

# Finance Committee Minutes

Approved 4/14/08

Meeting Date: April 10, 2008

## CALL TO ORDER

The Meeting was called to order at 7:00 PM in the First Floor Meeting Room, Town Hall.

## COMMITTEE MEMBERS IN ATTENDANCE

Alice Carlozzi, Brian Morton (Chair), Kay Moran (Vice Chair), Marilyn Blaustein, Doug Slaughter

## STAFF AND OTHERS IN ATTENDANCE

John Musante, Assistant Town Manager/Finance Director; Larry Shaffer, Town Manager; Fred VanDerBeck, Frank Wells, Nick Grabbe, Walter Wolnik, Jonathan O'Keefe

## AGENDA

1. Amherst-Pelham Regional Budget Amendments
2. FY 09 Budget Votes
3. Transfer of Funds – Unpaid Bills
4. Reserve Fund
5. Reports of Boards and Committees
6. Member Reports
7. Minutes
8. Next Meeting and Agenda
9. Miscellaneous

## COMMITTEE ACTIONS

### Articles

- Article 1 Reports of Boards and Committees - Motion to recommend passed 5 - 0 one absent
- Article 2 Unpaid Bills - Motion to defer a recommendation until Town Meeting for passed 5 - 0 one absent
- Article 4 Personal Property Exemptions - Motion to revoke recommendation to amend to values of \$5,000 or less passed 5 - 0 one absent
- Article 8 FY 08 Budget Amendments - Motion to defer a recommendation until Town Meeting passed 5 - 0 one absent
- Article 9 Library Revolving Fund - Motion to recommend dismissal or referral passed 5 – 0 one absent

- Article 10 Regional School Assessment Method - Motion to recommend passed 5-0 one absent
- Article 11 Regional Transportation and E&D Amendments - Motion to recommend both motions passed 5- 0 one absent

#### FY 09 Operating Budget

- Public Safety - Motion to recommend \$ 8,160,644 passed 4 – 0, 1 abstain, 1 absent
- Public Works – Motion to recommend \$ 1,726,974 passed 5 – 0, 1 absent
- Planning Conservation and Inspections – Motion to recommend \$ 851,853 passed 5 – 0, 1 absent
- Community Services – Motion to recommend \$ 1,699,567 passed 5 – 0, 1 absent
- General Government – Motion to recommend \$ 6,152,525 passed 5 – 0, 1 absent
- Debt Service – Motion to recommend \$1,446,361 passed 5 – 0, 1 absent
- Library Services – Motion to recommend a budget of \$2,128,147 with Tax Support of \$1,490,385 and \$1,200 from town trust funds for the benefit of the library passed 5 – 0, 1 absent
- Elementary Schools - Motion to recommend \$20,689,430 assuming article 11 passes passed 4 – 0, 1 absent, 1 abstaining. Backup motion to recommend the lower number of \$20,363,943 if article 11 fails, passed 4 – 0, 1 absent, 1 abstaining.
- Regional Schools - Motion to recommend \$28,120,995 with an Amherst assessment of \$12,395,375, assuming passage of article 11, passed 4 – 0, 1 absent, 1 abstaining. Backup motion to recommend the higher amount \$28,587,639 with an Amherst assessment of \$12,756,744 if article 11 fails, passed 4 – 0, 1 absent, 1 abstaining.
- Water Fund - Motion to recommend \$ 4,224,006 passed 5 – 0, 1 absent
- Sewer Fund - Motion to recommend \$3,670,647 passed 5 – 0, 1 absent
- Solid Waste Fund - Motion to recommend \$625,524 passed 5 – 0, 1 absent
- Transportation Fund - Motion to recommend \$1,010,754 passed 5 – 0, 1 absent
- Article 13 Reserve Fund - Motion to recommend \$100,000 passed 5 – 0, 1 absent

#### Capital Program

- Article 14 Chapter 90 Motion to recommend \$610,000 passed 5 – 0, 1 absent
- Article 15 Equipment - Motion to recommend \$1,226,400 passed 5 – 0, 1 absent
- Article 16 Buildings and Facilities - Motion to recommend \$143,000 passed 5 – 0, 1 absent
- Article 17 Bond Authorization - Motion to recommend up to; \$420,000 for the Bangs Center Roof, \$635,000 for a Quint fire pumper, and \$205,000 for portable classrooms passed 5 – 0, 1 absent

#### Articles

- Article 24 CPA Referendum - Motion to defer a recommendation until Town Meeting Passed 5 – 0, 1 absent

- Zoning Articles – Motion to defer recommendations for all zoning articles (25 – 32) until Town Meeting passed 5 – 0, 1 absent
- Article 36 Transfer funds from free cash to stabilization - Motion to defer a recommendation until Town Meeting passed 5 – 0, 1 absent
- Article 37 Free Cash - Motion to defer a recommendation until Town Meeting passed 5 – 0, 1 absent
- Article 38 Stabilization - Motion to defer a recommendation until Town Meeting passed 5 – 0, 1 absent
- Articles 39- 47 Motion to defer recommendations until Town Meeting passed 5 – 0, 1 absent

### Discussion

John Musante prefaced the budget voting with a summary of the changes from the Manager’s January proposal to the budget proposal the Select Board voted on April 7<sup>th</sup>. Changes include the following.

- 1) Adding \$66,000 to level fund human services
- 2) Adding \$55,681 to open War Memorial Pool, partially offset by restoring \$31,200 in estimated pool revenue
- 3) Subtracting \$65,000 for employee pay/benefits because health insurance costs are only estimated to increase by 6% instead of 12%
- 4) Adding \$16,500 for a part time Health Inspector to correct an error in the Town Manager’s January proposal
- 5) Reducing the Water Fund by \$750,000 for the bond authorization for radio meter reading equipment because further analysis concluded it was not cost-effective at this time.

Larry Shaffer added that he was proud of staff for working to craft a municipal budget that nearly and creatively meets the FC guidelines while maintaining services, but cautioned that next year will be even more difficult.

As voting on budget recommendations proceeded, there were some comments by various people. On Public Safety, there was a unanimous view of the Finance Committee that the Town has reduced this functional area too far, especially Police. Concern was expressed that increased turnover seems to be occurring in the Police Department and costs the town more money for recruitment and training than it might if staffing levels were more in line with the demands placed on personnel. This view resulted in one member abstaining from the vote rather than support what was felt to be a sub-standard budget.

Alice Carlozzi disclosed her relationship to Senior Planner Jonathan Tucker and advice given to her by counsel regarding conflict of interest requirements before proceeding with the Planning Conservation and Inspections discussion and vote.

Prior to the discussion and vote on General Government, Kay Moran disclosed that she is an election worker but accepts no pay for her duties and counsel has advised that this avoids the potential for a conflict of interest.

The debt service appropriation is higher than what was in the Manager's January proposal because of the inclusion of \$44,250 in CPAC funding for debt related to Town Hall repairs.

Doug Slaughter recused himself from the quorum and discussion on the Elementary and Regional School Budgets due to a potential conflict of interest. Both the Regional and Elementary budgets were voted assuming that the transportation amendment to the Regional Agreement in Article 11 would pass in all four of the region's towns. The committee also voted a backup recommendation if the amendment failed. The elementary budget is a 6.3% increase including transportation (4.7% without transportation) and the regional assessment is a 0.1% increase with elementary transportation shifted to the elementary schools, and 3% if transportation remains in the Regional budget.

Frank Wells of the Public Transportation Committee expressed concerns his committee has about paving the Spring Street lot using Transportation Fund revenue and that the committee felt it was not included in the information sharing process as the Transportation budget was developed and presented. John Musante responded by detailing a meeting with the Transportation Committee at which he and Guilford Mooring went over the proposal, and stated that parking revenue picked up 100% of the outreach bus route funding which PVTa dropped. Larry Shaffer stated that he thought the issue was adequately explained at the time but that if the Transportation Committee felt otherwise, he was happy to meet with them again.

The Library Trustees voted to table the Library Revolving Fund pending further study. Information from the Library Director seems to indicate that the trustees do not intend to move the article at the annual Town Meeting. Based on this information, the Finance Committee voted to recommend dismissal or referral to the trustees because either way, the trustees feel that they need to study the issue further.

The Personal Property Exemption Article was re-voted because the Select Board voted values of \$5,000 or less whereas the Finance Committee had previously voted the article at values of \$10,000 or less, as recommended by the assessors. The Assessors did not object to the Select Board action so the Finance Committee re-voted the article at the \$5,000 level to be in accord with the Select Board position. This results in roughly \$14,000 in personal property tax exempted that will be reallocated across the entire taxpayer base. The impact is less than a penny on the tax rate and about \$1.65 on the average tax bill.

We are waiting for the latest information on Article 8 FY 08 Budget Amendments before making a recommendation.

### **Member Reports**

Kay Moran reported that the libraries might have some challenge grants on the horizon and a matching grant from the Gates Foundation that could enable the purchase of computers for the North and South branch libraries.

Brian Morton reported that on Monday April 14<sup>th</sup>, the BCG is going to recommend appointments to the public engagement Facilitation Committee subject to Select Board approval. The next step in the process is for the co-chairs of the BCG to formally orient the new group to their charge and role in the process. This should take place as soon as possible after the appointments are confirmed.

Marilyn Blaustein reported that the Comprehensive Planning Committee is getting closer to the final report that will be presented to the Planning Board. At this point, it appears there will be a brief oral report to Town Meeting, and a summary report may be available.

**Next Meeting**

The next meeting will be Monday April 14<sup>th</sup> in the First Floor Meeting Room

Adjournment

Adjourned at 9:02 PM

Respectfully submitted

Brian Morton

Acting Clerk