



**Finance Committee**  
**Tuesday, April 7, 2020, 2:30 p.m.**  
**Virtual Meeting by Zoom**  
**Minutes**

Complete video is available online: <https://amherstmedia.org/content/amherst-finance-committee>

**1. Call to order and declaration of a quorum**

Chair Steinberg declared the presence of a quorum and called the meeting to order at 2:31pm. This meeting took place by Zoom and was broadcast on Local Cable news Channel 17. *Open meeting laws were suspending as per Governor Baker's State of Emergency order (March 20, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20).*

Committee Members present: Andrew Steinberg, Chair; Cathy Schoen, Vice Chair; Lynn Griesemer, Dorothy Pam, Pat DeAngelis; Robert Hegner (non-voting resident); Sharon Povinelli (non-voting resident); Marylou Thielman (non-voting resident)

Committee members absent: None

Others present: Paul Bockelman, Town Manager (joined at 2:37pm); Sonia Aldrich, Town Comptroller; Sean Hannon, Director of Information Technology; Athena O'Keeffe, Clerk of the Council; Angela Mills, Minute Taker

This is a special meeting of the Town Council and there was no public comment during this meeting.

**2. Agenda Review**

Steinberg mentioned that this was the first meeting in a long time for the Finance Committee.

Review of the Finance Committee goals for the upcoming months. Steinberg noted that the development of a budget for FY21 would be difficult due to COVID 19 crisis and the current declared State of Emergency. Different from prior years for the Finance Committee, this situation introduced a complexity of issues in ever-changing circumstances.

Steinberg asked members for their questions or thoughts on the printed list of goals. Steinberg touched upon the regional school district process. The Finance Committee needs to be prepared to adjust the process and the yearly timeline. Other Towns are rescheduling their annual Town Meetings due to COVID 19 and this will give the regional school committee more time to consider the budgeting process.

Steinberg clarified that if one town rejects the method then it will default to the statutory method for assessments. If one town rejects the budget, then, the budget would still pass. Steinberg acknowledged

that the assessment methodology was still up in the air. There was some discussion regarding the \$180,000 difference between two methodologies proposed.

### **3. Discussion of Budget Calendar**

Steinberg explained that Finance Committee would have to have budget hearings as outlined by the Town Charter. At this time, due to the COVID 19 State of Emergency, it remained difficult to figure out what the revenue will be for the year and how to allocate to the major functional areas. As of the date of this meeting (04/07/2020), there was still no insight from the State regarding state grants/financial support.

Steinberg referred to a Tufts University study that he would send out with the next packet. Still no clear idea of how much Federal money will eventually flow to the State. Use of Federal funds would offset the use of rainy day funds from the State level.

Theilman suggested that they ask for department information to inform the budget. She recalled that in previous years, each department was given an hour to speak about the particular needs of their department in front of the Finance Committee. It gave the members of the Finance Committee to ask the department heads questions. Steinberg stated that Bockelman and Aldrich had set up a consolidated schedule for department heads to present their needs to the Finance Committee. This calendar of events has “gone out the window” due to COVID 19 State of Emergency.

Hegner questioned the uncertainty around COVID19 impacts – Can we turn to recession of 2008-2009 as an indicator? Steinberg responded that, in Steinberg’s estimation, this situation appears to be much deeper and the reality of the impact cannot be informed by 2008-2009.

Schoen referred to Tufts outline of what happens when GDP plummets and how that influences the rainy day funds in government. Schoen asked Bockelman to weigh in on where Amherst stood with rainy day funds and how much the Town could grow out of it with stimulus spending. Bockelman mentioned in Town manager report - Tufts study and A&E report on impact of State funding. Bockelman explained, “When the State gets a cold, the cities and Towns get pneumonia.” Bockelman is not sure which direction the State is moving with stimulus funds. Bockelman suggested that it would be okay to do “what if” planning and then wait for State.

What to do with capital expenditures? There will be a need to rethink the whole thing and come up with an orderly process to get to where we need to be and what the real needs are for the future. There was Finance Committee member consensus that the Town does not need to have a budget by June 30, 2020. It will be okay to have one-month budgets as permitted under until we figure it all out and measure the impacts of recession.

Informal consensus for the budget development to continue with Steinberg working closely with Bockelman and staff. Steinberg would come back to committee for further discussions and input. Steinberg projected the budget issues outline with the Committee Members.

Steinberg remained concerned about new growth estimates. Due to State of Emergency in COVID 19, the new growth estimate will have to recalibrate. Finance Committee would look for help from the Assessor’s Office. Other local revenue – meals and lodging taxes will be down due to lack of commencements, reunions, restaurant shut-downs, and loss of summer programs. Further, excise tax revenue will decrease as people purchase fewer cars. All of these will factor into the final budget.

Aldrich noted most Federal funds flow through the State or come in the form of reimbursements. Amherst is a mini entitlement community - our Federal funds flow through the State.

Focus turned to budget calendar. The budget-coordinating group will meet later this month to help coordinate between Town, Library and School. Bockelman suggested patience and the ability to deal with ambiguity.

Hegner asked if Bockelman knew when they would have more answers from the State. Bockelman responded it could be June, July or even August. Therefore, the summer meetings will reflect the issues usually heard in May.

#### **4. Selection of Audit Firm**

Finance Committee has a role as the Audit Committee. Short discussion to choose new Audit Firm? Important to do that process now? The Committee agree this could be put on hold and try not to go out to bid until the next budget cycle. This would let staff and Finance Committee focus on the current budget challenges.

**Griesemer made a motion to stick with the present auditor (Melanson Heath) for this year and the following year. DeAngelis seconded.**

Further discussion

**Roll Call vote: Schoen yes. Pam yes. DeAngelis yes. Griesemer yes. Steinberg yes. 5-0. Unanimous**

**Voted: Melanson Heath to continue as the Town of Amherst's Auditing Firm for the next two fiscal years.**

#### **5. Scheduling of next Finance Committee Meeting**

Steinberg recognized that this had been a somewhat disjointed meeting. Steinberg reiterated that he would not set a date for next Finance Committee meeting yet pending developments and revised estimates for the FY21 budget. He was waiting to see revenue estimates to inform decision-making. Schoen suggested a "clickable" video link to the proposed State revenue round table discussion. Schoen asked that the link be shared out to all members of the Finance Committee if the State Round Table Discussion was rescheduled.

Town Manager's budget for the full year will not be available until the end of June. There will be an interim one-month budget.

#### **6. Adjourned at 3:49pm.**

#### **Record of Agenda Packet Materials and Documents Presented**

4-7-20 Finance Committee Agenda

6.c. Committee Assignment Analysis as of 03-29-2020

Budget Issues Outline<sup>3</sup>

CSPA estimating Shortfall MA tax revenue

Memo on FY21 budget process

Town Finance Update 04-06-2020