

AMHERST FINANCE COMMITTEE MINUTES

Meeting of May 8, 2008

CALL TO ORDER

Morton called the meeting to order at 7:00 p.m. in the First Floor Meeting Room of Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Alice Carlozzi, Kay Moran (Vice-Chair), Brian Morton (Chair), Douglas Slaughter and Andrew Steinberg.

STAFF AND OTHERS IN ATTENDANCE

John Musante, Assistant Town Manager/Finance Director; Jonathan Tucker, Planning Director; James Wald, Chair, Historical Commission; Sonia Aldrich, Comptroller.

AGENDA

1. Article 8 FY 08 Budget Amendments
2. Multi-Year Financial Plan Revenue Projections (Tentative)
3. Article 20 Part B Main Street Lots
4. Role and Responsibilities of the Finance Committee
5. Member Reports
6. Minutes
7. Next Meeting and Agenda
8. Miscellaneous

COMMITTEE ACTIONS:

VOTED 6-0 to recommend approval of Article 20, Part B as an appropriate use of Community Preservation Act funds.

DISCUSSION

2. Multi-Year Financial Plan Revenue Projections. The projections are not ready. The Committee will consider them at a Finance Committee prior to the Town Meeting session on May 21, 2008.

6. Minutes. No minutes were presented.

5. Member Reports. Steinberg reported that the school lunch and breakfast programs are paid from a revolving fund with the intention that the fund would cover the entire cost, although in some years operating budget money is needed as a supplement. Renegotiation of the contract with the new food service provider in order to retain current food service workers as Town employees might require a supplement again. He would reaffirm to school officials that the Finance Committee stands by the recommended budget total, meaning that any cost increase due to renegotiation would have to come

from somewhere within the proposed school budgets. The Committee recognized that how the schools use their budget appropriation is up to the School Committee.

1. Article 8, FY 08 Budget Amendments. Musante provided updated projected surplus/shortfall figures for the five municipal functional areas. General Government is within budget, not down the \$40,000 or so projected earlier. Lower benefit costs can cover higher legal cost. By the end of FY 09, there could be a surplus of up to \$20,000. Public Safety has a higher shortfall than before due to one-time severance expense, overtime, fuel, and Fire Department vehicle maintenance. The Public Works shortfall is for Snow and Ice along with fuel and supplies. The amount of Public Works salaries that can be charged to capital projects could improve with good weather. Money is available from Conservation/Planning/Inspections and Community Services because of unfilled positions. No transfer requests are expected from the schools or libraries. The motion under Article 8 would be to shift funds amount functional areas and spend about \$93,000 from the Reserve Fund. Revenues look good. Departmental receipts are up; taxes are on target, with a very good collection rate. The Committee will vote its recommendation at the May 19 meeting.

3. Article 20, Part B. Wald explained that the Historical Commission wants the Town to buy two lots fronting on Main Street just east of Gray Street in order to have a continuous strip of protected frontage from Sweetser Park to Gray Street. This would protect views and help preserve the character of this historic district. The projected cost is \$400,000 for the two lots. If an Urban Self Help grant is obtained, the cost to Amherst would be \$120,000 (30% of the total). Without the grant, the Town would purchase only one lot for \$200,000. The Commission does not want a motion to be made for a lesser amount of money, because this would eliminate the possibility of acquiring a single lot should the grant application not be approved. Short-term borrowing would be necessary only if the grant is awarded. The Town would have to pass deed restrictions to the state on the new "park" land. Town Counsel is being consulted on the question whether agreements negotiated with the seller would satisfy this requirement. Appraisals of the two lots should be available shortly. If the appraisals are higher than expected, the seller may still let the Town have the lots for \$400,000. If the appraisals are substantially lower than expected, further negotiations with the seller would be necessary. The Town cannot pay more than the appraised amount. After considerable discussion of the proposal, the Committee voted 6-0 to recommend approval of Article 20, B as an appropriate use of Community Preservation Act funds.

7. Next Meeting and Agenda. The Committee will meet prior to the Town Meeting session on May 19 to vote recommendations for Article 8 and prior to the Town Meeting session on May 21 to consider revenue projections for a multi-year financial plan.

ADJOURNMENT

The meeting adjourned at 8:10 p.m.

Submitted by Alice Carlozzi, Acting Clerk