

Amherst Finance Committee Meeting Minutes
Tuesday, January 9, 2018
First Floor Meeting Room, Town Hall

Approved 1/18/2018

Attendance: Joseph Jayne, Bernie Kubiak, Tim Neale, Sharon Povinelli, Janice Ratner, Marylou Theilman (Chair).

Others in Attendance: Sonia Aldrich (Co-Finance Director), Paul Bockelman (Town Manager).

Meeting called to order at 5:01 pm

FY 19 Budget Information and Discussion:

Bockelman began with an overview of the FY19 Town of Amherst municipal budget.

The Town of Amherst has a strong tax base with significant new growth from new construction projects. As a result of One East Pleasant Street coming online revenues from new growth are projected to increase to \$830,000 from an estimated \$600,000. When added to the base property tax levy and allowable 2.5% increase, the total value of property in Town is projected to add \$2million to revenues. The Town remains committed to increasing the percentage of the property tax levy allocated to capital investments to achieve a goal of 10%, increasing the percentage from 8.5% to 9% level in FY19.

Challenges:

Funding health insurance claims continues to be a challenge for the town due to a series of large claims in the last several years.

An increase in premiums to employees in FY17 were required as well as additional increases in FY18 to address a year-end deficit in the health care trust fund. It is likely that an additional appropriation will be needed in FY18 to cover any pending deficit.

A fourteen member Health Insurance Advisory Committee will continue to work together to address the increased claims and the future of the Trust. Such topics to be considered would be to offer only one plan, as opposed to the current two plans, Harvard & Blue Cross. Also to review the union contract and possibly aligning the benefit package to be more in line with Hampshire County's Group plan.

Actions:

The Town is asking the Finance Committee to increase the operating guidelines for the FY19 budget from 2.5% to 3.5% to help mitigate the effects of rising health insurance cost.

The Finance Committee moved to increase the operating guidelines from 2.5 to 3.5%. The vote was: 6 in favor, 0 opposed, 1 absent.

Next Meetings:

The next FC meeting will be Thursday January 11 @4:00p.m. In the town room at Town Hall for the Town managers presentation on the FY19 Budget.

Committee and Liaison Reports: No Reports.

Meeting adjourned @6:07 pm

Joseph K. Jayne, acting clerk

Handouts 1) Town of Amherst, Financial Projections- General Fund. 2) Health Claims Trust Fund, revenues & expenditures chart diagram.3) Town of Amherst, FY19 Budget Development