

**Town of Amherst, NH**  
**WAYS & MEANS COMMITTEE MEETING**  
**MINUTES**  
**2 Main Street**  
**Thursday, December 17<sup>th</sup>, 2020**  
**6:30 p.m.**

**PRESENT**

- Lisa Eastland
- Danielle Pray
- Matt Seiler
- Scott Tuthill
- Bill Loscocco
- Mike Parisi
- Dr. James Kuhnert
- Peter Lyon (Board of Selectmen Chairman)
- Dr. Dean Shankle (Town Administrator)
- Cheryl Eastman (Finance Director)
- William Stoughton (Conservation Commission)
- Eric Hahn (Department of Public Works Director)

**ABSENT**

- Sarah Bonnoit (Alternate)
- Lori Mix (Alternate)

**APPROVAL OF MINUTES**

- Minutes of the 12/07/2020 meeting will be reviewed at the next W&M meeting following the 12/21/2020 BoS Meeting
- Minutes, as taken, will be formally approved and/or amended at the next meeting, with acceptance/amendments so noted in subsequent minutes.

**CALL TO ORDER**

- Meeting began at 6:30 PM

**AGENDA**

## **Item #1 : Citizen Comments**

- No citizen comments (none in attendance)

## **Item #2 : Discussion of Proposed Budget and Warrant Articles**

- Bill Stoughton of the Conservation Commission answered Members' questions regarding the Open Space Warrant Article (**Article 22**)
- No bonds will be issued until approved by the Board of Selectmen
- Bond duration will be from 10-20 years, chosen by the Board of Selectmen at the time of issue
- Cheryl's first year cost assumption of \$240,000 will be displayed on the ballot uses the following assumptions: a) \$3 million bond, the maximum possible b) 20 year bond c) 3% interest rate
- The 3% interest rate represents a historical average of similar bonds, whereas the current rate would be around 1.67%
- The \$240,000 figure is made up of interest and principal
- A 20-year bond spreads the tax impact over the most taxpayers, since the land purchased would benefit generations of residents
- Peter stated that the terminology of the Warrant Article will say "bonding or borrowing", allowing the Board of Selectmen to seek a bank loan for the purchase if this option would allow for cheaper financing
- Bill S. clarified that all loans for the fiscal year must not total more than \$3 million, and that the Conservation Commission switched from calendar year to fiscal year for the stipulation
- Danielle stated that Adam Steele, Superintendent of Schools, and the Amherst School Board in general have expressed misgivings towards the legality of the proposed bond Warrant Articles since the Deliberative Session may be virtual this year
- Cheryl stated that it is common for municipal bonds to be issued with principal and interest paid evenly over time, as opposed to a conventional bond with principal payment at the end
- Dean added that this is done so that the payment schedule is the same whether a bank loan or bond is chosen
- In closing, Bill S. stated that studies have shown land set aside for conservation results in tax savings that outweigh the revenue generated from single family homes on the same parcel of land. Land conservation is not so much about stopping development, but allowing development to occur smoothly and orderly over time
- Lisa asked if there were any properties currently under consideration by the Conservation Commission, to which Bill said they have had some very preliminary conversations with a few land owners but there is nothing concrete at this time
- Jim said he felt that not having a study done in Amherst specifically addressing the tax benefit or impact of land conservation or establishing a target acreage of conservation made assessing the benefit of the Warrant Article difficult
- Bill S. responded that studies done by external parties are expensive and that the expertise to conduct one in-house did not exist
- Dean added that the benefits of conserving any given land parcel are really idiosyncratic to that parcel
- Jim suggested that UNH graduate students be given the opportunity to conduct such a study, as it would provide them with valuable experience
- Bill S. left the meeting, and **Article 30** is discussed
- Jim asked for the legal opinion of Town Council regarding the proposed Capital Reserve Fund (CRF)
- Peter Lyon stated that Town Council and the Town's auditors (Ernst & Young) have no concerns with the CRF plan

- Danielle, who has a law degree but is not practicing law in New Hampshire, said she has reviewed the CRF Warrant Article and relevant RSA and believes the approach is appropriate
- Danielle did add that she believes the wording of the Warrant Article stating “Replacement” of vehicles should be adjusted to include “Acquisition”, as without it DPW may be limiting themselves to replacing already existing equipment only and not new types or numbers of equipment
- Peter said he would look into Danielle’s suggestion, as “Replacement” may have been chosen on purpose. In addition, CRFs do exist in town (such as the Fire Equipment CRF) that allow for general equipment without specifying equipment cost and lifetime. He stated that the main intent of the DPW CRF is for expensive equipment, such as equipment costing more than \$150,000
- Mike mentioned that a Highway Equipment CRF established decades ago still exists with \$17k in current funds, so a precedent exists for a DPW CRF
- Lisa asked if the Communications Equipment CRF is spend down every year, to which Peter replied that it was not
- Jim added that he would suggest adding the word “Acquisition” as well
- Dean stated that the word “Replacement” was used in reference to the “DPW Vehicle Replacement Schedule”
- Peter said that the CRF approach gives more flexibility to DPW in vehicle replacement
- Eric added an example that Truck 14 was kept an additional 2 years, but a lease-purchase arrangement would necessitate buying replacement vehicles according to a strict schedule
- Peter also said that all purchases from the CRF would need to be approved by the Board of Selectmen, and that the entire balance of the CRF will not be spent down every year despite some statements by others to the contrary
- Lisa said she likes that the CRF approach would smooth out the tax impact of vehicle purchases
- Peter added that the last 2 DPW vehicles were purchased outright, but this is not sustainable
- Peter acknowledged that the lease-purchase arrangement does not necessitate listing specific vehicles in the budget, but questions concerning what would happen in a Default Budget situation remain
- If the CRF does not pass this year, there is funding of half the original amount in the Budget to cover current lease-purchase arrangements
- Jim stated that he feels the DPW CRF is the right direction for the Town to take
- Peter said that the format of the Deliberative Session is not yet finalized, and discussions are ongoing
- Peter Lyon and Eric Hahn left the meeting, and the following vote was taken:

**Article 22 – Open Space Acquisition Warrant Article:** Yea: 4, Nay: 3

**Yeas:** Matt, Danielle, Mike, Bill

**Nays:** Jim, Scott, Lisa

- Dissenting opinions will be provided in the Voting Guide and Op-Ed in the Amherst Citizen
- The following vote was taken:

**Article 30 – DPW Capital Reserve Fund Warrant Article:** Yea: 5, Nay: 2

**Yeas:** Jim, Scott, Danielle, Bill, Lisa

**Nays:** Matt, Mike

- Lisa said she voted yes due to the flexibility and leveling tax impact of the CRF
- Matt expressed that he did not like the approach of the CRF, and said that had the threshold for equipment purchases been more like the \$150k amount mentioned earlier instead of the current \$20k limit, he would be in support of the Article. He feels that pushing routine yearly vehicle purchases into a CRF is not the most transparent option for the true cost of the DPW department operations
- Mike said his thoughts were similar to Matt’s
- The following vote was taken:

**Article 23 – Town Budget:** Yea: 7, Nay: 0

- Members with previous experience clarified that in the past a write-up of their opinion was only necessary if the vote was not unanimous

- Cheryl added that text for the Voter's Guide will be due after the Deliberative Session

## **NEW BUSINESS**

**None**

## **NEXT STEPS**

- Matt will email Lisa with the results of tonight's vote
- Members will email their dissenting opinions of the W&M majority votes for Lisa to compile for the Voter's Guide and Amherst Citizen

## **ADJOURNMENT**

- Meeting adjourned at 7:35 PM

## **NEXT MEETING**

December 21<sup>st</sup>, after the BoS Meeting