

AMHERST FINANCE COMMITTEE MINUTES
Meeting of Sept. 17, 2009

CALL TO ORDER

The meeting was called to order at 7:10 p.m. in the first-floor meeting room in Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Philip Jackson, Kay Moran (vice chair), Douglas Slaughter, Andrew Steinberg (chair), Marylou Theilman

STAFF AND OTHERS IN ATTENDANCE

John Musante, Assistant Town Manager/Finance Director; Margaret Roberts, Nonie Burack, Town Meeting Coordinating Committee; Walter Wolnik; ACTV

AGENDA

1. TMCC town meeting process discussion
2. FY 09 Budget results (Town and School budget/actual reports, Library if available)
3. Town-wide Budget calendar
4. Fall FC meeting schedule to establish interim guidelines and consider fall TM articles
5. Finance Committee article for fall Town Meeting
FY 2010 Budget Amendments
 - a) Municipal Operating Budget – transfer sums between functional areas
 - b) Medicare Part D Reimbursements to Health Claims Trust Fund
 - c) Free Cash – To balance FY 10 Budget
6. Minutes – July 14
7. Member reports
8. Miscellaneous

ACTIONS

Voted 6-0, 1 absent, to send two Finance Committee members to an ad-hoc committee also including two from the Select Board and two from the Town Meeting Coordinating Committee to study questions of budget presentation to Annual Town Meeting, the ad-hoc committee to report back to the Finance Committee no later than the end of 2009.

Voted 4-0, 1 abstaining, 2 absent to approve the minutes of May 28, 2009.

Voted 4-0, 1 abstaining, 2 absent to approve the minutes of July 14, 2009.

Agreed to meet Oct. 8 and Oct. 15.

DISCUSSION

1. TMCC Town Meeting process discussion
Roberts said Town Meeting Coordinating Committee members and others have talked about changing the order of budget section presentations at Annual Town Meeting, because some think the first-presented budget motions have an easier time passing. Select Board members Gerry Weiss and Stephanie O’Keeffe have agreed to join an ad-hoc

committee also comprising two each from the Finance Committee and TMCC to discuss the issue. Moran handed out a list of issues (attached at the end of these minutes) she thinks such a group should consider. Steinberg said that, though the Finance Committee decides how to present the budget, it has in the past been responsive to citizen input, such as including in its report an appendix showing each municipal department's budget with benefits included. Jackson, Theilman and Steinberg said it would be good to think about how to educate more people about the process of budget development. Roberts agreed that, if Town Meeting members want to influence the budget, they need to participate early in the budget development process. The Finance Committee voted 6-0, 1 absent, to participate in the joint ad-hoc committee.

2. FY 09 Budget results (Town and School budget/actual reports, Library if available)

Musante distributed his 8/21/09 Municipal Budget quarterly budget/actual report for the Fiscal Year ending June 30, 2009. The General Fund generated a net operating surplus of \$721,540 (on a budget of \$62.5 million). Except for the Solid Waste Fund, the Enterprise Funds generated modest operating surpluses. Revenues were 99% of budget. Locally generated revenues exceeded budget, but state aid receipts were \$1.25 million less than budgeted. The Town used three one-time strategies to compensate for the mid-year cut in state aid: a health-insurance premium holiday in April for Amherst's self-insured plan, applying part of an unanticipated Wildwood School roof grant, and an appropriation from overlay surplus. Expenditures totaled 98% of budget, due largely to the health insurance premium holiday and to the state's replacement of Chap. 70 school aid with a "grant" of federal stimulus funds to the school district. In July the Finance Committee transferred \$71,100 of its \$100,000 Reserve Fund to the Snow & Ice budget to cover the remainder of the shortfall not covered by other DPW savings.

Musante also distributed FY 09 reconciliations for the Amherst Schools and Amherst-Pelham Regional Schools budgets, as prepared by Rob Detweiler, Director of Finance and Operations for the schools. Both showed small surpluses, largely due to the health insurance premium holiday. In addition, the Amherst Schools turned a \$139,204 surplus back to the General Fund.

No year-end report from the Library was available.

Several people praised prudent management of the Health Claims Trust Fund and the cooperation of town, school and library employees in making benefit changes that produced a sufficient HCTF surplus so that the premium holiday was possible.

Musante said as of July 1, 2009, the Stabilization Fund totaled \$1.4 million and Free Cash was an estimated \$2.5 million, for an estimated total of \$3.9 million in reserves. The state Department of Revenue has yet to certify the exact number. This compares with total reserves of \$4.3 million as of July 1, 2008.

3. Town-wide budget calendar

Musante distributed first drafts of the Municipal, Schools and Library budget calendars. The Budget Coordinating Group met earlier today and agreed that key dates are Oct. 15, a joint meeting of the Finance Committee, Select Board, School Committee and Library Trustees; Jan. 16, 2010, when the Town Manager must submit his FY 10 budget; Jan. 27, when the Governor submits his FY 10 state budget; and Feb. 16, the deadline for the Select Board to decide whether to put an override on the March 23 ballot. Several

members expressed pleasure that calendars for all three budgeting groups have already been drafted, and that all are working together on this. Steinberg said he will take back to the BCG the suggestion that information about previous budget cuts and previous introduction of efficiencies be made available to Town Meeting members.

4. Fall FC meeting schedule to establish interim guidelines and consider fall TM articles
The warrant for fall Town Meeting, which begins Nov. 2, will be signed Oct. 5. Finance Committee members agreed to meet Oct. 8 to hear about and vote recommendations on as many warrant articles as possible, and to meet Oct. 15 following the four-boards meeting to do the rest. Our report to Town Meeting on these warrant articles needs to be finished in time to be included in the Oct. 21 mailing. The committee will also have to discuss at these meetings (and perhaps additional meetings) our preliminary FY 10 budget guidelines, which should be issued to the Select Board, School Committee and Library by Nov. 1.
5. Finance Committee article for fall Town meeting: FY 2010 Budget Amendments
No specifics were available, so there was no discussion.
6. Minutes
The minutes of May 28 and July 14, 2009, were approved as corrected.
7. Member reports
Slaughter reported on the recent meeting of the Budget Coordinating Group, which was concerned largely with the draft budget calendars mentioned above. He said there was agreement that FY 10 budget development was about cutting to the core; FY 11 will be about protecting the core. There will be an emphasis on getting all four budgets (municipal, library, elementary school, regional school) together earlier. BCG reached consensus that “level services” means “what we have now” with associated cost increases. BCG is discussing doing a salary survey.
Theilman reported on a get-acquainted meeting she, Steinberg and Blaustein had with the new school superintendent.
8. Miscellaneous
Theilman suggested that experienced Finance Committee members should offer to help new members with advice on taking minutes. Moran agreed.
Wolnik said he’d like the Finance Committee to discuss what to do with Enterprise Fund surpluses.

ADJOURNMENT

The meeting adjourned at 9:32 p.m.

Submitted by Kay Moran, acting clerk

Sept. 17, 2009

To: members of the Finance Committee, Town Meeting Coordinating Committee

From: Kay Moran

If an ad-hoc committee is formed to consider reordering budget motions, here are some issues to be considered before that committee reports back to the Finance Committee.

1. Should we change the traditional order in which budget articles are considered? Would any change contribute to Town Meeting members' understanding of the budget? Would it improve Town Meeting procedure and efficiency?
2. Should all 13 sections of the operating budget be reordered or just a few? Should reordering include the three capital budget articles as well?
3. What principle of ordering should be followed? What are the advantages/disadvantages of each?
 - a. Traditional order
 - b. A lottery
 - c. Largest budget to smallest (excluding or including non-tax revenue?)
 - d. Smallest budget to largest (excluding or including non-tax revenue?)
 - e. Other
4. Should some budget articles be grouped together? (for instance, elementary with regional school budgets, all enterprise funds, capital articles) Do some articles have a logical place in any order? (for instance, General Government should be last of the municipal articles because it contains benefits for the other four, General Fund Indebtedness first or last because it includes debt payments for all borrowing)
5. Are there other changes that might improve budget consideration by Town Meeting? (for instance, presenting the municipal budget as one article instead of five)