



Finance Committee of the Town Council

Thursday, December 5, 2019 2:30 pm

Town Hall, Town Room

Minutes

Members present: Shalini Bahl-Milne, Lynn Griesemer, Dorothy Pam, Andy Steinberg, Sharon Povinelli (non-voting member), , Marylou Theilman (non-voting member), Robert Hegner (non-voting member),

Members participating remotely: Cathy Schoen

Others present: Interim Finance Director Sonia Aldrich, Clerk of the Council Athena O’Keeffe

Steinberg called the meeting to order at 2:40 pm, and announced remote participation by Cathy Schoen, all votes to be taken by roll call; confirmed members can hear and be heard by all.

1. Discussion about preliminary financial projects for FY21 Budget Planning

Steinberg spoke about the projections and process that is to be developed for the Council form of government. The starting point is the projections, which are used to develop budget guidance to send to the Town Manager.

Aldrich presented pages 41-42 of the financial projections with income and expense breakdown.

Dorothy Pam arrived at 2:45 pm.

Hegner asked about employee benefit cost increases.

Aldrich responded that changes reflect the shift from self-insured to MIIA, more information will be available in the next month about future increases. The increase is projected at 2.5%.

Steinberg asked about the Hampshire retirement plan figure. Aldrich responded that the prediction is 6%, but we do not have an exact number yet.

Members discussed health insurance as a part of each department’s budget rather than as a separate item.

Members discussed retirement payments from the Town.

Griesemer asked if there is a cap for how much sick and vacation time we cash out at retirement. Aldrich responded that employees only keep 2 years of vacation, only get paid out \$10 or \$20 per day depending on different situations, the maximum is \$40/day, and some situations differ depending on union contracts, some may have caps on payouts.

Hegner noted a long list of maintenance and repair needs, and asked if 10% cover all additional capital expenses. Aldrich responded that sidewalk repairs and so on are all part of the capital budget.

Griesemer spoke about the intent to fund major capital building projects without a debt exclusion or override if possible.

Steinberg spoke about the goal of 10% of the budget for capital expenditures, and that the Town's past funding of 6-7% is falling behind. The current plan will allocate 10% by FY21 but not be enough to fund all the major building projects.

Schoen asked about the debt assessment. Aldrich responded that in the past the debt assessment was included in debt service.

Steinberg spoke about the process for approval of an appropriation for capital expenditures.

2. FY21 Preliminary Budget Guidelines

Members reviewed a draft of the guidelines. Steinberg reviewed the process used to develop the draft guidelines, and explained that the Council approves the guidelines and sends them to the Town Manager.

Pam asked about the deficit number. Steinberg explained the deficit is eliminated by the time the Town Manager submits the annual budget to the Council.

Members discussed the following:

- Conservative estimates at this point in the process
- North Square requirement for additional tax-funds or not
- New growth estimates
- Economic development director/staff
- Downtown Parking Working Group recommendations
- 5% from free cash to stabilization
- Mass Municipal Association recommendations
- Role of the Council in the library and school budgets
- Library and school budget process
- New role of the Finance Committee in the budget process
- How changes in funding would impact the budget
- Recommendations on spending in case of budget excesses in undesignated fund balance
- Fire/EMS staffing
- Impact of students and to a larger degree, aging population on fire/EMS calls
- Students of Amherst schools living in untaxable housing
- Charter and school choice payments/receipts

Steinberg reviewed all suggestions that will be incorporated into the final draft to be sent to the Council.

MOTION: Griesemer moved, second by Bahl-Milne, to send proposed guidelines to the Council as drafted with discussed changes for their review at their Dec 16 meeting.

VOTED 5-0 by roll call to send proposed guidelines to the Council as drafted with discussed changes for their review at their Dec 16 meeting.

Pam asked about opportunities for economic development. Steinberg stated that it can come in different ways, could be potential in solar generation if it is privately developed there is a taxation benefit. We would receive taxation for the value of the equipment.

3. Affordable Housing Priorities Policy

Steinberg stated that this item will be a more significant item at our next meeting on the 17th, will try to work on a draft memo.

4. Percent for Arts Bylaw

Schoen reported that the ad hoc committee will have a revised bylaw and should be ready on the 17th if there is time on that agenda.

5. Report on Dec 3 listening sessions

Griesemer noted the weather may have cut back on the attendance, and the change in location. 35 people at each of the sessions. Positive feedback about the video, looking at how we can expand to underserved populations. Next sessions on the 9th at Fort River and Wildwood.

6. FY21 Budget process and finance committee schedule for 2020

Steinberg noted that the committee will meet twice a week in May, to begin meeting with dept. heads.

7. Public comment

None

8. Matters not anticipated 48 hours in advance of the meeting

Steinberg stated that the Governance, Organization, and Legislation (GOL) Committee asked that committees review their functions and suggest any changes to their charges. There was a suggestion to combine Audit with Finance, this committee will take that up for discussion at the next meeting.

Members spoke about the time required to participate in audits. Griesemer noted the Audit Committee must come up with a process about how we choose an auditor; there are only two firms in the area. Spoke about experience with audits as a function of a finance committee.

Theilman asked about the 5-minute meeting on the 16th. Steinberg and Griesemer explained the public forum on the 16th and the brief Finance Committee meeting following.

Steinberg declared the meeting adjourned at 4:35 p.m.

Respectfully submitted,



Athena O'Keeffe

Clerk of the Council

Record of Agenda Packet Materials and Documents Presented

12.5.19 Agenda

Finance Committee Charge FINAL revised 04-22-2019

FY20 Finance Committee Budget Guidelines

FY21 Guidelines draft 4

Gazette consensus budget hearing 12.5.19

Select Board FY 20 Budget Policy Guidelines

Minutes approved 7.8.2020