

FINANCE COMMITTEE MINUTES

Meeting Date: Sept. 11, 2008

CALL TO ORDER

The meeting was called to order at 7:05 p.m. in the glass room, Bangs Community Center.

COMMITTEE MEMBERS IN ATTENDANCE

Brian Morton (Chair), Marilyn Blaustein, Barry Federman, Kay Moran (vice-chair), Doug Slaughter (after 8:30 p.m.), Andrew Steinberg, Marylou Theilman

OTHERS PRESENT

John Musante (Assistant Town Manager/Finance Director), Sonya Aldrich (Comptroller), Walter Wolnik, Fred VanDerbeck.

AGENDA:

1. Review Finance Committee FY 08 Annual Report
2. FY 08 Operating Results (unaudited)
3. 7/1/08 Free Cash Estimate
4. Discussion of Financial Management Policies (Reserve Policies – Other)
5. Update on Community Choices Scenarios and work of the Facilitation Committee
6. FY 10 Select Board / Finance Committee Budget Process
7. Member Reports
8. Minutes 7/14/2008
9. Next Meeting and Agenda
10. Miscellaneous

COMMITTEE ACTION

VOTED 6-0, 1 absent to recommend placing on the fall Town Meeting warrant an article appropriating from Free Cash to the Stabilization Fund the amount by which certified Free Cash exceeds 5% of General Fund operating revenue.

DISCUSSION

Morton called for a moment of silence in remembrance of the events of Sept. 11, 2001.

1. **Review Finance Committee FY 08 Annual Report.** There were no objections or suggestions for change to Morton's draft report, so he will submit it.
2. **FY 08 Operating Results (unaudited).** Musante reviewed these. Revenue exceeded budget by \$1,325,538, in part due to a one-time repayment to the General Fund of \$446,415 from the Health Care Trust Fund; to increased building permit fees for large projects at Amherst College that won't be repeated; and to an additional \$133,505 from

the University of Massachusetts for fire and ambulance services, payments that in future years will go into the Ambulance Fund. In addition, expenditures were \$109,891 less than budgeted, for a net gain of \$1,419,778. Cherry Hill Golf Course revenue exceeded projections for the year and has continued to do well since July 1. Ninety-eight percent of property taxes due have been collected. The Health Care Trust Fund is in significantly better shape than last year at this time, with enough in it to meet the state's reserve requirements and discontinue the premium surcharge this month, instead of next January.

3. **7/1/08 Free Cash Estimate.** We've generally used a declining amount of reserves to balance the budget each year since FY 03, with the goal of using none. Reserves hit a low in FY 06; the Finance Committee urged rebuilding reserves to at least 8% of the operating budget by FY 10. Musante said the town's balance sheet has been submitted to the state for certification. The Stabilization Fund stands at \$894,542, and he estimates the state will certify the town's FY 09 Free Cash at close to \$3,512,087, for total reserves of \$4,406,629, or 7.2% of the operating budget.
4. **Discussion of Financial Management Policies.** If Free Cash is certified as Musante expects, it will be about \$444,000 more than 5% of the General Fund operating budget. Financial policies and guidelines the committee adopted last January support transferring Free Cash amounts over 5% to the Stabilization Fund. The committee voted 6-0, 1 absent to recommend such a transfer to fall Town Meeting.
5. **Update on Community Choices Scenarios and work of the Facilitation Committee.** Steinberg reported that, with hard work and magnificent staff support, the Facilitation Committee has developed three budget scenarios and a variety of presentations to explain them, and is working on a survey and ways to publicize the process and get public input. The aim is to have a report by Dec. 1.
6. **FY 10 Select Board/Finance Committee Budget Process.** Finance Committee members had no changes to make to the draft schedule developed by Select Board Chair Gerry Weiss, with additions already made by Musante, Morton and Moran.
7. **Member reports.** Steinberg and Theilman, liaisons to the Amherst and Regional School Committees, have made the necessary contacts. Federman said he has been unable to attend the most recent two Library Trustees meetings (including one tonight) due to conflicts but is in touch with the Library Director.
8. **Minutes 7/14/08.** The committee VOTED 6-0, 1 abstaining, to approve as corrected the minutes of the July 14, 2008.
9. **Next Meeting and Agenda.** A meeting schedule was established as follows, leading up to the start of fall Town Meeting on Nov. 5: Thursday, Sept. 25, to hear about proposed financial articles; Monday, Oct. 6, either after or in place of the four-boards meeting, to hear about Planning Board articles and citizen petition articles, if any, and to begin making writing and speaking assignments; and Thursday, Oct. 16, to vote final

recommendations. The committee's written report should be ready to go out Oct. 20 in the first mailing to Town Meeting members.

10. **Miscellaneous.** Committee members introduced themselves for the benefit of new members. The Association of Town Finance Committees is holding its annual meeting Nov. 1.

ADJOURNMENT

The meeting adjourned at 9:01 p.m.

Respectfully submitted,
Kay Moran, Acting Clerk