



Finance Committee
November 16, 2021 2:00 PM
Virtual Meeting
Minutes

Pursuant to Chapter 20 of the Acts of 2021, this meeting was conducted via remote means. Video will be posted on Committee webpage: : [Finance Committee | Amherst, MA - Official Website \(amherstma.gov\)](https://www.amherstma.gov/finance-committee)

1. Call to order

Members participating remotely: Andrew Steinberg, Chair; Cathy Schoen, Vice Chair; Pat De Angelis; Lynn Griesemer; Dorothy Pam; non-voting members: Robert Hegner; Bernard Kubiak; Matt Holloway

Members absent: none

Others participating remotely: Finance Director Sean Mangano; Comptroller Sonia Aldrich; Amherst Downtown Business Improvement District Executive Director Gabrielle Gould; Assistant Town Manager Dave Ziomek; Clerk of the Council Athena O'Keeffe; Minute Taker W. Kaizen

Steinberg declared the presence of a quorum, called the meeting to order at 2:02 PM, confirmed all participants can hear and be heard, and announced audio and video recording

2. Public comment

Irv Rhodes, Amherst resident, spoke in opposition to school budgets for FY2023 and to the financial consequences of charter schools (including the way the Town accounts for these costs), the African Heritage Reparations Assembly youth rec center ,and the importance of affordable home ownership (as opposed to rentals) on Town-owned land to build equity.

Sarah Marshall, Amherst resident, spoke to avoiding having a large budget surplus, asking whether the budgets are overly risk adverse, and the adequacy of funding in relation to cuts of police and school budgets

3. Review of Financial Indicators presentation and additional questions

Discussion of yearly budget in relation to inflation and the costs of wages, benefits and supplies. Indicators make it clear that revenue will not likely be able to keeping up with costs of essential services and staffing and inflation. Members noted the challenges of facing increase in operating expenses – including a projected 5% increase in health benefits, increase in pension costs, and staff step and COLA increases. How will the 2.5% yearly tax increase cover our needs?; Mangano re. school budget: 2.5% has been enough for elementary schools in the past because no pension is included, but it's harder for regional schools

Discussion of how the school budget is presented and reported vs. the Town budget including the need to show all sources of revenue and recognizing how much is spent per pupil

Mangano spoke on operating expenses per capita and how these are low because so many residents live in tax-free housing (college/university students)

Discussion of how other communities figure charter/choice into budget in relation to Amherst

4. Council Budget Guidelines for FY23, first discussion

Steinberg asked members for comments on the draft guidelines, members suggested the following areas to highlight and include in the guidelines:

- ARPA Funds
- Size of reserves
- Fiscal Sustainability over Multiple Year: Multiple year operating and capital budgets
- Public Safety/Public Health with increase in CRESS workforce. Need for attention to Fire/EMS
- Level Funding vs. Level Services
- Keeping Capital Projects at 10% of Levy, including JCPC Maintenance Fund
- Pilot Payments from Higher Education, UMass and Colleges
- Home Ownership Support
- Growth in Receipts not yet at full recovery
- Grant Money
- Surplus Spending
- Catch-up Funding for Schools: discuss ARPA allocation and School ARPA
- CPA Funds

Steinberg reminded members that in Amherst 50% of land is not taxable, which makes increasing revenue difficult given the reliance on property taxes. Other other fiscal challenges are supporting programs like ECAC, Comprehensive Housing Policy, CSWG and AHRA as well as big capital needs (four major buildings.)

Discussion of basic services that are Town obligations, e.g. filling potholes, a new ladder truck for the fire department and the need to make tough choices.

Steinberg will draft a report. Schoen and Hegner volunteered to assist or review as needed. The draft report will be presented at the next meeting, November 23.

5. Performance Shell on the Common, review of maintenance fund

Gould spoke to the proposed performance shell maintenance fund: Who should hold the funds, the Town or the BID? She estimated that the maintenance fund would be \$250,000, which should cover about ten years.. Town staff indicated a preference for the BID to manage the fund with reports to the Town. The Committee briefly discussed what kind of investment vehicle would be most likely.

Costs to be covered: The BID will do general cleaning and repairs, upkeep as part of MOU with Town; Mangano replied that the investment vehicle would depend on the timing of when funds are needed

Discussion of usage fees being charged and then applied to fund. The BID will provide and store lighting and sound equipment and bring to and from the Shell. BID will charge for using their lighting and sound equipment; Downtown Amherst Foundation will offer grants to groups that can't afford the fees. No fees would be charged for the events.

Insurance will need to be covered, including liability for the structure and people; Town staff noted that the Town already has insurance for Town property and this would cover the Performance Shell

Scheduling and programming of the shell is to be determined.

MOTION: Griesemer moves that FC recommend to the Town Council that the Town enter into an MOU/contract for a maintenance fund and its use with the BID; DeAngelis 2nd;

VOTE: unanimous including support of all resident-members

6. Review revised American Rescue Plan Act (ARPA) proposal

Not discussed

7. Review proposed Orders regarding transfers to Stabilization Fund and additional appropriations

a. FY22-12A: Transfers from Free Cash: \$2,618,079 to the General Stabilization Fund, \$210,000 to the Reparations Stabilization Fund

MOTION: Schoen moved, second by De Angelis, to recommend that the Town Council approve above transfer order;

VOTE: unanimous including support of all resident-members

b. FY22-12B: Transfer \$450,000 from Free Cash to the Other Post-Employment Benefits (OPEB) Trust Fund

Discussion regarding how this transfer will allow the Town to catch up for the previous two years when it didn't put the full amount planned in the OPEB Trust Fund due to COVID reduction in town revenues.

MOTION: Griesemer moved, second by Schoen, to recommend to Town Council to approve above transfer order;

VOTE: unanimous including support of all resident-members

c. FY22-05B: Transfer \$1,325,000 from Free Cash to the General Fund for road paving and repair, sidewalk expansion and repair, and for the Dog Park project

The Committee discussed and separating off dog park from the order. During the Council meeting the night before the added expense appeared to be related to protecting the land-fill cap Ziomek joined the Committee to explain that they discovered that the cap extended further than initial thought and included areas designated for fence posts. The expense was to provide a secure footing that would avoid posts putting holes in the Cap. This is required for the project to go forward to completion. The costs will provide a cement foundation for fencing and protect the Cap. The project has been funded by a Foundation grant and private donations.

Discussion of roads and sidewalks, including how borrowing for roads isn't typically paid for by borrowing and that no projects have been identified yet; Schoen asked if they could split the allocation between roads and sidewalks to give more to sidewalks? Aldrich said they could be put together in the order, then the spending on either would be flexible. More could be allocated to sidewalks.

Other capital needs: Mangano said FYI, fire department pumper truck is going to be considerably higher than original estimate so the Town will likely be asking for more money for that. This will be a separate discussion at a later date.

Two members, Pam and Holloway left the meeting early before the next votes.

MOTION: Griesemer moved, second by Schoen, to recommend to the Town Council that the above order be split to only include roads and sidewalks in the amount of \$1,250,000

VOTE: unanimous including support of all resident-members—with two members absent (Pam and Holloway)

MOTION: Griesemer moved, second by Schoen, to recommend to the Town Council that an order FY22-05C be created and approved or the Dog Park project in the amount of \$75,000

VOTE: unanimous including support of all resident-members—with two members absent (Pam and Holloway)

8. Next meetings

Next meeting date is 11/23; members agreed to discuss the financial implications of the reorganization plans

9. Matters not anticipated 48 hours in advance

None

10. Adjourn

Steinberg declared the meeting adjourned at 4:47 pm

Minutes prepared by W. Kaizen

Record of Agenda Packet Materials and Documents Presented:

11-16-2021 Finance Committee

CO FY22 - 05B - Capital Improvement Program -Roads Sidewalks Dog Park Supplement

CO FY22 - 12A Free Cash to Stabilization Funds (General and Reparations)

CO FY22 - 12B Free Cash to OPEB Trust Fund

FY22 Council Budget Guidelines Final 12.21.

FY23 Financial Indicators Projection Presentation - updated 11.15.

Memo to Town Council - Recommendation for Financial Orders FY22-12A, FY22-12B, and FY22-05B - 11-10-2021

Reorganization Plan - Community Responders - 11-12-2021 - FINAL

Reorganization Plan - Diversity Equity and Inclusion Office - 11-12-2021 FINAL