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## Finance Committee

November 17, 2020, 2:00 p.m.

### Virtual Meeting

### Minutes

Members participating remotely: De Angelis, Griesemer, Pam, Schoen, Steinberg

Members absent: None

Resident members participating remotely: Kubiak, Hegner

Resident members absent: None

Others participating remotely: Sean Mangano, Sonia Aldrich, Athena O’Keeffe

#### Call to Order

Steinberg declared the presence of a quorum, called the meeting to order at 2:03 PM, confirmed all members can hear and be heard, and announced audio and video recording.

Steinberg announced the resignation of Finance Committee resident member Sharon Povinelli. He said GOL will decide to fill or not fill the vacancy and Finance Committee members can comment to GOL. He noted that Povinelli’s term expires June 30, 2021.

De Angelis said she would like to bring up the issue with the hiring freeze in the Police Department in the Items Not Anticipated section of the meeting.

#### 1. Draft for FY22 Council Budget Guidelines

Schoen said she would like to add collective bargaining agreements are open, and that discussion should be put in the list. She said this is in the context of living with a flat dollar budget and there will be step increases. Schoen said a maintenance fund could be under the “Other capital needs” and there is a category of Community safety and social justice which is under one of the Town Manager’s goals. Schoen added that there is an open slot for an economic development officer and suggested using that officer as grant writer. She also suggested adding revolving fund for investments in solar to the list.

Pam said she is surprised by grants. Pam said some of these grants seem to be nice things that are not the basics. She said they should think about spending differently if they know that grants are coming.

Hegner added to the collective bargaining agreements issue, stating that they should consider a broad limit on overall salaries and benefits. He said the presentation they saw the week prior stated that salaries and benefits are roughly 55% of the budget each year over the last 10 years and they should consider

making that a target or goal. He also said they should touch on the potential decline in school enrollment population.

Kubiak said they shouldn't use reserves to fund operation of the town because in negotiations unions will go to reserve funds to say that the town has the money. He also shared his appreciation for Schoen's comment about a revolving fund for projects, but the Department of Revenue's rules may not allow for something like that. Kubiak said there should be some effort made to catalog grants that focus on priorities.

Members discussed fiscal sustainability and multi-year planning goals:

- Needs for capital projects large and small
- Issues such as school population, collective bargaining, etc. have multi-year impact
- Fiscal sustainability means meeting "essential needs"
- Can't commit to new programs without ability to sustain it over time

Mangano said their initial projections are for level funding, not level services. He said if the economy stays where it is, it will be difficult to meet level services.

Schoen said they should acknowledge buildings are closed but the town continues to pay employees. She said they need to let people know that they are in a "belt tightening" period of time given the pandemic.

Steinberg commented that Pam has raised the question of whether grants drive priorities or priorities drive grants.

De Angelis said she is concerned about police force during the pandemic and the Community Safety Working Group is barely running yet so it is important to keep up the hiring freeze through this fiscal year.

Mangano said they need to decide if additional funds become available and if level services cannot be funded, that those additional funds be used to meet level service.

Hegner said if there is a requirement for additional priorities, they may need to get the funding from somewhere else. Schoen said if additional funds become available, there should be some sort of priority spending. Steinberg said there should be some incorporation or reference to Town Manager priorities for the next year.

Schoen said in the use of reserves section, they should state that they are not used for operations or current programs that create recurring demands such as salaries, for shortfall of state aid, and hold on to them for expected need for capital projects.

Griesemer said there was a discussion of considering level that is put aside for capital. Mangano said they have some thoughts on what the right level of reserves is after reviewing their policies.

Steinberg said generally they try to avoid operating overrides and they may need to go to voters for an override for at least one of the major capital projects.

Mangano said they may want to acknowledge that current interest rates are low, making it a good time to borrow.

Kubiak noted that overrides routinely fail therefore they should try to avoid them but voters seem to be more comfortable with an override for large capital projects.

Steinberg said it is recommended that the percent estimated property tax levy for capital remain at 8% if operating cuts occur.

Mangano spoke about the Maintenance Fund, specifically having a Capital Stabilization Fund for large-scale capital maintenance.

Aldrich said the Stabilization Fund is not just for the Maintenance Fund, it is for any lawful purpose. She added that the “Capital Stabilization Fund” is a budgeted reserve and it must be appropriated for specific projects.

Griesemer said in regards to new revenue generation, much of the grant writing in town is decentralized.

Griesemer clarified that for #12, they are recommending flat budgets across the board for each of the segments except for the elementary schools and Charter Schools.

Mangano said they should state that they will consider using funds for OPEB if funds become available.

Members discussed how the budget document can respond to questions and convey information about departments.

Pam noted that the Town Manager has been repurposing staff to meet town needs instead of laying town staff off during this pandemic and the guidelines should reflect that. Kubiak said this has helped people feel valued and see the town as an employer.

Hegner said for the Collective Bargaining section, it should pose the question of if a broad limit on overall salaries and benefits be considered in the percentage of overall budget. Steinberg changed the title of #15 to “Compensation of Staff (Schools, Town, and Library).

Hegner said regarding 15.a., he wanted to leave it vague because there are many ways to achieve the outcome. He emphasized that there is a broad limit for personnel costs.

## **2. Capital inventory criteria**

No Action.

## **3. Public Comment - *none***

## **4. Topics not anticipated by the Chair 48 hours before the meeting**

### **Soofa Grant**

Schoen said the question to figure out in the instance that they want to keep the Soofa project is what it would cost to continue it. Schoen said she is not against the charging stations, but just wants to know the cost of keeping them and keeping them functional over time.

Steinberg said there is discussion of a joint meeting with TSO. Steinberg recalled that Councilor DuMont said the Finance Committee should identify financial issues having to do with the Soofa project and those issues can be used by TSO.

Mangano said there is also a potential revenue stream from the signs and there is some uncertainty on that.

Hegner asked who would manage the content of these signs? He said it seems like a lot of time to manage the content. Mangano said Soofa manages content with the Town’s oversight.

Pam stated that she is not in favor of the signs, but the charging stations are okay. She said the streets are too messy already and the signs are unnecessary.

Schoen asked for the difference in cost between signs and charging stations. Steinberg said the total cost is \$25,550 and the cost does not decipher between the signs and charging stations.

Steinberg also said they should consider the subsequent years' cost to the town, especially considering the tight budgets that are expected for the next few years. He said they should also think about staff time to manage project and other ongoing costs.

Steinberg said the Finance Committee is suggesting that these questions be investigated and reported to TSO for their consideration when they meet on Thursday.

Steinberg declared the meeting adjourned at 4:35 PM.

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*To join the meeting via telephone: Call (312) 626-6799 or (646) 876-9923; Enter webinar ID when prompted: 921 2843 0882. When prompted to enter your participant number press #; To indicate you wish to make a comment, press \*9 on your telephone.*

*During the public comment period, the Chair will recognize members of the public. When called on, please identify yourself by stating your full name and address.*

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

8.d. Solar Signs and Chargers Town Council  
Finance Committee Agenda 11.17.20  
FY21 Guidelines  
Inventory memo 11.17.20  
memo on FY22 Guidelines discussion