

Amherst Finance Committee Minutes
Thursday, January 25, 2018 @ 7 pm
First Floor Meeting Room, Town Hall

Approved 3/1/2018

ATTENDANCE: Joseph Jayne, Bernie Kubiak, Tim Neale, Sharon Povinelli, Janice Ratner (Vice Chair), Anurag Sharma, Marylou Theilman (Chair). Staff: Sonia Aldrich, Co-Finance Director.

OTHERS: Paul Bockelman, David Burgess, Sandra Burgess, Sean Hannon (IT Director) Clare McGinnis (Finance)

Meeting called to order at 7:00 PM

GENERAL GOVERNMENT

Select Board/Town Manager

Department budget: Big increases in employee benefits; personnel services down slightly. Key Numbers on page 18: Such as 2.7 percent colas and step increases; personnel services also include select board salaries, phased in over 2 years now in full amount. Oliver Smith trust.

Budget built on status quo; anticipated 1 vacancy, retirement in June. Not assuming anything other than status quo about charter changes. Goals have already been articulated. Internal procedural improvements ongoing. Planning board has secretarial help. Other committees don't.

Affordable Housing; Amherst has declining enrollments more than surrounding towns. Could it be that the town is losing mid-income housing, for young families. Housing prices in town rising and people moving to other towns.

What salary range is middle income? Can housing projects be priced to that target population?

One way is to get students out of houses so pressure for housing is attenuated.

Regional challenges: Shared ambulance and dispatch services, Hadley and Pelham.

Recent or anticipated new units in apartment complexes

Amity street 35 units, Spring street 34 units, Beacon 130 units, 1 East Pleasant street, 130 units, Triangle street, 30 units, Olympia Drive 74.

Plus, existing complexes might be expanding, although no specific numbers just yet. UMass may be also providing more beds on campus.

Approximate housing prices: Average \$330K/ Median \$315K

There are 579 single-family homes over \$473,000, which generates \$10,000 in taxes. If you add CPA, this increases the number to 634 single family homes.

Town Meeting/Finance Committee No changes, level funded.

Legal Services No changes, level funded. Written update expected from town counsel during the February 5 SB meeting.

Information Technology

Some of the accomplishments this year: New automated scheduling software. Negotiations with Amherst Media. Social media messaging. DPW work order system for managing their projects. Replaced all computers in cruisers in police department. In addition, there are several long-range objectives to improve ongoing operations.

Some discussion about town-wide wi-fi services and town website. Archives go back to 1800s. BID funded a study to do fiber downtown, funded study which said cost about \$1 million to install, the cost having stalled the project. The renewal of equipment for wi-fi services would cost \$10K-15K.

Town Clerk's Office

Decrease in personnel services from a retirement. Else, budget mostly status quo. Implementation of new public records law. Objectives remain mostly the same, ways of improving operations and services. Objective is to review the webpage. Review town clerk's fee. Assistant town clerk going for Certified Municipal Clerk qualification. Other certification is Master Municipal Clerk.

Elections & Registration

Got selected to do post-election audit post 2016 election. Petitioned to recount precinct 9 town meeting election. One of the long-range objectives is to purchase new voting machines. Current voting machines were purchased in 2000 so getting obsolete so parts to operate are difficult to get. Getting ready for 2020 census, although IT would be doing most of the work as GIS is the most accurate system for recording addresses. Alarmed that Secretary of State is trying to **have** 5 days for early voting, which will create more expense of hiring people to do that. Uncertainty about election calendar from upcoming charter vote.

Finance Department

Increase seems high because in FY17 budgeted for small amount of extra pay the co-director, did not include in FY18, including it back in for FY19. Accounting department, handle payroll, benefits, contract administration, among many other things. In charge of audits, administer health insurance, and most of the benefits.

Audits are clean every year, financial statements are on time. Hired procurement officer authorized last year; assisted the department with a lot of procurements. Share him with enterprise funds and schools.

Assessments: Had revaluation, abatements, etc. Next assessment in 2023, along with interim assessments. May upgrade personal property this year through JCPC. Mostly status quo.

New growth expected to be \$830K, mostly from 1 East Pleasant Street; expensive single-family homes coming on; North square, Beacon properties will be starting this year. FY20 is expected to be higher.

Carriage shops were valued at about \$3 million providing taxes of about \$63K; 1 East Pleasant Street is valued between \$15 million and \$17 million, providing taxes of about \$300K.

General Services

Reopened front counter on Thursday mornings. Six people in department average 22 years tenure – long serving and talented group. Daily work of internal operations and service to constituents. Personnel increase of \$53.7K from step increases and colas plus additional stipends.

Prepayments of property taxes were substantial this year because of changes in tax law; but unintended consequence of more administrative work.

Ambulance fund is only 65 percent collected in FY17. Insurance companies pay on-time collection rate is low when individuals are responsible, for instance, for their co-pays which have been rising.

This ~~town pays for our~~ includes property and casualty insurance, supplies, equipment maintenance, telephone, postage, and annual audit. Saving of \$25k from bidding out property and casualty insurance. Audit costs \$52,500.

Debt Service

New Kieras land acquisition, Fort River feasibility

Retired debt listed in bottom of significant budget changes box.

Decline in debt service \$237,255

We are entering an environment of rising interest rates, with other towns now issuing long term debt at 4 percent-5.4 percent versus 2percent -2.5 percent only a couple of years ago. This creates an interest rate exposure for the town, especially as we may go into large capital projects in the next several years.

Human Resources/Human Rights (get notes from Sonia)

Recruitment, labor relations, human rights. Increase in budget is from colas and step increases.

20K safety grant

Employee Benefits

HMOs ~~we the town pays~~ 80 percent, PPOs ~~we the town pays~~ 75 percent.

Approximately 1,472 policies in effect

Cherry sheet with Governor's local aid.

Estimates: UGGA 3.5 percent, against budgeted 2.5 percent. Receipts less assessments, net +\$35,681.

Committee & Liaison (Jayne) Fire, no meeting yet

Library Trustees yesterday (Ratner) Voted 3.5 percent guideline, taking a 5% draw plus fund raising.

JCPC (Kubiak) Connie Kruger will be chair. Police, Library capital requests. General discussion about how capital budget ran and projects. Kruger would like to meet with Finance Committee. Discussed a 10-year time frame from current 5-year horizon. What is capital change from \$5K to \$10K.

School Committee: Budget are on line. Saturday 9 am meeting to discuss regional assessment.

Minutes:

January 18, 2018: Approved 4-0-3

Adjourned, 9:44 pm

Acting Clerk

Anurag Sharma