



Finance Committee
September 29, 2021 6:30 p.m.
Virtual Meeting
Minutes

Pursuant to Chapter 20 of the Acts of 2021, this meeting was conducted via remote means.

1. Call to order

Members Participating Remotely: De Angelis, Griesemer, Pam, Schoen, Steinberg; non-voting members Hegner and Kubiak

Others Participating Remotely: Town Manager Paul Bockelman, Finance Director Mangano, Comptroller Sonia Aldrich, and Clerk of the Council Athena O’Keeffe

Steinberg declared the presence of a quorum, called the meeting to order at 6:30 pm, confirmed all participants can hear and be heard, and announced audio and video recording.

2. Review draft of revised Financial Management Policies and Objectives

Members reviewed the policies and objectives section by section, offering comments and suggestions.

Members discussed referencing the Town Manager’s goals in the objectives.

Members discussed the budget development process and how the policies and objectives relate to the budget cycle and overarching long-term budget plan.

Members discussed changes to the auditing section that would specify a change in audit team leader.

Mangano spoke about the reserves section and change in reserves range from 10-15% to 10-25% and clarified the difference between reserves and the valuation of the Town.

Members discussed how and when the Town ought to replenish the stabilization fund and the acceptable stabilization fund range.

Members discussed the perception of adding to the stabilization fund if it is within the range while making difficult financial decisions.

Mangano stated the percentage is to cover a 2-year revenue decline; at 5% of the budget it would be \$4-5M for a reserve which is too low. If state aid had been cut during the pandemic, the Town would have exhausted its reserves.

Schoen asked about defining “emergency” and suggested adding a definitions page to the document.

Mangano responded that the state has a definition for emergencies.

Members discussed fees and how and when fees are increased, and if an increase in fees requires Council approval.

Members discussed adding to the policy language regarding the possibility of a 2.5% override.

Members discussed funding positions with grant funds and the expectations created by adding grant-funded positions.

Members discussed the capital inventory and adding the backlog of deferred maintenance to the inventory document.

Members discussed the various capital needs and funding sources, and climate action goals.

Members discussed adding information about resident capital requests.

Schoen suggested adding a resident member of the Finance Committee to the Joint Capital Planning Committee.

Members discussed the idea of comprehensive documents to give a broad idea of what is happening.

Bockelman spoke about staff making documents and budget materials available to the public online.

Mangano clarified state requirements in bids and requests for proposals.

The Committee delegated revisions as discussed to Mangano to update the financial policies, with a final review of the revised document.

4. 4th Quarter Budget Report

Aldrich reviewed the 4th Quarter Budget Report, noting the self-insurance surcharge, deficit and surplus in the current year, recovery was better than expected, actuals came in better than expected. The Town saved a lot on employee benefits and due to a premium holiday.

Schoen asked if the golf course is making money, and if UMass is making payments. Aldrich responded that the golf course budget was cut and there was no budget for revenues and it ended up getting revenue that was unexpected. The strategic partnership agreement is not in place right now. The schools get around \$200,000 directly.

Steinberg asked about marijuana taxes and expenditures, and what that might mean for the reparations fund. Mangano responded that the tax income is budgeted in FY22 to support the general operating budget; the impact monies can only be spent on certain things, at some point we will need to come up with a plan for using the impact funds. When we certify free cash and transfer to stabilization, a percentage would go to the reparations fund and the rest would go into the stabilization fund.

Griesemer spoke about funding the additional CRESS responders. Mangano stated the Town received an allocation from the state that would cover the additional responders.

Aldrich spoke about the enterprise funds: deficits in water and sewer funds, a surplus in the solid waste fund, and deficits in the transportation fund.

Schoen asked about ARPA funds. Bockelman responded that the plan will come before the Council on Monday.

Mangano spoke about ARPA reporting requirements and dates.

7. Public Comment

Ana Devlin Gauthier, Amherst resident, thanked the committee for their work.

3. Initial presentation of FY23 budget process and calendar

Mangano stated there will be a meeting needed in mid-November after the financial indicators meeting.

Griesemer stated the budget guidelines should be adopted by this Council before the end of the year.

Members discussed the timing and dates for the financial indicators and budget hearing meeting dates.

4. 4th quarter FY 21 budget report, if available – *No action*

5. Scheduling of next meetings

Members agreed that Tuesday afternoons work on dates that the Community Resources Committee is not meeting.

6. Decide whether to continue meeting virtually if allowed by law and Council policy

Members discussed the meeting formats.

MOTION: Schoen moved, second by De Angelis to continue to meet on Zoom through the end of the year.

VOTED 5-0 with the support of Hegner and Kubiak.

7. Public comment - *None*

8. Topics not anticipated by the Chair 48 hours before the meeting

9. Adjourn

Steinberg declared the meeting adjourned at 9:07 pm.

Record of agenda packet materials and documents presented:

09-29-2021 Finance Committee Agenda

4th qtr June 30, 2021 YTD Budget Report to FINCOM full document

Draft revised Financial Management Policies and Objectives (Updated)