

Amherst Finance Committee Meeting
Thursday, January 7, 2016, 7:00 p.m.
First-floor meeting room, Town Hall

ATTENDANCE: Kay Moran (chair), Steve Braun, Bernie Kubiak, Tim Neale, Anurag Sharma, Marylou Theilman. Absent: Janice Ratner

OTHERS IN ATTENDANCE: Sandy Pooler, Finance Director; Claire McGinnis, Treasurer; Sonia Aldrich, Comptroller; Amherst Media

Meeting was called to order at 7:00 pm.

1. News affecting budget

Pooler updated the Town's financial projections (reference draft *Town of Amherst Financial Projections January 7, 2016*).

- Due to recent information from the State financial accounting board, the projected assessment for the Retirement System is lowered from a 7.0% increase to a 4.3% increase. Subsequently, this reduction in projected expenditures results in a new projected overall Town surplus of \$68,600.
- Town operating expenditures are now projected to increase 2.7% in FY17, due to an anticipated increase in the cost of ambulance medical supplies. Previously, these medical supplies were secured from Cooley Dickinson Hospital, but a change in hospital policy now necessitates the Town assume the purchase of these supplies. Funds will come out of the ambulance fund.
- The Governor will announce his decision regarding local aid on January 22, which may change this budget line item.
- After the Governor announces his budget on January 27, the Department of Revenue will publish its first round of "cherry sheets," so items related to charter schools assessments and the like may need to be updated then.
- The regional schools assessment method still is in negotiation among the four towns.
- A Budget Coordinating Group (BCG) meeting was held the morning of January 7, 2016 to also review these financial projections. A follow-up meeting will be held February 29.

2. Discussion of planning for major capital needs

Reference is made to both the interactive electronic spreadsheet (*Major Capital Projects*) presented by Pooler at the meeting, and the description of that spreadsheet in the Finance Committee minutes of December 3, 2015.

The spreadsheet highlights four expected major capital projects: the elementary schools (or Wildwood), Fire Department Headquarters, Department of Public Works, and the Jones Library.

After an extensive discussion about such things as project costs, sequencing, affordability, effects on other town capital needs, potential trade-offs with the operating budget, and possible voter overrides, the Finance Committee concluded its role would best be served by emphasizing the following principles/processes:

- Oversight as to the relationship of all the projects as a whole, as opposed to the financial viability of each project on its own, will be a continued focus of the Finance Committee.

- Based on the current assumptions as to project costs to-date, affordability is a key concern, especially as to whether or not the Town can meet its on-going capital and operational needs, and at the same time complete all four projects without introducing a significant debt-exclusion override.
- Accordingly, the Finance Committee will request that each project proposal clearly include basic financial analyses relative to cost.
- The Finance Committee will seek input into these projects, starting by sharing its thoughts at the upcoming meeting of the Joint Capital Planning Committee (JCPC). It was strongly suggested that the JCPC serve as the committee to facilitate discussion among the staff of the four projects, so that they are each aware of the costs and time lines of all the projects, and thus each's impact on the other major projects and the Town.
- To address these financial concerns, the Finance Committee may request that representatives of each project attend future committee meetings.
- Finally, the Finance Committee will stress that, although these four projects are the most visible and known major capital projects to-date, the Town needs to keep in mind other potential needs as well, such as the long standing backlog of roads repair and the ongoing capital needs of Town departments.

3. Regional schools assessment method

Discussion continues, with a follow-up working group meeting of the four towns scheduled for January 8, 2016.

4. Minutes of previous meetings

The minutes of the Finance Committee meeting of December 3, 2015 were approved 6-0, 1 absent.

The minutes of the four-town meeting of December 5, 2015 were accepted 6-0, 1 absent.

5. Next meeting and agenda

The next meeting will be held Thursday, January 14, 2016, 4:00 pm, in the Town Room, Town Hall.

Agenda: Joint meeting of the Select Board and Finance Committee with the Town Manager to hear an overview of the FY17 municipal budget proposal.

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

None

The meeting was adjourned at 9:15 pm.

Timothy A. Neale, acting clerk

Documents referred to:

Draft Financial Projections – General Fund, dated January 7, 2016

Major Capital Projects Spreadsheet (Excel file)