Eversource). The article authorizes the Town Manager to enter into agreements regarding the purchase of solar energy (the “net metering credit purchase agreement” referred to in the article) for a period of up to thirty years. Town Meeting approval is necessary because the length of the agreement extends beyond the standard three-year contracting period allowed under Massachusetts law. Passage of this article would definitely allow for financial benefits to the Town.

**ARTICLE 12. Lease of New Landfill for Solar Photovoltaic Facility  
(Select Board)**

To see if the Town will vote to:

- A. Transfer the care, custody, and control of the parcel of land known as the Amherst landfill and located on Belchertown Road, as shown on Assessor’s Map 18D as Parcel 23, from the board or official having care, custody and control jointly to such board or official for the purposes for which such parcel is currently held, and to the Select Board for the purpose of leasing and granting easements on, over or under such parcel for the installation of a solar photovoltaic facility on such parcel; and
  
- B. Authorize the Town Manager to (i) lease, through a written lease agreement, all or a portion of the above described land located on Belchertown Road, for the installation of a solar photovoltaic facility for a period of up to 30 years; (ii) grant such easements on, over or under such parcel of land as necessary or convenient to serve the facility; and (iii) take any actions and execute any other documents or ancillary agreements necessary, convenient, or appropriate to accomplish the foregoing and to implement and administer the lease agreement and easements, all of which agreements, easements and documents shall be on such terms and conditions and for such consideration as the Town Manager deems in the best interests of the Town; or to act in any manner in relation thereto.

**RECOMMENDED by Finance Committee vote of 7-0.**

This article has two sections: Section A is necessary, on advice of Town Counsel, to clearly place control of the “new” landfill site under the Select Board for the purpose of leasing the property for a solar installation.

Section B then authorizes the Town Manager to negotiate and execute a lease (as required under the Town’s charter) for up to thirty years. Town Meeting approval is required as that period of time exceeds the standard three-year contracting period allowed under Massachusetts law. Approval of this article would enable the development of the solar facility and the benefits that will accrue to the Town as a result.

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**ARTICLE 13. PILOT Agreements for Solar Photovoltaic Facilities  
(Select Board)**

To see if the Town will vote to (i) authorize the Town Manager to enter into one or more agreements for “payments in lieu of taxes” (or “PILOT”) pursuant to G.L. c. 59, § 38H(b), or any other enabling authority, with the owners of solar photovoltaic facilities installed or to be installed on land located in the Town of Amherst for a period of up to 30 years, and (ii) take any actions and execute any other documents or ancillary agreements necessary, convenient, or appropriate to accomplish the foregoing and to implement and administer such PILOT agreements, all of which agreements and documents shall be on such terms and conditions and for such consideration as the Town Manager deems in the best interests of the Town; or to act in any manner in relation thereto.

**RECOMMENDED by Finance Committee vote of 7-0.**

PILOT is the acronym for Payment in Lieu of Taxes. It is important to note that PILOT agreements restructure a payment schedule rather than reduce the amount of taxes owed. Solar arrays are taxed as personal property, so the owner of the array is subject to taxation even though the array is located on property owned by the town or a tax-exempt organization. Because personal property depreciates in

value, the amount of taxes paid is typically much higher early on and is reduced over the life of the property. A PILOT agreement can be used to level out the payments, reducing the “up front” cost to the developer while providing the town with a predictable income stream over the anticipated life of the project. This PILOT authorization is important as it will facilitate construction of the proposed solar facility on town property. It will also allow for revenue to the Town from additional solar facility development, including on property held by tax-exempt organizations.

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**ARTICLE 14. Release of Rights and Easements  
(Select Board)**

To see if the Town will vote to transfer from the tax custodian for tax title purposes to the Select Board for general municipal purposes and for the purpose of releasing rights and easements appurtenant thereto, the care, custody and control of three parcels of land located on Old Farm Road, shown as “Lot 1,” “Lot 2,” and “Lot 5” on a plan entitled “Plan of Land in Amherst, Massachusetts Prepared by Jeffrey W. Flower,” recorded with the Hampshire County Registry of Deeds in Plan Book 181, Page 175, and acquired by the Town through Tax Lien Case recorded in Book 9423, Page 355, and further to authorize the Select Board to release, on behalf of the Town, any and all appurtenant rights and easements that the Town may have in a parcel of land shown as “Lot 3” on said plan, which rights and easements were acquired by the Town pursuant a Common Driveway and Utility Easement recorded with said Deeds in Book 5111, Page 183.

**RECOMMENDED by Finance Committee vote of 7-0.**

This article asks Town Meeting to give the Select Board the authority to relinquish some previously acquired rights to traverse a privately owned property (Lot 3) on Old Farm Road. These “rights and easements” were acquired by the Town years ago as part of the Town’s acquisition for non-payment of taxes of three parcels of land (lots 1, 2, and 5) that are adjacent to Lot 3. The owners of Lot 3 would like to clear their title of the Town’s “rights and easements.”

The Finance Committee supports this effort, which amounts to a “housekeeping” action, because, a) the Town does not need to access parcels 1, 2, and 5 by crossing Lot 3 (access, should it ever be needed, can be had directly from frontage on Old Farm Road); and, b) the existence of the Town’s current “rights and easements” could potentially expose the Town to costs for the maintenance and/or replacement of the existing driveway on Lot 3.

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**ARTICLE 15. Pelham land Acquisition (Romer Woods Property)  
(Select Board)**

To see if the Town will vote to: (a) authorize the Select Board, in its capacity as the Board of Water Commissioners, to acquire by gift, purchase, and/or eminent domain, for water supply protection purposes, the parcel of land on Amherst Road and North Valley Road, Pelham, shown as Parcel 21.A on Assessors Map 8, and containing 141.41 acres, more or less; (b) raise and appropriate and/or, transfer from available funds the sum of **\$341,000** for the acquisition of said land and costs related thereto; and (c) authorize the Select Board, the Town Manager, and/or such other boards or officers as they deem appropriate, to apply for and accept on behalf of the Town any and all applications for funds under the Massachusetts Department of Environmental Protection Drinking Water Supply Protection Program (Chapter 312 of the Acts of 2008, §2A, 2200-7017) and/or applications for funds, gifts, and grants,

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including grants for reimbursement, under any federal and/or state programs, and to enter into any and all agreements and execute any and all instruments to effectuate the foregoing acquisition, provided that the Select Board is authorized to acquire said land only if, prior to said acquisition, the Town has received a commitment for award of a grant under the Drinking Water Supply Protection Program or other federal or state program, to defray a portion of the amount appropriated under this article, which may be defrayed by reimbursement following acquisition.

### **RECOMMENDED by Finance Committee vote of 7-0.**

This article would appropriate \$341,000 to purchase approximately 141 acres of land in Pelham (the Romer Woods Property). Bordering Amethyst Brook, the property is part of the watershed above one of the Town of Amherst's drinking water reservoirs. Half of the money would come from the Water Fund and half from a state Drinking Water Supply Protection Program grant for which the Town has applied. The expenditure is contingent on successful receipt of that grant. If the grant is not received, the money would not be spent. The long-term protection of the Town's current high-quality water supply is of the utmost importance, and the land in question could potentially be developed with houses with septic systems that would drain into surrounding groundwater.