

# AMHERST FINANCE COMMITTEE MINUTES

Meeting of February 22, 2007

## CALL TO ORDER

The meeting was called to order at 7:04 p.m. in the First Floor Meeting Room of Town Hall.

## FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Alice Carlozzi (Chair), Kay Moran, and Andrew Steinberg.

## STAFF AND OTHERS IN ATTENDANCE

John Musante, Finance Director/Treasurer; Larry Shaffer, Town Manager; Sonia Aldrich, Comptroller; David Burgess, Principal Assessor; Claire McGinnis, Collector; Sandra Burgess, Town Clerk; Kris Pacunas, Information Technology Director; Eva Schiffer; Fred VanDerbeck; Judy Simpson and Nancy Gordon.

## AGENDA

1. Minutes of February 8 and 15, 2007, meetings
2. General Government budget review:
  - Select Board/Town Manager
  - Town Meeting/Finance Committee
  - Finance Department
  - Legal Services
  - General Services
  - Information Technology
  - Town Clerk/Elections
3. Override/financial plan, continued: Multi-year vote?
4. Adjusting Report to Town Meeting to fit override schedule
5. Member reports
6. Miscellaneous

## COMMITTEE ACTIONS

**1. Minutes.** VOTED 4-0, 3 absent, to approve with minor corrections the minutes of the February 8 and February 15, 2007, meetings.

## COMMITTEE DISCUSSION

**2. General Government Budget Review.** Mr. Musante noted that General Government budget is about 1/3 of the Town's municipal services General Fund budget. For FY 08, General Government is up 12.2 percent over the current year, but only .2 percent if benefits are excluded.

The Select Board/Town Manager's budget has the same number of staff positions as in the current year. Mr. Shaffer would give a high priority to adding an Economic Development Director if more money is available.

The Town Meeting/Finance Committee budget increases 60 percent (to \$800) to cover Town Meeting Coordinating Committee expenses.

The Finance Department budget decreases 3 percent largely because one Customer Service position is removed. This makes a total of 2.5 positions lost in this department in the past few

years. To absorb this loss, the hours the Central Service counter is open may have to be reduced. The department is already very lean.

Legal Services is level funded for now. Mr. Shaffer intends to get better control of use of Town Counsel hours, since the cost of Legal Services is the product of the hourly rate times the number of hours used. The process of selecting a permanent town counsel is underway and may be concluded in March.

The Comptroller oversees General Services. They include telephones, liability and boiler insurance, postage and audit, as well as procurement. Ms. Aldrich is attempting to bid insurance contracts so that they coincide with the Town's fiscal year. Telephones are still covered by payback from the new system; this is the third of five years.

The Information Technology Department procures, maintains and supports technology townwide. Mr. Pacunas outlined the enormous increase in IT functions over the past five years and pointed out the positive impacts on government and citizens, especially increased openness and efficiency of government functioning. The driving forces behind this expansion are citizen demand and opportunities to save money. IT supports over 50 software databases, and they require support contracts to keep them functioning appropriately. Mr. Shaffer said that IT is key to productivity gains. He mentioned in particular possibilities for improvements in various inspection/permitting processes.

The Town Clerk said it was difficult to meet the budget target given by the Town Manager. The 3.5 percent decrease in the budget is the result of having a new Clerk paid at a lower rate than the previous Clerk. Ms. Burgess hopes to recoup some of the revenue that was lost to her budget when the Post Office began issuing passports. The Town now takes photographs and handles passports an hour later than previously, making the service more attractive. Also, new federal ID requirements for travelers may increase business.

**3. Override/Financial Plan.** The Committee again discussed a proposal for a 3-year financial plan that includes a \$2.5 million override for FY 08 and an alternative 3-year plan requiring overrides in consecutive years. Mr. Musante provided information from town counsel and DOR stating that a municipality could not have a single ballot question asking approval of overrides in more than one fiscal year. There would have to be separate questions. There was general agreement among the members that a plan with separate overrides was very risky in that it could end up being no better than a single year plan. The Committee prefers a longer-term plan that combines a first-year override with opportunity for work on various revenue-enhancing proposals, commitment by the elected boards and Finance Committee to specific annual spending limits and building of reserves.

Mr. Musante discussed prospects for closing the year 4 revenue gap in his projections. He presented a \$500,000 ballpark estimate of possible revenue from a 2 percent meals tax in Amherst, with 1.5 percent remaining with the Town and the rest used by the state for expanded property tax mitigation efforts. There could also be progress in state revenue sharing and progress in obtaining support for Public Safety from the higher education institutions. Mr. Shaffer listed his priority items to be restored if 3 percent budgets are possible: Public Safety positions, an economic development director, opening War Memorial pool and restoring the Finance Department position. Mr. Steinberg asked if it would be possible to acquire personnel to keep the pool open if the money were not known to be available until May or June. Mr. Shaffer said it would be tough to do. Ms. Blaustein stressed the importance of building reserves. Ms.

Gordon described a poll of voters she has conducted and noted that many responders were aware of a multi-year proposal and liked the idea because they are concerned about predictability. The Committee agreed that we should have a newspaper column prior to the override vote describing the advantages of the multi-year plan (assuming the Select Board puts such a question on the ballot).

**4. Report to Town Meeting.** Mr. Musante relayed a suggestion by the Town Moderator that Town Meeting begin on May 7 instead of April 30. The change would allow Town Meeting to make appropriations knowing the outcome of the May 1 override election. The Finance Committee could describe in its report two budgets – one based on 1 percent budget increases with no override funding and the other based on 3 percent budget increases with override funding. The voters and Town Meeting members would have the information before the election. The members generally approved of this procedure, but recognized that it would require the approval and cooperation of the elected boards and administrators. The Committee should make clear in its report that the two budgets were proposals and that the actual appropriations are the business of Town Meeting.

**5. Member Reports and 6. Miscellaneous.** None.

Voted unanimously to adjourn at 9:25 p.m.

Submitted by Alice Carlozzi, Acting Clerk