

Amherst Finance Committee Minutes March 22, 2012

CALL TO ORDER: The meeting was called to order at 7:05 p.m. in the First Floor meeting room at Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE: Kay Moran, Janice Ratner, Anurag Sharma (7:09), Doug Slaughter, Andy Steinberg, Marylou Theilman(8:00).. ABSENT: Bob Saul

OTHERS IN ATTENDANCE: Sanford Pooler, Finance Director; Claire McGinnis Treasurer/Collector; Brenden Carey; Jeff Napolitano; Ruth Hooke; Hwei-Ling Greeney; Vincent O'Connor; Catherine Brubaker; Alice Swift; Amherst Media.

AGENDA AND DISCUSSION

1. Fiscal Year 2013 budget
 - a. New information affecting budget
 - b. Report of Budget Coordinating Group meeting
 - c. Budget planning and development
 2. Town Meeting Warrant Articles, other than FY 2013 operating budget
 - a. Meet with petitioners or staff and consider committee action as appropriate
 - b. Identify information needed on Articles to be presented at future meetings
 3. Member reports – liaisons and committees
 4. Minutes of previous meetings, if any
 5. Next Meeting and Agenda
 6. Topics not reasonably anticipated by the Chair 48 hours in advance of the meeting
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1. Fiscal Year 2013 budget

Pooler reviewed updated debt service obligations for FY13. The numbers were updated to reflect the actual debt service incurred by the recent bond sale. Sharma asked about the overall debt of the Town relative to other communities and the overall approach to taking on new debt. Pooler responded that the Town's overall debt burden is relatively low and that the Town seeks to have a fairly steady debt payment each year. The length of any borrowing is limited by the useful life of the item so the Town seeks to balance the different maturity dates of the debt and the interest rates charged for that debt with the available revenue.

The Finance Committee voted 6-0 with 1 member absent to recommend \$1,828,777 for debt service of which \$1,619,737 is to come from taxation, \$167,933 from Community Preservation Act funds, and \$41,107 from the Wildwood Roof Reserved for Debt Service Account.

2. Town Meeting Warrant Articles, other than FY 2013 operating budget

Carey, Napolitano, and Hooke presented the petition article to create a bylaw regarding the Secure Communities program. They stated that compliance with the reporting requirements of the Secure Communities program would undermine community policing efforts and potentially cost the Town money due to the requirement to detain undocumented aliens until they can be deported. Steinberg noted that the Police Chief had some reservations about the bylaw proposal since it might put grants which we currently get from the Department of Justice at risk. Hooke pointed out that additional detainees would cost the department staff time and effort. Steinberg stated that the Committee would seek information from the Police Chief regarding the costs and benefits of such a bylaw.

Greeney presented the petition article to restore \$66,000 to Human Services funding. She stated that this would return the funding level back to that which was funded in FY08. Greeney also stated that the Community Development Block Grant funding of these types of services has declined in recent years, is an unstable form of support, due to Amherst being just within the threshold of the mini-Entitlement Community status, and was paid from local tax revenues before the CDBG funding was available. Moran pointed out that when local taxes were used to fund these programs we also had large growth in state aid. Since FY07 state aid has declined reducing the money available for all programs and services the Town provides. Steinberg stated that our policy regarding the use of reserves was different in the past and that our current circumstances with respect to reserves prevents us from using them in this way.

The Finance Committee voted 6-0 with 1 member absent to not recommend the Warrant article restoring \$66,000 to the Human Services budget for FY13.

Swift presented the petition article for a resolution to ask for a constitutional amendment to reverse the Supreme Court decision in Citizens United vs. Federal Elections Commission. She stated that the ruling by the Supreme Court has had and will have a significant impact on elections. However, the current petition article should have no obvious impact on the Town's finances.

The Finance Committee voted 5-0 with 1 member absent and 1 abstention (due to an affiliation with the petitioners) to take no position on the Warrant article seeking a resolution to reverse the Supreme Court decision in Citizens United vs. Federal Elections Commission.

O'Connor presented the petition article related to a bylaw regarding the banking practices of the Town. He stated that the Town is primarily doing what the bylaw seeks to codify, namely, that the Town keep our deposits in Massachusetts banks and avoid interstate banks. He stated that the petition article also seeks a resolution for the establishment of a Bank of Massachusetts. McGinnis stated that state law requires the Town Treasurer is responsible for the safety, liquidity, and yield of Town monies (in that order). She also reported that the majority of the Towns monies are in Massachusetts banks and that the restrictions of the petition article would significantly limit her ability to seek the best rates for banking services. Pooler stated that he is working on an investment policy for the committee to consider which could incorporate the petition articles ideas while not being in conflict with state law. O'Connor suggested the he would consider changes to the article to take into account the Treasurer's concerns and would seek Town Counsel's advice on how best to modify the article. Moran stated that as a resolution she would consider supporting the article but as a bylaw the potential legal complications would be too severe to support. O'Connor cited the example of the Bank of North Dakota with regard to Section 2 of the article. Steinberg stated that the committee would take up consideration of the article after the committee had a chance to look into the example of the Bank of South Dakota and after checking with Town Counsel regarding Section 1 of the article.

3. Member reports – liaisons and committees

None.

4. Minutes of previous meetings, if any

None.

5. Next meeting and agenda

The next meeting will be March 29, 2012 with continued work toward FY13 budget and other Annual Town Meeting Warrant Article recommendations.

6. Topics not reasonably anticipated by the Chair 48 hours in advance of the meeting

The Finance Committee voted 6-0 with 1 member absent to recommend the Warrant article allowing reports of boards and committees to be heard by Town Meeting.

The Finance Committee voted 6-0 with 1 member absent to defer to Town Meeting a position on the Warrant article regarding the transfer of funds and payment of unpaid bills.

Pooler reviewed the Assessor's memo regarding the costs associated with the additional optional tax exemptions for FY12.

The Finance Committee voted 6-0 with 1 member absent to recommend the Warrant article allowing for optional tax exemptions.

The Finance Committee voted 6-0 with 1 member absent to recommend the Warrant article which provides authorization to enter into compensating balance agreements.

The Finance Committee voted 6-0 with 1 member absent to recommend the Warrant article allowing for the alternative regional schools assessment method.

ADJOURNMENT

The meeting adjourned at 9:55 p.m.

Douglas Slaughter, acting clerk

DOCUMENTS USED AT THE MEETING

Budget Coordinating Group Summary Points of March 22, 2012

Petition Article – Bylaw Regarding the Sharing of Information with Federal Agencies
Information Sheet on Bylaw Regarding the Sharing of Information with Federal Agencies
from American Friends Service Committee – Western Massachusetts Program

Resolution adopted by the Northampton City Council regarding the Secure Communities
Program and the Preservation of Our Civil Rights

Letter from Mary Heffernan, Secretary of the Commonwealth of Massachusetts
Executive Office of Public Safety and Security, to Marc Rapp, Acting Director Secure
Communities Immigration and Customs Enforcement regarding Governor Patrick's
refusal to participate in the Secure Communities program

Petition Article – To see if the Town will restore Human Services in the FY13 budget at
\$66,000

Petition Article – Reversing Citizens United v. Federal Elections Commission

Petition Article – Bylaw Regarding Measures Relative to Banking of Town Funds
MGL Chapter 44 Sections 55, 55A, and 55B and listing of current Town banking
accounts

Town of Amherst FY2013 General Fund Debt Schedule

Memo from David Burgess, Principal Assessor to Sanford Pooler, Finance Director
regarding Additional Optional Exemption FY12

April 30, 2012 Annual Town Meeting Preliminary List of Articles