

AMHERST FINANCE COMMITTEE MINUTES

Meeting of Dec. 11, 2008

CALL TO ORDER

The meeting was called to order at 7:00 p.m. in the first-floor meeting room, Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Barry Federman, Kay Moran (vice-chair), Brian Morton (chair), Douglas Slaughter, Andrew Steinberg, Marylou Theilman.

STAFF AND OTHERS IN ATTENDANCE

John Musante, Assistant Town Manager/Finance Director; and Walter Wolnik.

AGENDA

1. Facilitation of Community Choices Committee Report
2. School Budgets – FY 10 Questions for Schools / Format / Substance
3. Criteria for Taking Positions on Town Meeting Articles
4. Member Reports
5. Minutes
6. Next Meeting and Agenda
7. Miscellaneous

DISCUSSION

1. Facilitation of Community Choices Committee Report

Steinberg presented a synopsis of the report. He praised the committee for its hard work and ability to come together on a process for accomplishing its charge given the wide range of viewpoints represented. He stated that the committee had come to understand the serious and growing problems in the Town's budget, explained the constraints and made recommendations regarding revenue sources, and identified the areas of growth in the budget that will need to be constrained in the future. Morton stated that the key to easing the budget gap each year is to get the rate of growth of both expenses and revenues to be similar.

Steinberg noted that the committee examined the unfunded liabilities of retirement and retiree insurance and their impact on the budget in the next few years. This is a topic which the Finance Committee has not examined before. Musante noted that the liability has always been there, but we are now required to show it on our balance sheet. He also noted that there is a system in place to fund the retirement component but that we need to develop a solution for the health care costs.

Steinberg reported that the committee exerted great effort to get input from the public and that all of the feedback that was received was included in the report. The Finance Committee was in

consensus in its gratitude to the Facilitation of Community Choices Committee for all of its hard work and the quality of the resulting report.

2. School Budgets – FY 10 Questions for Schools / Format / Substance

Morton expressed an interest in FTE Counts of personnel in the various areas (similar to the counts we see by municipal govt. dept. in the Municipal Budget). Musante commented that he liked the latest version of the Data and Directions document created by the schools. In particular he expressed that he felt it had a clearer description of staffing, more information on grants. Next steps would be for them to present the full budget with summaries of appropriations, grants, revolving funds, etc. Morton, Moran and Theilman felt that more detail on grants – similar to what was put out regarding the grant for the fire fighters such as, how they function, are they stand alone grants or are they renewable, the +/- on funding, the number and types of personnel funded, and how/if those personnel will be funded when the grant ends – would be helpful. Musante commented that more information on School Choice and Charter Schools, both the current impact as well as the projections for the coming years, is needed as well. Steinberg requested that we ask for more information on Control Accounts and Risk & Benefit Accounts specifically how they are typically budgeted for and how much is budgeted (e.g., Family Medical Leave Act leaves and other leaves).

3. Criteria for Taking Positions on Town Meeting Articles

The committee discussed the current methodology and criteria for arriving at positions on Town Meeting articles and whether it should modify its current *modus operandi*. The committee examined several ideas such as creating a formal policy, executing more sophisticated opinions on zoning articles, etc. but came to the consensus to continue our current approach while remaining cognizant of the need to articulate our reasoning clearly. The criteria we use are clear financial impact, appropriate use of money, avoiding litigation, increasing efficiency and effectiveness, bringing the town into compliance with state and federal law, economic development, and housekeeping measures such as realigning zoning boundaries to conform with lot lines where appropriate.

4. Member Reports

Steinberg reported the Amherst School Committee had produced their first budget planning documents regarding Budget Assumptions and Data and Directions and that these were available on the school website. He stated that the district has duly noted the recommendations of the Facility Choices committee especially with regard to protecting their “core”. Also, given the current outlook regarding the available revenue, the benefits of school re-alignment would be explored (e.g., two K-3 schools and two 4-6 schools) along with other cuts.

5. Minutes

The committee VOTED 7-0 to approve the amended minutes of the Oct. 16 meeting.

The committee VOTED 6-0, 1 abstention, to approve the amended minutes of the Nov. 6 meeting.

The committee VOTED 7-0 to approve the amended minutes of the Nov. 17 meeting.

The committee VOTED 6-0, 1 abstention, to approve the amended minutes of the Dec. 6 meeting.

6. Next Meeting and Agenda

The Finance Committee will meet January 22, 2009 to receive an overview of the Municipal Budget for Fiscal Year 2010, discuss strategies to deal with cuts to state aid, and receive a legislative update on state revenue collections in the current year, projections for FY10, etc.

7. Miscellaneous

Federman stated that since his wife no longer works for the Town Health Department, he no longer has a conflict of interest regarding that area of Town finance.

ADJOURNMENT

The meeting adjourned at 9:33 p.m.

Submitted by Doug Slaughter, acting clerk