

Approved: 10/22/2015

**Finance Committee Meeting
Thursday, October 15, 2015, 6:30 PM
Town Room, Amherst Town Hall**

A joint meeting of the Finance Committee, Select Board, School Committee, and Jones Library Trustees was called to order at 6:40pm.

Finance Committee Members in Attendance: Kay Moran (Chair), Marylou Theilman (Vice Chair), Steven Braun, Bernie Kubiak, Tim Neale, Janice Ratner, Anurag Sharma

Others in Attendance: Sandy Pooler, Finance Director; David Ziomek, Interim Town Manager; Alisa Brewer, Select Board Chair; Connie Kruger, Doug Slaughter and Andy Steinberg, Select Board; Maria Geryk, Superintendent of Schools; Sean Mangano, School Finance Director; Rick Hood, School Committee; Sharon Sharry, Jones Library Director; Robert Pam and Tamson Ely Jones Library Trustees; Larry Kelly; Amherst Media; Scott Merzback, *Amherst Bulletin*

Agenda, Part I and Discussion:

Meet with the Select Board, School Committee, and Library Trustees for presentation of the Town's financial trend monitoring report and preliminary financial projections for FY17.

Pooler's Presentation for the Four Board Meeting begins the FY17 budget development process.

Pooler thanked Maria Racca for her help. He stated that he will give a Budget 101 presentation in a couple of weeks and has thought about fundamentals, trends, type of town, and year to year growth. He noted that Amherst has a solid economic base, good management, progressive planning, and slow and steady growth. Pooler praised Musante for all the work he did for the Town to make these things happen.

Pooler provided a packet titled "Town of Amherst, Financial Trend Monitoring Report, October 2015", which included a Financial Indicator Analysis for FY2006-FY2015. Other information included the current financial situation and outlook, assumptions for FY17-19 "Level Services" budget and expenditure, and budget information with supplemental financial data. A draft FY17 budget planning calendar was attached. He noted that all the materials for the meeting are on the Town Website.

Pooler reviewed the information contained in the packet. Based on the assumptions presented, the FY17 budget can be expected to increase 2.9% or \$2.1 million to maintain level services. This translates to 2.5% increase for the Town budget, 2.5% for the regional schools assessment, 2.5% for the library appropriation, 11 % for capital based on 8.0% of the tax levy, 7.0% for the retirement assessment based on Hampshire County Retirement Board (HCRB) projections, and an additional \$100,000 increase for Other Post-Employment Benefits (OPEB). The 1.0%

expected increase for the elementary schools warrants further discussion as the elementary schools returned \$100,000 of unspent funds from the FY15 school budget to the Town.

After Pooler's review and based on some of the information presented, Kruger asked how maintenance is factored into the budget for a project once it is on line. Pooler stated that in budget preparation, long term operating costs are considered before projects go on line. However, budgeted maintenance costs for roads and parks have not kept up with maintenance needs.

Over the next several years there are major capital expenditures. Braun asked who sets the priorities. Pooler stated that the Joint Capital Planning Committee (JCPC) would be involved. Ultimately, the voters would decide after the individual projects are put forward. The Select Board decides what projects go on the ballot. Sharma asked about the process before a project goes on the ballot. Who sets the guidelines? Who determines the cost is too much? Pooler stated that needs are considered and then cost impact, at which point the project may be considered affordable or not affordable.

To illustrate process Geryk explained the process being used for the elementary school project, known as the Wildwood Project, and Sharry explained the process for the Library Project. Both projects have specific process requirements established by the funding agencies.

Questions about the Town's debt burden and information for voters about the four projects also were addressed. There was strong support for informing the public about all the projects and costs before they were asked to vote for any one of the projects.

At the present time, schools appear to be the first project on the ballot for a Fall 2016 debt exclusion override. Money for design for the Department of Public Works (DPW) project may come to Town Meeting in Spring 2016, but it is uncertain if a debt exclusion override would be used for the project. A new fire station may depend on the DPW project because of land issues. The Library Project would go to Town Meeting in the Spring 2017.

Agenda, Part II:

Part II of the Finance Committee meeting began at 8:10 p.m.

Attendance:

Finance Committee Members, Sandy Pooler, David Ziomek, Amherst Media

News affecting budget

None other than in the previous presentation at the Four Board Meeting.

Discussion of November Special Town Meeting warrant articles

Article 8 - Capital Program – Bond Authorization Amendment

Article 16(A) of the 2014 Annual Town Meeting approved borrowing \$700,000 for improvements and repairs to the East Street School. The bond was sold, and the full \$700,000 has been borrowed. However, the amount needed to make the building accessible exceeds the amount borrowed, so that part of the work will not be done. Approximately \$135,000 is being spent to prevent the building from deteriorating. In order to reuse the unspent money, Article 8 asks Town Meeting to amend its previous vote to restrict the scope of the project to roof repair, asbestos monitoring, window painting and caulking and design services. This will allow the Town to close out the East Street School Project and repurpose the remaining amount to other capital projects.

The FC Voted 7-0 To Recommend Article 8.

Article 9 – Capital Program – Debt Repurpose Part (i) of this Article requests Town Meeting to appropriate \$150,000 to create office space and purchase equipment to move Leisure Services and Supplemental Education (LSSE) to Amherst Regional Middle School. Part (ii) requests authorization to transfer unexpended sums from previously borrowed capital projects, now complete, to pay costs of other capital projects. The sum of \$415,000 will be repurposed in the Spring 2016, and is the remaining amount from the original East Street School Project of \$700,000.

The FC Voted 7-0 To Recommend Article 9.

Article 14 – Release of Rights and Easements

Town Meeting is asked to authorize the Select Board to release, on behalf of the Town, any right of ways and easements on land, Lot 3, which were acquired by the Town as a Common Driveway and Utility Easement. The Town has no financial interest in Lot 3, as it has other access to the land it owns adjacent to this property. While this is a housekeeping item, it also has potential financial liability for maintaining a driveway on the property.

The FC Voted 7-0 To Recommend Article 14.

Discussion of financial projections for FY17 and preliminary budget guidelines for FY17 budget.
Next Meeting

Member reports – liaisons and committees

None

Minutes of previous meetings

Minutes of July 9, 2015, approved: **Voted 7-0**

Minutes of October 5, 2015, approved: **Voted 6-0, 1 abstaining** (absent at 10/5 meeting)

Topics not reasonably anticipated by the chair 48 hours in advance of meeting

None

Next Meeting

October 22, 2015

Adjournment

The Finance Committee meeting adjourned at 8:45pm.

Submitted by:

Marylou Theilman, Acting Clerk

Documents Used at the Meeting

Financial Trend Monitoring Report, October 2015 Packet

Draft FY17 Budget Planning Calendar

Fall 2015 Special Town Meeting Warrant