

Amherst Finance Committee Minutes

March 4, 2010

CALL TO ORDER

The meeting was called to order at 7:04 p.m. in the first-floor meeting room, Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Andy Steinberg, Chair; Kay Moran, Vice-Chair), Marilyn Blaustein, Philip Jackson, Douglas Slaughter, Marylou Theilman,

STAFF IN ATTENDANCE: John Musante, Assistant Town Manager/Finance Director; David Burgess, Principal Assessor; Sandy Burgess, Town Clerk; Sonia Aldrich, Comptroller; Claire McGinnis, Collector; Ron Bohonowicz, Maintenance Director; Eunice Torres, Human Rights/Resources Director, Kay Zlogar, Human Resources Consultant; Chris Pacunas, Director, Information Technology; Julie Fetterman, Health Director

OTHERS IN ATTENDANCE: Walter Wolnik; ACTV; Fred VanDerbeck, Pelham Finance Committee; Peter Lillya, Bicycle and Public Transportation Committee

AGENDA

1. FY 11 budget

- a. Select Board/Town Manager - There is a slight increase in operating costs for professional membership fees for the Town Manager; the two administrative positions support the manager, Select Board, Town Meeting, FinCom, and Town Meeting Coordinating Committee (TMCC)
- b. Finance Committee – This budget includes \$300 for TMCC activities, e.g., bus tour, etc.
- c. Finance Department – This department has one position (customer service assistant) that is contingent on the override. Loss of this position would result in a further reduction of the hours at Central Services counter and an increased burden on remaining staff. Staffing levels are currently at level below peer communities, according to Musante. The town presently has only three staff assessing \$2B of property; the department is responsible for all of the bookkeeping, payroll, and internal audits; five people are responsible for \$74M in collections (parking, taxes, etc.). Musante stated that the town does an excellent job of billing and collections. Ambulance collections are dependent on insurance, and although the town bills within a week, the reimbursements can lag. And, as ambulance rates have been raised by town, the insurance may not cover the full amount of the bill.

- d. General Services - There will be a savings of \$24K in FY11 due to a five-year telephone contract for voice-over-IP (VOIP) service. There has also been a substantial reduction in the number of photocopies (nearly 50,000) as a number of things are now being scanned electronically rather than printed. Jackson inquired into the corresponding cost-savings (paper, maintenance), but no figures were available.
- e. Town Clerk – This department will lose a full-time position if the override fails. Burgess provided the committee with a comprehensive list of the impacts to her department and services if this position is lost. The increased work load will tax an already under-staffed department and a loss of revenue from passport fees. Steinberg noted that the loss would also result in an increase in expenditures due to the need to hire temporary help. Burgess also noted the additional impact in a year when there are three elections (primary, state and town).

There was also discussion of the impacts of new unfunded mandates on the clerk. One is the new Open Meeting Law requirement for the posting of meeting notices, which will add more work. Moran disclosed that she had no conflict of interest because of her volunteer work for the town with respect to voting. Moran inquired about the impacts of the mandatory annual training/recertification on the Open Meeting Law. Burgess indicated that the record-keeping was labor-intensive and burdensome.

- f. Legal – The contract with Koppleman & Page, the town’s attorney, is now structured to include a base rate and hourly rate for specialized services, when requested. The town manager is the one who authorizes most requests for opinion or services. Through January, it looks like the total expenditure for the current fiscal year will be \$120K. Musante noted that the current contractual arrangement has generally reduced expenditures on legal advice.
- g. Facilities/Maintenance - Bohonowicz provided updates on a number of building improvements (Bangs roof and HVAC; N. Amherst school) and the use of state energy audits to target improvements. The department is working to cut costs by using grants to fund work and contracting out some work previously done by staff members, who left, but whose positions have not been filled; the town has contained and controlled its utilities costs by securing a better contract for natural gas and a drop in electricity costs. Moran noted that many of the needed energy savings have been realized and are beginning to pay dividends. Musante noted that the town’s and school department’s investments will result in a \$250K savings in FY11 and are projected to rise to a total of \$2.5M over ten years. Bohonowicz noted that they are working on establishing the true costs of utilities in the schools; currently it costs \$600/day for lighting and \$1400/day for heat at ARHS.
- h. Human Resources/Human Rights - Human rights complaints are down, as are calls regarding alleged civil rights abuses. There was some concern expressed by Torres that this decrease may be attributable to the director’s office moving to Town Hall where people may feel less comfortable visiting. If the override fails, funding for a consultant

to assist with labor contract negotiations will be lost. The responsibility for bargaining with the various municipal unions will fall on the Town Manager and Assistant Town Manager.

- i. Employee Benefits – Three years ago, surcharges and deficits were the norm in the Health Care Trust Fund. Today, there is currently a \$3M balance in the trust fund, \$1.5M of which is for unpaid bills. Musante noted that the town is now better insured against large claims through its “stop loss” insurance. It was noted that “stop loss” insurance is limited to specific situations and does not apply to the fund in the aggregate

The overall approach to risk management is also greatly improved to mitigate problems from prior years, including rising costs; waiting too long to raise fees; not monitoring of large claims; and, low employee co-pays.

The goal is to continue to build the fund’s balance to mitigate the impact of large claims in the future. Moran expressed concern about the town’s self-insured status, given that a small group having its own insurance increases the financial impact of large claims. Zlogar noted that the GIC, a much larger pool, had similar problems to Amherst recently with large claims exceeding their ability to pay; they also had no “stop loss” insurance.

- j. Retirement – Postponed until next meeting.
- k. Information Technology – This budget supports the police department, public works, town hall, and includes 13 buildings, including the pumping stations and the Cherry Hill golf course. Last year, the department lost one 1 FTE, but consolidation and standardization of hardware and software has allowed the department to manage more with less. A project to outsource the town’s email system is on hold. A document imaging/management platform is helping to further control costs. This system is separate from one that is proposed under the capital budget for the town clerk’s office.
- l. Community Services – The Health Department is in the process of reorganizing and returning to its core mission: inspections, communicable diseases, and emergency preparedness. The department is looking at regionalization and job sharing to reduce costs. Measures include a shared sanitarian position with Northampton and reduction in the public nurse’s hours since the director is also a registered nurse. The Cambodian outreach program will transition to another social services agency in town in July 2010. Steinberg inquired into the potential for further job sharing by integrating health inspections with other departments and the creation of a “hybrid” inspector who could perform a variety of inspections. Steinberg also asked about past and projected revenues for enforcement of public smoking laws. Fetterman confirmed that the town is not currently ticketing for violations.
- m. Veterans – Steve Connor of the recently-formed Veteran’s District provided an update. The district was created in July 2009 and includes Amherst, Northampton, Cummington, Chesterfield to reduce costs and create a better service network for area veterans and their families. This regionalization effort has helped improve the handling of applications,

requests for services and reimbursements. At present, the new district is getting reimbursed in a timely fashion.

n. Transportation Enterprise Fund – Claire McGinnis reported that the fund is healthy and does not require additional revenue for the coming fiscal year. A variety of projects have been funded, including Spring Street lot renovation, improving lighting and security cameras in the Boltwood Walk garage. Future capital projects include lights in the Town Hall parking lot; improvement of the downtown parking facility; renovation of the Bank of America and Amity Street parking lots. McGinnis shared that The Lord Jeffery Inn will lease parking spaces adjacent to the hotel for guests, which is a change from the past when it had guests pay a nightly fee.

Peter Lillya of the Bicycle and Public Transportation Committee shared ridership data. The so-called outreach route (Rte 32) has been modified and ridership is up 20%. The committee continues to look for ways to promote ridership; supporting data can be found in an appendix to the town manager's budget. There was discussion about the state providing forward funding to PVTA for smaller busses, which might increase ridership.

2. News affecting budget – Musante distributed a copy of a news article describing a range of proposed municipal relief legislation being introduced on Beacon Hill.
3. Override proposal for March 23 budget
 - a. Adopt formal statement of motion from February 25 meeting – A number of suggested edits to the formal statement explaining the committee's unanimous vote on February 25 in support of the override were made. Steinberg will revise and distribute to the committee.
 - b. Information FC might provide to the public – The final statement will be posted on the committee's web page and distributed to other boards and committees. There was discussion of submitting a 200-word version to the *Amherst Bulletin* as an op-ed piece, as well as contacting reporters from the *Daily Hampshire Gazette* regarding the committee's vote and statement.
4. Member reports – Steinberg distributed a copy of the March 3 Budget Coordinating Group (BCG) talking points. At this time, the BCG has made no specific request to the Finance Committee for any additional information with respect to the March 23 override. If such a request is made, the committee will need to have a process for providing requested information.
5. Next meeting and agenda – March 10
6. Review of Minutes of Feb. 4 and 6, 11 and 25 – Deferred until March 10 meeting.
7. Miscellaneous – No items were discussed.

ADJOURNMENT

The meeting adjourned at 10:23 p.m.

Submitted by Philip Jackson, Acting Clerk