

Approved 10/09/14

**Amherst Finance Committee Meeting
Sept. 25, 2014, 7:00 p.m.
First Floor Meeting Room, Town Hall**

The meeting was called to order at 7:00 p.m.

Attendance: Kay Moran (Chair), Marylou Theilman (Vice Chair), Janice Ratner, Douglas Slaughter, Steve Braun. Absent: Bernie Kubiak, Anurag Sharma

Others Attending: Sandy Pooler, Amherst Finance Director; Amherst Media

Agenda:

Officers:

Kay Moran, Chair
Marylou Theilman, Vice Chair

Committee and Liaison Assignments:

Budget Coordinating Group (BCG)

Kay Moran
Anurag Sharma

Joint Capital Planning Committee

Douglas Slaughter
Steve Braun

Library and Audit

Janice Ratner

Schools

Marylou Theilman

Update on FY14 Budget Results:

(Attachment: *FY14 Municipal Budget/Actual Reports for Quarter and Fiscal Year Ending June 30, 2014 from Pooler and Sonia Aldrich, Comptroller)

Pooler stated that the books for the FY14 Budget closed on June 30, 2014. The document covers three reports detailing performance versus budget for revenues and expenditures for the General Fund and Enterprise Funds for FY14 which ended June 30, 2014.

The three reports are:

1. Summary Statement of Revenues and Other Sources and Expenditures and other Uses—Budget and Actual by fund (General, Sewer, Water, Solid Waste and Transportation Funds).
2. Detailed Year to Date Revenues and Expenditures Budget Report.
3. FY14 Reserve Fund Transfer Voted by the Finance Committee on July 10, 2014.

According to Pooler, the General Fund generated a net operating surplus of \$1,672,735 against a budget of \$69.4 million, or approximately 2.4% of revenue, which is consistent with previous years and reflects the Town's ongoing commitment to realistic revenue projections and control over departmental expenditures by staff. The surplus in this report does not equate to a similar increase in the Town's Free Cash, because the report does not reflect the decrease in the Free Cash balance due to the approximately \$1.7 million in Free Cash expenditures voted by Town Meeting during FY14.

The figures presented in the Report are unaudited and are subject to change, but these numbers will be submitted to the auditor. The Comptroller will submit the figures to the Department of Revenue for certification of Free Cash and final confirmation of the numbers in these reports.

Revenues for the golf course were below last year's receipts. The course opened later because of the cold and wet winter. Continued rain in May was also a factor.

LSSE – Recreation had a \$41,257 deficit in the operation of the After School Program. For FY15 fees for the After School Program have increased, and the programs operated by private providers will be financially independent. Swimming pool revenue was below budget and the fee structure needs to be reviewed.

Hotel and the Meals tax grew and this trend appears to be continuing in the current fiscal year.

Revenues in the General Fund categories generally were as anticipated. General Fund expenditures were below the original budget.

The main concern in the Enterprise Funds is the Solid Waste Fund, which ended with a substantial deficit. The Recycling and Refuse Management Committee is preparing recommendations for dealing with the Transfer Station operations. There is interest by Verizon for a cell phone tower at the closed landfill on Belchertown Road. The proposed solar farm on the older closed landfill is still in litigation. Both would be potential revenue sources for the Solid Waste Fund.

The Transportation Fund ended with a revenue deficit because parking ticket revenue was lower than budgeted. Improvements to the pay stations and people becoming more familiar with the machines have reduced ticket revenues.

Revenues from interest earnings were \$16,389.90 below the amount anticipated and budgeted, as interest rates are low.

News Affecting the FY15 Budget:

None. Pooler will present the financial outlook for FY16 on October 16, 2014 at 6:30pm in the Town Room for the Manager, Finance Committee, Select Board, School Committee, Library Trustees and the public.

Regional Schools Assessment Method:

(Attachment: *Process Information, Description of Assessment Models, Data for Models and the Assessment Figures for each Town depending on the Method—Material from the Regional Schools Assessment Working Group,)

Theilman presented background information related to the reason for establishing a Regional Assessment Working Group for the schools. Pooler presented an overview of the process being used to evaluate 4 options for determining the assessments for the Regional Schools. The 4 criteria were “equitable”, “predictable”, “impact on regionalization”, and “doesn’t harm the regional budget”. The 4 models were Five Year Rolling Average of Enrollment, Statutory Method, Statutory Method Five Year Rolling Average and Capping Mechanism.

After a lengthy discussion the general consensus was that the present Five Year Rolling Average of Enrollment has worked and is easy to explain and understand. In addition, it was thought to be the most predictable and fairest since the per-pupil cost for all children, regardless of Town, would be the same.

Some considered the Statutory Method as their second choice. It was thought to be less predictable, as the State formula updates its wealth and income data per town every two years, which could be significantly different from the previous update. The Method also was considered difficult to explain.

The Statutory Five Year Rolling Average was interesting, and could be more predictable, but very difficult to explain.

No one supported Caps on any of the Models, which would subsidize a Town when its assessment exceeded a certain percentage. The overall sense was that each Town should pay the same per pupil cost for its students. During the discussion, it was said that we choose to live in communities for a variety of reasons: low taxes, country setting, neighborhood schools, small town, large town, town services, etc. Since Amherst already provides some services to people in surrounding Towns through Amherst’s taxes, a Cap on assessments was not supported.

Theilman will write up her evaluation for the Regional Schools Assessment Working Group using the input from the Finance Committee. Sean Mangano, the Schools’ Finance Director has provided a wealth of information and will write up

the report for the Regional School Committee.
Minutes of Previous Meetings:
Minutes of November 4, 2013, **Voted: 4-0, 1 abstaining, 2 absent**

Next Meetings and Agendas:
Thursday, October 9, 2014
Warrant Articles
Thursday, October 16, 2014 (after Pooler Presentation)
Finance Committee's position on CPA Surcharge on Fall Ballot
Thursday, October 23, 2014

Topics not reasonably anticipated by the Chair 48 hours in advance of Meeting:
None

Handouts and Documents used at the Meeting:
*FY14 Municipal Budget/Actual Reports for Quarter and Fiscal
Year Ending June 30, 2014 from Pooler and Sonia Aldrich, Comptroller

* Process Information, Description of Assessment Models, Data for Models and
the Assessment Figures for each Town depending on the Method—Material from
the Regional Schools Assessment Working Group

Adjourned:
The meeting adjourned at 9:21pm

Submitted by:
Marylou Theilman, Acting Clerk