

Amherst Finance Committee Meeting
Thursday, February 25, 2016, 7:00 p.m.
First-floor meeting room, Town Hall

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

OTHERS IN ATTENDANCE: Claire McGinnis, Treasurer/Collector; Sonia Aldrich, Comptroller; David Burgess, Assessor; Sandra Burgess, Town Clerk; Sean Hannon, Director, Information Technology; Ronald Bohonowicz, Facilities; Deborah Radway, Director, Human Resources/Human Rights

1. News affecting budget

None

Four-Town meeting scheduled for Saturday, February 27

Budget Coordinating Group meeting scheduled for Monday, February 29, 2016.

2. Budget presentations (*Highlights reported below. For details, see appropriate pages of the Town of Amherst Proposed Budget, Fiscal Year 2017*)

Information Technology – presented by Mr. Hannon

- FTEs remain the same, but salary/benefit costs will be less due to replacing a vacant assistant director position with an off-grant funded line position. Such savings hopefully will offset increased expenses, as next summarized.
- Operating expenses are projected to increase 46% due to the upgrading of software, licensing and fees, and the continuation of a reverse 911 town-wide system. This large increase is not expected to be repeated next year, since such upgrading occurs approximately every third year.
- A significant future project is to work with DPW to install a high speed fiber network in the downtown, taking advantages of efficiencies possible by laying conduit when DPW digs up existing infrastructure in the course of routine work.

Town Clerk/Elections – presented by Ms. Burgess

- FTEs remain the same, but salary/benefit costs will be slightly less due to a newer staff member replacing the retiring customer service assistant.
- The most significant observation is that operating expenses for town elections will be higher due to the impact of the presidential election in the fall.

Assessor – presented by Mr. Burgess

- Revenues were positively impacted by real estate new growth in the past year. Future projects, especially the Carriage Shops project, may affect revenues in the future, but the exact amounts and timing are unknown due to the project's delay.
- Implementation of the Town's PILOT solar programs, especially the one related to Hampshire College, should positively impact budget revenues, as well as further the Town's goal of becoming a greener community.
- The Assessor continually monitors postage expenses, looking for ways to reduce this cost. Both equipment (sorting machines) and procedures (more clean mailings to the Post Office) are examples of how attention to this line item can have a positive effect.

General Services, Finance (Accounting, Collection, Retirement) – presented by Ms. McGinnis and Ms. Aldrich

- The Finance Department is very proud that they once again had a clean audit, financial accounts continue to be balanced monthly, and, due to time and effort in the last year, appropriate forms (e.g., the 1095) were issued to all employees as a requirement of the Affordable Care Act (Amherst served as a model for the region and the State in this effort).
- Although staffing remains consistent with past years, there will be continuing challenges for this department in the upcoming year as a new Finance Director and permanent Town Manager are being recruited.

Facilities Maintenance – presented by Mr. Bohonowicz

- The removal of an underground 6000 gallon storage tank in the Police Station parking area was cited as a major example of a short term expenditure made to offset a future more significant cost. Because the tank had a small hitherto unknown small leak, removal allowed the Town to “dodge the bullet” of a significant clean up and avoid an environmental situation.
- Energy will continue to be a challenge, and this subject was discussed in some detail at the meeting. Natural gas versus oil, effective planning (such as running natural gas piping to the Wildwood area in anticipation of the schools project), and continued attention to clean energy was discussed.
- The higher than expected bids relating to construction projects, whether they be a project at the East Street School to make the building ADA compliant, or others, was noted and addressed.

Human Resources/Human Rights and Employee Benefits – presented by Ms. Radway

- Personnel expenditures reflect a very large “placeholder” amount for expected salary/benefit expenses relative to collective bargaining agreements. (Current agreements are set to expire in June 2016.)
- Health insurance continues to be the major portion of this department's budget. It is commendable that this is the eighth year in a row that the budget for health care expenditures as managed by the Town's self-insured trust fund will not increase. As reiterated by Ms. McGinnis, there currently are a few very large claims that may affect the future, and the Finance Committee was so advised.
- Discussion ensued regarding this very interesting topic, with such things as reinsurance and an aging employee workforce being addressed.

3. Member Reports – reports from liaisons and representatives

Joint Capital Planning Committee

Braun reported no real surprises. Capital requests for the Fire Department are roughly \$80,000 less than last year (despite the inclusion of a new ambulance for the department), while those for the Police Department are significantly higher due to a request for replacing 50 portable radios. Good rationale was presented for all requests, however, all requests are not guaranteed to be funded. After hearing from all departments, the JCPC will make final recommendations in several weeks.

Library

Ratner reported that she attended the first meeting of the design subcommittee of the Jones Library Feasibility Study Committee. The architects were present. They discussed the square footage of the building - both existing and future. The existing square footage may actually be less than thought, so, accordingly, the projected square footage in the program document may need to be adjusted downward. The architects will verify the existing square footage and then work with program and budget to come up with a plan.

Regional School Committee

Theilman reported that The Regional School Committee (RSC) reviewed the proposed FY17 school budget at its meeting on February 25, 2016. School Finance Director Mangano updated the budget additions/reductions section, which are now more specific, but do not list any individuals affected by the adjustments.

The proposed Amended Regional Agreement discussion and vote has been postponed until January and February 2017 by a RSC vote of 7 yes and 2 no. The proposed Amended Agreement is a "hybrid" which allows Towns to join a new Pre-K-12 District or just remain in the present 7-12 Region. The process for amending is outlined in the present Regional Agreement which requires two votes in each Town. All four Towns in the Region, at their Town Meetings, must first vote to open the present Agreement, and all must vote yes to open. The second vote gives each Town the opportunity to vote to join or not to join the new Pre-K-12 Region. If a Town chooses not to join, it remains in the 7-12 Region. The Shutesbury School Committee representative stated that the Town Select Board, Finance Committee and School Committee will advise their Town Meeting to vote no against both questions. Since all four Towns must vote to open the present Agreement before it can be amended, a no vote by Shutesbury not to open the present Agreement, will not allow the proposed Amended Agreement to go forward.

The RSC is considering discussing possible funding with UMass for the Regional Schools.

4. Minutes of previous meetings

The minutes of the Finance Committee meeting of January 21, 2016 were approved 4-0, 1 absent, 2 abstain.

The minutes of the Finance Committee meeting of February 4, 2016 were approved 6-0, 1 absent

5. Next meeting and agenda

The Finance Committee will meet with other Town committees at the Four-Town Meeting of the Amherst-Pelham Regional School District at 9:00 am, Saturday, February 27, 2016 at the Middle School Library.

The next Finance Committee meeting is scheduled for Thursday, March 3, 2016 to continue budget presentations.

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

None

The meeting was adjourned at 9:25 pm.

Timothy A. Neale, acting clerk

Documents referred to:

Town of Amherst Proposed Budget Fiscal Year 2017