



Finance Committee

Tuesday, June 9, 2020 at 2:00 p.m.

Meeting took place via Zoom: <https://amherstma.zoom.us/j/92399968433>

Video of this meeting: <https://amherstmedia.org/content/amherst-finance-committee>

Minutes of the Finance Committee Meeting

Finance Committee members present: Andy Steinberg (Chair), Lynn Griesemer (Council President), Dorothy Pam, Cathy Schoen

Absent: Pat De Angelis

Non-Voting Members of the Finance Committee present: Robert Hegner, Marylou Thielman, Sharon Povinelli (joined meeting at 3:02 p.m.)

Others: Sonia Aldrich (Comptroller, Staff Liaison to Finance Committee), Sean Mangano (Finance Director for the Town of Amherst), Angela Mills (Minute Taker)

1. Call to order

Recognizing a quorum, Steinberg called the meeting to order at 2:30 p.m.

2. Review of Regional School Budget

Steinberg reviewed the calendar for the regional school budget and reminded everyone of the public hearing that took place the previous evening. Steinberg asked the group for any questions in regards to last night's presentation.

Members asked about expense accounts and Hegner highlighted a decrease in the special education account. Members noted an overall fluctuation of special education spending over the past five years. Mangano responded that out of district students have different costs associated with their educational programs. Mangano referenced the State's circuit breaker reimbursement law. Mangano offered to follow up with Doug Slaughter (School Finance Director) for more specifics.

Discussion continued and Mangano explained special education stabilization funds and how they might be used. Steinberg asked how well the State had been funding the circuit breaker amounts. Schoen and Griesemer asked about contingency or reserve funds and how much we had to offset cuts in school aid. Mangano explained the contingency funds marked as E&D (Excess and Deficiency).

Mangano explained the E&D account and what the cap is for this account at the regional level. Mangano explained how funding works for students who enter our regional schools as school choice students. Finance Committee members asked about how much money is in the E&D account that can be used as reserves. Mangano responded it is between \$1 and \$2 million dollars.

Mangano explained how the regional school system borrows the amount it needs for capital expenditures and then asks the participating Towns to contribute. Schoen asked if there are funds appropriated from earlier years with a balance unspent. Mangano explained how the regional school district has handled their capital needs by borrowing rather than appropriations. This means recommendations for new capital expenditures will show up the following year as debt service. Questions were asked about capital stabilization funds for the regional school system. Mangano explained that the school's capital projects stabilization fund has grown over the past few years to re-do the track surface.

Steinberg noted that each town is sent a notice about capital plans for debt from the Regional School District with 60 days to respond. He asked Mangano to get the most recent capital recommendations; these were revised at in late May.

Sharon Povinelli joined the meeting at 3:02 p.m. Steinberg did a sound check for Povinelli.

Steinberg referred to the assessment methodology differences between the regional budget and the local schools. He noted that there was no need for Finance Committee members to vote on the regional school budget today. This will be in a future meeting.

3. One-month budget, first month of Fiscal Year 2021 – discussion and recommendation to Council

Review of the Appropriation and Transfer order FY21-04A for a one-month budget for July. He asked that the Committee review the document and ask questions. Steinberg noted that if the amounts differed slightly, the Town Manager could make adjustments to the one-month budget operating budget without coming back to the Town Council for approval. Questions were asked about community services and where that was found in the budget. Aldrich answered all of those questions – explaining the community services related to Police were in the Police budget and the Community Services included other departments, including LSSE.

The Committee asked about debt payment during the month of July. Aldrich replied that there is no debt service due during the month of July thus it did not need to be included in the one-month budget. Steinberg further noted that there were no other capital payments in the July budget.

Hegner suggested that a note be included on the one-month budget that lets everyone know that the Town Manager has the authority to move monies from one area to another within Town Services without consulting with the Town Council again (after the vote). The Committee agreed that this should be in an explanation of the budget rather than in the financial order.

Part of the report from the Finance Committee would include a discussion of the one-month budget and that it allows some flexibility within Town services. Aldrich remarked that 1-month budget would be folded into the full-year FY21 budget and thus any one month is to some extent a housekeeping item. Steinberg recommended that the one-month financial order be kept as simple as possible. The Committee agreed.

MOVED: Schoen moved to approve ORDER FY21-04A (one-month budget). Pam seconded.

Further discussion: none

VOTED: (4-0-1) Roll call vote: Griesemer voted yes. Pam voted yes. Schoen voted yes. Steinberg voted yes. De Angelis absent.

4. Finance Committee process for FY21 budget presentation

Steinberg reported on Committee member requests to take additional responsibility for different areas of the full budget during the July review. This will help frame questions when Finance Committee has presentations; it will also be useful in the development of sections of the Finance Committee report.

Steinberg had asked Finance members for their preferences for sections of the budget. Based on responses, he made the following suggestions for how to allocate the work:

DeAngelis	Public Safety
Grieseimer	General Government
Pam	Community Services
Povinelli	Library
Schoen	Enterprise Funds
Steinberg	Planning, Conservation, Inspections
Theilman	Schools

Members agreed to proceeding in this fashion. Schoen noted that she would also focus on Public Safety and would try to look at trends over time in different budget areas. Mangano offered to help if she could not find earlier year documents

Steinberg confirmed the Department Head dates with Mangano and confirmed the dates Department Heads would appear before the Finance Committee for the scheduled meetings.

Steinberg encouraged members of the Finance Committee to review the entire budget document when we receive it, the schedule for departments, and be ready with questions when each department is given their review during the budgetary process. Schoen noted she would try to prepare questions in advance. Mangano said this is helpful and that he and Bockelman would help route questions from Finance Committee members to Department Heads so that they are prepared to answer during the Finance Committee sessions. Steinberg encouraged people to look at earlier budget reports to see fluctuations in funding and staffing. Mangano pointed members to the budget calendar on the Town website under "budget." Actuals are included in previous budget books that Council members can view.

5. Review draft of committee report section on Community Preservation Act (CPAC) recommendation

Steinberg and Schoen worked together to write the CPAC section of the Finance Committee report. They decided to include the order as part of the written draft report in a table. Schoen noted that inserting the CPAC table would avoid the need for readers to view two documents. Steinberg asked Committee members to send him additions or suggestions for edits.

Schoen asked whether the Finance Report would include the Committee report on the One Month budget in the same report as a separate section. Steinberg said yes, that this would be a consolidated report along with the schedule of meetings for the Full Budget review.

Grieseimer previewed the upcoming Monday night review of the Capital Budget and Public Forum, and timing for the information session, Public Forum and Council discussion.

6. **General public comment – None**
7. **Items not anticipated by the Chair 48 hours in advance – None**
8. **Steinberg adjourned meeting at 3:50 p.m.**

Record of Agenda Packet Materials and Documents Presented:

2020-06-09 Finance Committee agenda

Budget – FY21 One-Month Budget 05-29-2020

CO 21- 1, 2, 3 REGION SCHOOL BUDGET and CAPITAL documents presented to Council

Email from Steinberg to members of Town Council and Finance Committee as well as staff liaisons detailing the assignments of Finance Committee members to review specific departmental sections of the proposed budget.