

Amherst Finance Committee Minutes, meeting of April 7, 2009
Town Room, Town Hall
Meeting called to order at 7:04 p.m.

Agenda

1. CPAC FY 10 Proposal
2. JCPC #1, FY 10 Draft Proposal
3. DPW Right of Way at Atkins Corner
4. Human Rights By-law Amendment
5. Rescind General By-laws, Article 1V, Housing Review Board
6. Accept MGL Chapter 32B Section 18A-Medicare Enrollment for Retirees
7. FY 09 Budget Amendments (Those pieces that are ready)
8. Vote Recommendations: Non-financial Articles
 - a. Reports of Boards and Committees
 - b. Zoning Articles
 - i. Taxi Services
 - ii. Municipal Parking District
 - iii. B-G & B-VC Lot Frontage
 - c. Mullin rule

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Kay Moran (vice-chair), Brian Morton (chair), Bob Saul, Douglas Slaughter, Andrew Steinberg, Marylou Theilman

OTHERS IN ATTENDANCE

John Musante, Assistant Town Manager and Finance Director; Peter Jessop, Community Preservation Act Committee; Kay Zlogar, Health Claims Trust Fund Manager

CPAC, FY 10 Proposal

Presented by Peter Jessup. CPAC's total estimated funds available for FY '10 are \$653,000 with an estimated surplus of \$28,000. This year, there were fewer requests for housing funds. CPAC funded all or part of every application. With more towns in the program, the State matching portion of the CPAC funds has fallen to 29%. Roughly \$100,000 now comes from the State. Steinberg asked about the unanimity of the votes. Jessup stated that there were some abstentions, and some split votes, but most votes were not close. Blaustein asked about Hills Park project. Jessup stated that the grant application to buy the lots to create the park had been resubmitted, and that he will include an update on project for Town Meeting. The \$81,000 appropriated last year will only be spent for this project if the grant is received, and since Town Meeting has already approved the expenditure for this purpose, it will not need to be a warrant article.

JCPC, FY10 Budget Status

Musante presented a status report from the March 26th meeting. He stated that JCPC will reconvene on April 30th when revenues are more clearly identified. For FY 10, the capital plan assumes use of 7.25% of the tax levy; about \$2.6 million. The Joint Capital

Planning Committee recommends a prioritized list of cuts to projects proposed in the plan if lesser percentages of the tax levy are used. Making all the cuts would reduce the capital expenditure by \$412,000, using less than 6.5% of the levy. Musante noted that the 6.5% represents the low water mark of the mid 1990's and it took years for the town to recover from these lower capital expenditure levels. Some projects have been eliminated from the 5 year capital spending plan. Musante ran through the list of projects that qualify for Chapter 90 money from the State. There was a brief discussion about Mark's Meadow School and the Town's responsibilities relating to maintenance of the University owned building. Deferred maintenance projects have been identified by the Public Works Committee and presented to JCPC. These projects total \$4.3 million, and plans to finance these projects with a bond issue are being discussed. The bond issue would be limited in term; 5 years for road resurfacing, and 10 years for construction. Musante did not recommend that the Town issue bonds this year. Slaughter asked about stimulus money and gas tax money. Morton reported that first round stimulus has been allocated, and the next round of allocations will be in February, 2010. Slaughter added that JCPC requests were appropriately conservative because everyone is aware of the strained financial circumstances. Nevertheless, big ticket items loom ahead. Blaustein asked whether it would be useful to break out capital expense for the library, and Theilman asked whether library capital spending counts toward the municipal budget allocation. Steinberg talked about cross over issues between CPAC and JCPC thereby lowering JCPC outlays. Musante said there is no duplication.

DPW Right of Ways

Not discussed

Human Rights By-law Amendment

Amendment recommended by the Human Rights Commission (see Article 11 of draft warrant, 4/7/09.)

Rescind General Bylaws, Article IV, Housing Review Board

To rescind General Bylaws, Article 4. (see Article 10 of draft warrant, 4/7/09.)

Accept MGL, Chapter 32B Section 18A-Medicar Enrollment for Retirees

Presented by Kay Zlogar, Health Claims Trust Fund Trust Manager. Zlogar stated that the Trust Fund is requesting that Town Meeting allow the Town to enroll eligible employees in Medicare. Recent reforms enacted in 2003 have made the plan "better" including coverage for prescription drugs. Until recently, enrolling these employees did not constitute a cost saving measure for Amherst. Penalties for current retirees to enter the Medicare system late made it more expensive. This article will make it a requirement that newly eligible retirees sign up. This will ultimately create a cost savings for the Trust Fund.

FY 2009 Budget Amendments (see Article 14 of draft warrant, 4/7/09.)

Article 14a will correct a faulty motion approved by last year's Town Meeting and transfer \$185,000 from the ambulance fund to reimburse free cash for purchase of an ambulance. Article 14b

State law says that when there is an insurance settlement greater than \$20,000, the Town needs to get approval to put the insurance settlement (\$39,577 in this particular case) back into the Public Safety department budget. This is the required approval.

Article 14c

To correct Medicare reimbursement for prescription drug benefits paid by the Health Claims Trust Fund and put the funds back into the HCTF. Currently, the mechanism to accomplish this appropriates funds from free cash after the fact. In the future, the Town seeks the authority to put the funds directly back into the trust fund.

Article 14d

To allow the Town to move monies between accounts to balance the FY2009 cash accounts. Musante will prepare a status report later in the month.

Recommendations on non financial articles

- a. Article 1, reports of boards and committees, Moran made the motion that we take no position, Blaustein seconded. No further discussion. Motion passes 7-0
- b. Article 6, taxi services, Moran made the motion that we take no position, and Steinberg seconded. Moran said financial effect upon the Town is unclear, and FC should let the Town decide with no input from FC. Motion to take no position passes 7-0
- c. Article 7, to increase the boundary of municipal parking district. Slaughter moved that we take no position. Theilman seconded. Motion passed unanimously.
- d. Article 8, B-G & B-VC lot frontage. Moran moved we take no position, Steinberg seconded, no discussion. Motion passed 7-0.

Article 9 Mullen Rule

Steinberg stated his support of the rule because of its inherent efficiency. Moran countered that it had no clear financial implications. Blaustein moved we take no position, Theilman seconded. Motion passed 6-1.

Routine financial articles

- a. Slaughter moved we defer transfer of funds until town meeting. Blaustein seconded, motion passed 7-0
- b. Optional tax assessment: a program that helps the neediest taxpayers. Steinberg made a motion to support the article, Moran seconded, no discussion, motion passed 7-0
- c. Authorization for compensating balances. Theilman made the motion to support the article, Slaughter seconded, no discussion, motion passed 7-0.
- d. Retirement assessment of \$3,000,652. Article 16, Theilman motion to support, Slaughter seconded, motion passed 7-0
- e. Regional lockup assessment to pay proportional share of the regional lockup facility; \$31,323. Allocated on a per capita basis. Theilman motion to support,

Slaughter seconded, motion passed 7-0. After the vote, Steinberg suggested we look at the population # whether to determine if it is the “right” population #.

Human rights bylaw

Moran made a motion to take no position, Theilman seconded, no discussion and motion passed 7-0

Rescind Housing Review Board bylaw

The committee voted 7-0 to recommend, to bring the town into compliance with state law.

Medicare retirees

Slaughter made a motion to support, Theilman seconded, no discussion and motion passed 7-0

CPAC proposal

Musante recommended we wait to vote on this as well as the JCPC budget. Need further clarity on State budget. No vote.

Resident alien

Moran moved we take no position, Theilman seconded, no discussion and the motion passed 7-0

Gas tax

No motion before committee. Morton suggested we hold off on a vote. Moran motioned to defer until Town Meeting. Theilman seconded, motion passed 7-0.

Writing assignments were handed out for motions where the Finance Committee took a position.

Legislative update

Morton reported that municipal relief and federal stimulus has been allocated for the first round. Another round will follow in February 2010. Some discretionary money may be available for education...maybe. Slaughter talked about the legislative relief seminar. Insurance is an issue. Right now the strategy is to bring the state budget out and get it approved fast. Musante indicated that the MMA is making it clear that there will be big cuts, to local aid, but it is possible that meals and rooms taxes could generate up to \$1 million additional revenue for Amherst. April is the month for action on additional taxes.

Musante continues to watch the revenue side. Overlay reserve supplies some surplus for abatements etc. but there will be a residual amount. Towns are required to keep “worst case” amount in reserve, but it looks like there will be a surplus of \$292,000. This will be available to the Town post June 30 if not claimed.

Member reports

None

Minutes

4/2 minutes. Blaustein moved to approve, Moran seconded, minutes approved as amended, 6-0 Steinberg abstained.

Miscellaneous

Time to start writing assignments.

Meeting adjourned at 10:24 p.m.

Submitted by Bob Saul, acting clerk