

Amherst Finance Committee Minutes July 12, 2012

CALL TO ORDER: The meeting was called to order at 7:02 p.m. in the First Floor meeting room at Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE: Kay Moran, Doug Slaughter, Anurag Sharma, Andy Steinberg. ABSENT: Janice Ratner, Bob Saul, Marylou Theilman.

OTHERS IN ATTENDANCE: Sanford Pooler, Finance Director; Amherst Media.

AGENDA AND DISCUSSION

1. Election of Chair and Vice Chair

Pooler presided at the beginning of the meeting and asked for nominations for chair. Moran nominated Steinberg, seconded by Slaughter. The Committee VOTED 3-0, 1 abstention (Steinberg), 3 absent, to elect Steinberg chair.

Steinberg presided and asked for nominations for vice-chair. Sharma nominated Moran, seconded by Slaughter. The Committee VOTED 3-0, 1 abstention (Moran), 3 absent, to elect Moran vice-chair.

2. News affecting budget

Pooler said the Governor has signed the state's FY 13 budget. Pooler distributed documents comparing final FY13 Cherry Sheet local aid numbers to local aid assumptions used in the approved FY 13 budgets for the Town and the Amherst-Pelham Regional School District. The net state aid to the Town is \$580,887 higher than assumptions used in the approved budget, and the net state aid to the Region is \$166,730 higher. This is not unexpected. Alternatives for dealing with the Town's excess are (a) the Town could reduce estimates of other revenue sources in preparing the recap sheet in the fall; (b) ask the fall Town Meeting to appropriate it for something, such as the Stabilization Fund and/or the Other Post-Employment Benefits (OPEB) Trust Fund; (c) designate it to help balance the FY 14 budget. He thinks FY 14 will be a difficult year with little if any additional state aid coming in. The Regional School Committee could put their excess into their Excess and Deficiency Account (reserves) and/or the Region's OPEB Trust Fund, or appropriate it. Steinberg said school officials also think FY 14 will be difficult financially.

3. Board/Committee Liaison Assignments for FY 13

4. Moran and Slaughter agreed to continue on the Joint Capital Planning Committee. Steinberg said Saul has agreed to serve on the Audit Committee for the FY11 audit.

Steinberg will continue on the Budget Coordinating Group, with either Ratner or Saul joining him. That and other liaisons will be discussed when everyone is present.

5. FY12 Reserve Fund Transfers

Pooler distributed a document comparing FY12 budgets with the actual amount expended as of June 30, 2012. The net surplus for FY12 is \$33,833. Only Community Services ended the year with a deficit, of \$37,419, due to more expenditure for Veterans Services than budgeted. We have to pay whatever is needed for this account. The state eventually reimburses 75% of the expenditure. This year's reimbursement was just under \$200,000, Pooler said.

The Committee VOTED 4-0, 3 absent, to transfer \$37,420 from the Reserve Fund to balance the Community Services budget for FY12.

6. Review of budget process for FY 13 and discussion of possible changes for FY 14

Pooler distributed a very preliminary FY14 budget development calendar, dated 7/12/12, which he drafted based on last year's schedule. He has not discussed it yet with school and library officials. Steinberg noted that fall Town Meeting is later than usual. Discussion of Finance Committee process will happen at a later meeting.

7. Process to review Financial Policies and Town Meeting Article referred to the committee

Pooler said Town Treasurer Claire McGinnis will have a draft investment policy to discuss with us in September. Sharma volunteered to meet with her and Pooler before our next meeting to discuss this with them, as well as how to invest any money put into the OPEB Trust Fund so as to maximize the return while ensuring its security.

The Committee discussed what to do about the referred article from the Annual Town Meeting recommending establishment of a state bank. Moran volunteered to find out more about the Bank of North Dakota, which the Article's author Vince O'Connor cited as an example. Steinberg volunteered to find out more about the Massachusetts State Treasurer's initiative to invest state money in Massachusetts-based banks. Sharma said we should be prepared to summarize our findings and make a report to Town Meeting if necessary. He added that it is a complex issue requiring an understanding of the banking industry, and we might find that undertaking a detailed study is not a priority in allocating our limited volunteer hours to all the tasks that need to be done.

8. Next meeting and agenda

The next meeting will probably be toward the end of September, perhaps Sept. 27. The agenda will include a Town investment policy and whether we have a recommendation on treatment of the extra state aid.

9. Minutes of previous meetings

The Committee VOTED 4-0, 3 absent, to approve the minutes of 10/13/11, 3/8/12, 4/19/12, and 4/30/12 as amended.

ADJOURNMENT

The meeting adjourned at 8:38 p.m.

Kay Moran, acting clerk

DOCUMENTS USED AT THE MEETING

Town of Amherst FY13 Cherry Sheets Local Aid Estimates

Town of Amherst FY13 Cherry Sheets State Assessments

Amherst Pelham Regional School District FY13 Cherry Sheets

FY 12 Budget/Actual Projected Thru June 30, 2012

FY 12 Reserve Fund Transfers (dated 7/12/12)

Town of Amherst FY 14 Budget Development Calendar, preliminary draft 7/12/12