

# **DRAFT AMHERST FINANCE COMMITTEE MINUTES**

Meeting of March 1, 2007

## CALL TO ORDER

The meeting was called to order at 7:03 p.m. in the First Floor Meeting Room of Town Hall.

## FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Paul Bobrowski, Alice Carlozzi (Chair), Kay Moran, Douglas Slaughter and Andrew Steinberg.

## STAFF AND OTHERS IN ATTENDANCE

John Musante, Finance Director/Treasurer; retired Human Services Director Kay Zlogar; Human Rights Director Eunice Torres; Veterans' Agent Roderick Raubeson; Richard Hood, Robie Hubley, Anne Awad, Walter Wolnik, Eva Schiffer, Judy Simpson and Nancy Gordon.

## AGENDA

1. Minutes of February 22, 2007, meeting
2. Update – Governor's Budget of February 28
3. General Government budget review:
  - Human Resources / Human Rights
  - Employee Benefits
  - Veterans Services / Town Commemorations
4. Override/financial plan, continued
5. Report to Town Meeting, schedule
6. Member reports
7. Miscellaneous

## COMMITTEE ACTIONS

**1. Minutes.** VOTED 4-0, 2 abstaining, 1 absent, to approve with a minor correction the minutes of the February 22, 2007, meeting.

**4. Override:** VOTED 6-0, 1 absent, to reaffirm the Finance Committee's Feb. 9 memo to the Select Board supporting a three-year plan that includes an approximately \$2.5 million Proposition 2 1/2 override for FY 08, coupled with no overrides in FY 09 or FY 10, specific annual spending limits for all three years, building reserves, and efforts to increase other revenues and promote economic development.

## COMMITTEE DISCUSSION

**2. Update: Governor's Budget of February 28.** Musante said the net impact on Amherst's budget appears to be about \$26,000 more than his earlier estimates. Committee members congratulated him on his accurate forecast. House and Senate budgets could change the numbers, though the state's charges to Amherst for regional transit (\$834,468) and retired teachers health insurance (\$751,701, up 33% over FY 07) are unlikely to change. Musante will find out whether retired regional teachers are included in the latter assessment.

### **3. General Government Budget Review.**

HUMAN RESOURCES/ HUMAN RIGHTS: Torres and Zlogar described the plan to reorganize what had been two departments into one. The budget of \$188,080 is \$24,830 lower than last year (excluding benefits for all town employees, budgeted separately for FY 08). Torres will oversee recruiting and training town employees with emphasis on affirmative action and human rights issues. Zlogar, who continues for FY 08 as a consultant, said combining these two departments and sharing an office with the Veterans Services Director will provide greater services with more people available to answer questions.

EMPLOYEE BENEFITS: Formerly included in the Human Resources budget, this is now budgeted separately at \$3,156,662, up 27.5% from FY 07 mainly due to health insurance increases. Zlogar distributed charts comparing health plans offered to town employees with those offered state employees by the Group Insurance Commission. Many GIC plans have lower premiums but higher deductibles and copayments than town plans, she said. The governor proposes allowing towns to participate in the GIC plans. The idea appeals to Finance Committee members because of possible lower cost to the town and the spreading of risk from large claims among a bigger group. Zlogar said Amherst continues looking into the possibility, though union bargaining and the Amherst-Pelham Regional School District structure complicate it. She noted that Amherst, which has "a Cadillac plan," had the lowest premiums in the state before 2003.

VETERANS SERVICES/TOWN COMMEMORATIONS: Raubeson, who is retiring in a week, said mandated benefits to veterans should be about the same in FY 08 as this year. The commemorations budget of \$875 includes the cost of flags the town is required to place on veterans' graves every Memorial Day. Carlozzi praised Raubeson for his dedication to veterans and thanked him for his service to the town.

**3. Override/Financial Plan.** At our Feb. 15 and Feb. 22 meetings Committee members considered various proposals for multiple override questions this year and stepped overrides over three years. Tonight, members agreed that multiple questions would confuse voters, while the single option of about \$2.5 million, coupled with commitments to spending restrictions, allows stability and time to pursue other revenue options and economic development efforts. All agreed that, while dollar estimates for potential new revenue sources may be discussed, those numbers should be clearly labeled as provisional. Members voted 6-0, one absent, to reaffirm support for our Feb. 9 memo outlining this plan. Members agreed to urge the Select Board to decide soon. Carlozzi will write a letter to the Select Board presenting our recommendations before the discussion of override issues at Monday's Select Board meeting.

**4. Report to Town Meeting, schedule.** Musante distributed a revised draft of the Annual Town Meeting schedule. If we want the Finance Committee report to reach Town Meeting members before the May 1 referendum, we'll have to write, edit and print it before the April 20 mailing, which means taking votes on all articles at our April 5 and 12 meetings. Alice will discuss timing with the Budget Coordinating Group next week.

### **5. Member Reports**

Moran reported on budget discussions at the Feb. 26 meeting of the Library Trustees. Steinberg reported that he will attend the Community Development Committee's March 13 meeting to discuss the human services funding budget. Slaughter reported that the economic development work group of the Master Planning Committee supports adding an economic development director to town staff.

**6. Miscellaneous.** Hood questioned whether the tax bill for the average Amherst house has increased 6% annually, as our override report states. He thinks it should be somewhere around 3.8%. Members agreed 6% is an upper limit but pointed out that there is no such thing as an average Amherst house.

Voted unanimously to adjourn at 9:27 p.m.

Submitted by Kay Moran, Acting Clerk