

AMHERST FINANCE COMMITTEE MINUTES
Meeting of April 16, 2009

CALL TO ORDER

The meeting was called to order at 7:05 p.m. in Room 101, Bangs Community Center.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein (8:10 pm), Kay Moran (Vice-Chair), Brian Morton (Chair), Robert Saul, Douglas Slaughter, Andrew Steinberg, Marylou Theilman.

STAFF AND OTHERS IN ATTENDANCE

John Musante, Assistant Town Manager/Finance Director; Guilford Mooring, Superintendent of Public Works, Walter Wolnik, Vincent O'Connor, and Fred VanDerbeck

AGENDA

1. Votes Remaining for First Report to Town Meeting
 - a. Article 18, 19, 20 – CPAC
 - b. Article 14 – FY 09 Budget Amendments – (NOTE: Additional Item F)
 - c. Article 5 – DPW Rights of Way – Atkins Corner
2. Legislative Updates
3. Update FY10 Revenues
4. Discussion – Regional Budget voted by School Committee and Assessment Method
5. Discussion – TMCC Budget Presentation Proposals
6. Member Reports
7. Minutes
8. Miscellaneous

ACTIONS

Voted 7-0 to recommend the Article 18 appropriation for Affordable Housing of \$47,200.
Voted 7-0 to recommend the Article 18 appropriation for Historic Preservation of \$272,600.
Voted 7-0 to recommend the Article 18 appropriation for Open Space of \$23,500.
Voted 7-0 to recommend the Article 18 appropriation for CPAC Administrative Expenses of \$1,500.
Voted 7-0 to recommend the Article 19 Part A appropriation of \$75,000.
Voted 7-0 to reconsider the motion to recommend the Article 19 Part A appropriation of \$75,000.
Voted 7-0 to defer to Town Meeting the recommendation on Article 19.
Voted 7-0 to defer to Town Meeting the recommendation on Article 20.
Voted 7-0 to recommend the Article 14 Part F transfer of \$153,975.
Voted 6-0 with 1 abstention to recommend the Article 14 Part A transfer of \$185,000.
Voted 7-0 to recommend the Article 14 Part B appropriation in the amount of \$39,578.
Voted 7-0 to recommend the Article 14 Part C appropriation of \$106,243.
Voted 7-0 to defer to Town Meeting the recommendation on Article 14 Parts D and E.
Voted 6-0 with 1 abstention to recommend Article 5.

DISCUSSION

Votes Remaining for First Report to Town Meeting

Article 5 – DPW Rights of Way – Atkins Corner

Mooring stated that there are three property owners involved in this article, namely the Hampshire Village Community Corporation (property managers of the condominiums), Atkins Fruit Bowl, and Hampshire College. The rights of way would be acquired by taking the property in fee, not via easements. A service road loop around the grocery store will be constructed in addition to the double rotary configuration. The bus stops will be moved to the new service road. Hampshire College will receive approximately \$250,000 worth of in kind work as future improvements to the road on West Street. The service loop around the grocery store will be the access to the grocery store's parking lot and the access points and some of the lot will be paved by the Town as in kind payment to Atkins. Morton asked the Fair Market Value of this paving. Mooring replied that it was approximately \$250,000. Mooring reported that the compensation for the Hampshire Group would be both monetary and in kind work, but the details of this agreement were still being worked out. Saul asked how the project is to be financed. Mooring responded that most of the road construction money for the project, which extends up Route 116 to the Notch, is federal money matched by the state. A portion of the Chapter 90 money will be set aside each year for the components of this project that the Town must undertake. The Water and Sewer Enterprise funds will cover the costs associated with the water and sewer components of the project. Steinberg asked who is doing the in kind work. Mooring responded that a lot of it would be done by Town employees thus at a cost less than fair market value. Moran asked about the timeline for the project given the amount of Chapter 90 money that would be utilized. Mooring replied that it would take several years to complete, notably, 2 years before we would do the parking lot work and 3-5 years before the work on West Street. Steinberg asked how this article is different than the previous Town Meeting action. Mooring responded that by taking the property in fee, instead of acquiring an easement, there will be no issues in the future regarding the property ownership and easement rights.

Discussion – TMCC Budget Presentation Proposals

The committee discussed the proposals to expedite Town Meeting presented by the Town Meeting Coordinating Committee. In consensus the committee felt that the proposal to have department heads present their budgets would not save time due to the number of departments needing to present and could be seen as an opportunity for Department Heads to advocate for their particular budgets. Morton noted that it is the responsibility of the Finance Committee, by Massachusetts Law, to present the budget to Town Meeting. Also by consensus the committee decided to endeavor to keep its presentation to Town Meeting concise focusing on information not contained in the Finance Committee Report (e.g., new data) or particularly significant information regarding a budget. Regarding the proposal to have a lottery to decide the order of presentation of the budget, the concern was that the issue of an unfair advantage to those parts of the budget presented first still remains (Town Meeting is reluctant to go back to a previously voted budget component for revision). The committee wishes to encourage the TMCC to continue further research into ways to make the budget presentation fairer and would like to support their work toward this goal.

Member Reports

Moran reported that the Library Trustee meeting of 4/14/2009 was primarily regarding the Library's endowment and how to proceed given the economic downturn. The Trustees also elected new officers: Pat Holland – President, Carol Gray – Vice President, Chris Hoffman – Treasurer, Louis Greenbaum – Assistant Treasurer, Sarah McKee – Clerk. Steinberg reported that the Amherst School Committee postponed its vote on the budget until 4/28/2009, after the

House Budget is voted, and noted the large number of parents at the meeting expressing their concern that the most severe tier of cuts significantly changes the schools structure and delivery of education. Morton reported that the Budget Coordinating Group had significant discussions of the Regional Schools budget and the need to express to the other towns our financial needs and the desire to work toward solutions that are cooperative in nature. Musante reported that Senator Rosenberg's Municipal Relief committee report, which includes over 60 specific recommendations, should be released early next week.

Legislative Updates

Musante reported on the state budget proposal released by the House Ways and Means Committee on 4/15/2009. The Ways and Means budget is \$500,000,000 less than the Governor's budget proposal from late January, primarily due to new, much lower revenue projections. The Committee recommended no State reserves are to be used in FY2010 and that State aid to Cities and Towns is to be cut \$425,000,000 below the original FY2009 budget levels. Other reductions include cuts to the Quinn Bill funding, Regional School Transportation, and a reduction in the state aid to libraries. These cuts (a 20% reduction to total state aid) in combination with revised local revenue projections result in a revised overall shortfall of \$3.9 Million below the Finance Committee's preliminary guideline amount. Musante then presented how this might be handled. If the shortfall was to be absorbed completely by cuts this would result in a budget 3.6% lower than for FY2009. Some reserves might be used over the next couple of years, perhaps as much as \$800,000 over the next two years which would reduce the need to cut accordingly. Musante also noted that there are several proposals that the full House and Senate are considering that might give us some relief, notably local option meals and lodging taxes. Musante stated that the majority of the solution will be cuts and that FY2011 and FY2012 will also be difficult. The Town must contract from what it does now and that what and how we reduce our local government will be the work that lies ahead.

Discussion – Regional Budget voted by School Committee and Assessment Method

Morton reported that a member at the BCG meeting was advocating the use of the Town Meeting vote on the assessment method be used as a bargaining method with the other towns on the Regional School budget. Since we do not use the state formula for the Regional School assessment, the assessment method we use must be approved by all four member towns each year. Theilman stated that the formula we use makes planning easier and is equitable over time due to the rolling average method used in the calculation. The consensus of the committee was to get a better sense of our own financial situation and then reach out to the other Towns for a continued discussion about how best to proceed.

Votes Remaining for First Report to Town Meeting

Article 18

Vincent O'Connor stated that there would be a minority report and potentially motions to change appropriation amounts under Article 18. Moran stated that the CPA Committee make recommendations to Town Meeting relative to the use of the CPA funds and that the Finance Committee only make recommendations relative to whether those appropriations are an appropriate use of the CPA funds.

Votes Remaining for First Report to Town Meeting

Article 19

The Committee voted 7-0 to recommend the Article 19 Part A appropriation of \$75,000. Due to the fact

that the actual wording of the Article 19 motion is not yet finalized the Committee voted 7-0 to reconsider the motion to recommend the Article 19 Part A appropriation. A motion to defer consideration of Article 19 until Town Meeting was then approved 7-0.

Votes Remaining for First Report to Town Meeting

Article 14 – FY 09 Budget Amendments

Musante stated that the new part F of the article would transfer \$153,975 from Overlay Surplus for use in FY2009. This money is necessary because of the rules governing the rate of use of money received from the Wildwood School roof grant limit our ability to cover the mid-fiscal year budget cuts as planned. Fortunately, the Board of Assessors has reviewed its funds reserved for assessment abatement claims and declared \$292,000 available as surplus. This money is available for appropriation prior to the end of the fiscal year. If not appropriated it will become part of the Free Cash reserve. Part F of Article 14 appropriates some of the Board of Assessors reserves declared as surplus to cover the remaining amount FY2009 mid-fiscal year cuts.

Minutes

No minutes were reviewed or approved.

Miscellaneous

Blaustein suggested that a memo to the Town Meeting Coordinating Committee for circulation to Town Meeting Members regarding the current Status of the Budget would be helpful in keeping Town Meeting informed.

ADJOURNMENT

The meeting adjourned at 10:05 p.m.

Submitted by:
Douglas Slaughter
Acting Clerk