

# Finance Committee Minutes

Meeting Date: May 31, 2007

## CALL TO ORDER

The Meeting was called to order at 7 P.M. in the Band Room, Amherst Regional Middle School.

## COMMITTEE MEMBERS IN ATTENDANCE

Alice Carlozzi (Chair), Brian Morton (Vice Chair), Andy Steinberg, Kay Moran, Marilyn Blaustein, Paul Bobrowski, Doug Slaughter

## STAFF IN ATTENDANCE

John Musante, Finance Director/Treasurer; David Ziomek, Conservation Director

## OTHERS IN ATTENDANCE

Eva Schiffer

## COMMITTEE ACTIONS

- 1) Motion to support dismissal of articles 27 and 28 on the 2007 Annual Town Meeting warrant, should such a motion be made, approved 7 – 0.
- 2) Motion to recommend Article 1 on the June 6 2007 special Town Meeting warrant approved 7 – 0.

## Discussion

### **Override vs. Reserve Use**

The Committee's original position was that if an increase of over 1% for the Regional School Assessment was the only addition to the Budget as proposed, then the Committee would recommend using reserves to fund it. If the budget increased for other items, then the Committee would recommend an override to cover the entire over budget amount, rather than drain reserves further. Discussion tonight centered on what our response should be as items (other than the Regional Assessment) are proposed that would add to the need for Reserve use. The Committee decided to stick with our principles, defined at a previous meeting, and not recommend additional increases, or any additional Reserve use, and state the reasons why. The Committee also reaffirmed its support for using the \$100,000 available from the General Government cut to go towards the Regional Assessment, with any remaining need coming from reserves.

There was also a discussion of average reserve increases over time and the fact that the estimated FY08 BOY balance for reserves shows a higher than normal increase due to the increase in the State's reimbursement for the Crocker Farm Addition/Renovation

resulting from a State Project Audit. This is a one time occurrence. The average annual increase in reserves used for projection purposes is about \$400,000

**Articles 27, 28; CPAC APR's**

David Ziomek reported to the Committee that he will recommend that the article be referred back to the CPAC because negotiations with all concerned parties , while ongoing and going well, are not at a point where he feels comfortable going to Town Meeting with them. In particular, he would like to see the State give its approval of the APR acquisitions before going to Town Meeting. The State Committee responsible for this meets next on June 26<sup>th</sup> and David does not expect the proposals to be ready for them to take up at that time. He will meet with the CPAC to apprise them of this next week so they can take a position on this. The APR's are expected to ready to come back to the Fall Town Meeting. The committee voted to support dismissal should the motion be made.

**Article 1 June 6<sup>th</sup> Special Town Meeting; FY 07 Budget Amendments**

The latest figures for the Municipal Budget show a projected year end net deficit of roughly \$98,000. Savings in some functional areas need to be reallocated to cover deficits in other functional areas. Since the reserve fund was reduced to \$50,000 at the 2006 Annual Town Meeting, \$50,000 will need to be appropriated from Reserves to the Finance Committee Reserve Fund to cover the remaining deficit. John Musante is hopeful that some additional savings could accrue in Public Safety, and Planning Conservation and Inspections functional areas between now and the end of the Fiscal Year, but that for purposes of this article we should use the \$50,000 figure to transfer to the Reserve Fund. If the net deficit is less than the new Reserve Fund level of \$100,000, the unexpended balance returns to Free Cash as the books are closed for the year. The Committee voted to recommend this article.

Next Meeting June 4, 2007 6:45 P.M.

Adjournment

Adjourned at 7:30 P.M.

Respectfully submitted

Brian Morton

Acting Clerk

Approved 6/18/07