

AMHERST FINANCE COMMITTEE MINUTES

Meeting of October 20, 2007

CALL TO ORDER

Mr. Weiss chaired a combined meeting of the Select Boards and Finance Committee of the member towns of the Amherst-Pelham Regional School District, calling the meeting to order at 2:00 p.m. in the Town Room, Town Hall. Brian Morton called the Amherst Finance Committee to order shortly after.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Paul Bobrowski, Alice Carlozzi, Kay Moran (Vice-Chair), Brian Morton (Chair) and Andrew Steinberg.

STAFF AND OTHERS IN ATTENDANCE

John Musante, Finance Director/Treasurer; Larry Shaffer, Town Manager; Jere Hochmann, School Superintendent; Amherst Select Board members Gerry Weiss (Chair), Anne Awad, Alisa Brewer, Hwei-Ling Greeney, and Rob Kusner; Shutesbury Select Board members Rebecca Torres (Chair), Ralph Armstrong and Debra Pichanick; Shutesbury Finance Committee members Lori Touminean and Eric Stocker; Shutesbury Town Administrator David Dann; and Pelham Finance Committee member Fred VanDerbeck. There were no Leverett representatives at the meeting.

AGENDA

Kick Start FY 09 4-town budget planning

DISCUSSION

Financial outlook. Mr. Weiss invited representatives of each town to describe their current financial situation and budget planning. Mr. Musante summarized Amherst's outlook based on his recent projections. The 3% increase in state aid included in the projections is "iffy" and new growth is slower than in recent years. Areas of anticipated cost increases are health insurance, energy and retirement plus an unknown amount for staff contracts. There is a projected gap of \$1.9 million between a level services budget and available resources. With no other new revenue, overall operating budget increases would have to be held to 2.2%. Reserves are now at about 5% of operating revenue.

Ms. Torres said Shutesbury is also stressed and has major capital needs to address. Mr. Stocker said their situation is not as dire as Amherst; Shutesbury reserves are at the 12% level. They are asking for 3% operating increases. He noted that repair of the Lake Wyola dam is necessary, and the Board of Health's concern about water quality may lead to some form of treatment. Shutesbury assumes no increase in state aid next year. Their goal is to support the schools as well as possible.

Mr. VanDerbeck said that Pelham's situation is truly dire. They have experience severe service cuts, and the voters are not willing to pass overrides. In planning for FY 09, they are using a 2 1/2% increase in revenue. Their expenditure figures will be available in January. They are discussing what to cut.

Ambulance service. Mr. Shaffer began a discussion of the ambulance service Amherst provides to other towns, how it is paid for and the change in payments that Amherst needs. Under the current system, Amherst taxpayers are subsidizing service to other towns. He has sent letters to the towns stating what each town paid last year and what the actual cost was. He proposed a new formula that would be a basis for recovering the full amount if insurance payments rather than based just on population. It would take into account the differences in time required to serve different locations. Amherst needs to know whether other towns will agree to a more realistic payment plan and also commit to long-term use of Amherst ambulance service. This is an important factor in deciding exactly how to increase ambulance and fire station facilities. About 20% of fire calls and 25% of ambulance calls are from towns other than Amherst (the largest number from Hadley). Ms. Torres, Mr. Dann, Mr. Stocker and others had questions about the fairness of a proposed new formula for calculating costs to towns, and whether it represents the true cost of the service.

Mr. Kusner is interested in studying benefits of regionalization of emergency services and possible state assistance. Ms. Moran suggested it might be more effective to try to increase state funding for regional schools than to try for regional emergency service funding.

Miscellaneous. Ms. Torres brought up the topic of elementary school transportation funding, wondering how it happens that Amherst owns school buses. Transportation is one of the issues now under consideration by a Regional School special committee.

Ms. Greeney proposed that the towns try to collaborate more on various services, even though we all want our autonomy. New arrangements could lead to greater efficiency and saving money.

The next 4-town meeting will be in January, as scheduled by the Regional Schools. That meeting could be an opportunity to review the towns' financial situations again.

ADJURNMENT

The Finance Committee meeting adjourned at 3:33 p.m.

Submitted by Alice Carlozzi, Acting Clerk