Amherst Budget Coordinating Group
Summary Points – March 25, 2010

At our March 25th meeting, the members of the Budget Coordinating Group agreed that the following points would be conveyed to our home boards and committees:

- That two elements of the BCG's process have been particularly beneficial – the coordinated and accelerated budget calendar and the meeting summary points. In order to continue and strengthen both elements for the future:
    - We will create and recommend a coordinated budget calendar for FY12 in September, taking into account the particular timing needs of the Town, Schools and Libraries. (The override ballot language deadline necessitated a particularly early and onerous budget deadline this year, but that was an unusual circumstance.)
    - We recommend that home committees feature BCG Updates as recurring agenda items, so the summary points can be shared formally, and so input can be gathered and reported back to BCG. Additionally, BCG Co-Chairs might make presentations to the home committees early in the budget process, and as necessary, to further facilitate information sharing and coordination across budget sectors.
- That preliminary projections suggest that employee compensation concessions and current State Aid estimates allow for reducing the amount needed from the approved $1,680,441 levy limit override by $509,123 for FY11. Potential requests for tapping that excess capacity were noted, including shortfalls in other projected revenues and requests for additional spending at Town Meeting, and thus:
    - We emphasized the need to stay true to BCG's oft-repeated and reaffirmed intentions (supporting reduced taxation rather than increased spending for positive developments in State Aid, COLAs, etc.) and noted that our override recommendation would have been for a smaller amount, had we had the compensation concession and State Aid information earlier.
    - We agreed that any consideration to support or recommend use of that excess capacity in FY11 – either for the spring budget creation and Town Meeting process, or for budget reconciliations in the fall – should be done with extreme care and thoughtful deliberation, out of respect for BCG's stated intentions, and for the voters to whom those were communicated.
- That our override recommendation was made in the context of budget sustainability for FY12 and FY13 (with fiscal years beyond that being too uncertain for meaningful projections,) and thus we have a responsibility to support, recommend and implement budgets which comport with that (per 1/28/10 BCG document – "Financial Projections – General Fund,") requiring strict expense constraint and aggressive pursuit of (non-property tax) revenues.

- That home committees should be made aware of the following legislative updates, as reported by John Musante. All are encouraged to pay attention to the evolving status of these initiatives and to advocate with our legislators accordingly:
    - The House Ways and Means budget will come out in mid-April, followed by a week of amendments, with voting and debate to occur the last week of April. The Senate takes up the budget in May.
    - The House Ways and Means Committee is considering the Governor's proposed Municipal Relief Bill, which includes: a proposal to extend the funding schedule for pension liability to 2040, which would be helpful to municipal budgets; a local option early-retirement incentive that might interest some cities but isn't considered relevant for Amherst; a proposal to pro-rate health insurance contribution percentages for part-time employees (new hires only; existing ones would be grandfathered) which would benefit the Schools, since they have many part-timers.
    - Rep. Stephen Kulik is sponsoring a bill to allow municipalities to do health insurance plan design outside of the collective bargaining process, which the State already has the authority to do. This could create significant budget savings for municipalities, and has the support of the Massachusetts Municipal Association, Massachusetts Taxpayers Foundation and others.