

FINANCE COMMITTEE MINUTES

Meeting Date. December 6, 2008

**CALL TO ORDER**

The meeting was called to order at 9:36 a.m. in the Professional Development Center at Amherst-Pelham Regional Middle School.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Kay Moran (vice-chair), Brian Morton (chair), Douglas Slaughter, Andrew Steinberg, Marylou Theilman.

STAFF AND OTHERS IN ATTENDANCE

John Musante, Assistant Town Manager/Finance Director; Helen Vivian, Acting Co-Superintendent of Schools; Rob Detweiler, Schools Director of Finance and Operations; state Reps. Steve Kulik and Ellen Story; members of the Amherst School Committee and Select Board; members of the Leverett, Pelham and Shutesbury School Committees, Finance Committees and Select Boards.

**AGENDA**

Pre-budget development information from and for the Amherst Regional School District administration and member towns.

**DISCUSSION**

Vivian outlined the bleak school financial outlook, with state aid expected to stay flat or decrease; fixed expenses such as salaries, health insurance, and data requirements increasing; and costs such as charter school tuition payments that the region has no control over.

Kulik and Story described the state's dramatic drop in revenues for both FY 09 and FY 10 and predicted a reduction of 8% in the state's FY 10 budget. They said legislators, who do not want to raise taxes during this recession, will do what they can to avoid reducing the amount of state aid already promised to localities in FY 09. The governor's budget filed by the end of January will give a first estimate of state aid for FY 10; Kulik suggests developing a couple of budget scenarios to anticipate possible reductions. The Legislature's Special Municipal Relief Committee is working on measures to relieve towns and school districts of some state-mandated requirements and would welcome getting specific examples from localities.

Musante said municipalities would like power to design health insurance plans without collective bargaining requirements, and power to levy local option taxes such as a meals tax. Shutesbury Select Board member Peter D'Errico thinks perhaps the charter school funding mechanism violates Constitutional equal protection principles.

Detweiler detailed preliminary budget considerations for the region in FY 10. Revenue (other than assessments) will be 2.2% less than in FY 09. The Amherst Finance Committee's preliminary guideline of a 3.5% increase in the Amherst assessment would mean a 5.7% increase for Pelham and a 2.8% increase for Leverett, with a 1.4% decrease for Shutesbury, for a total assessment increase of 3.1%. The cost of providing level services for FY 10 would increase 7%, requiring a 14% increase in total assessments.

## **GUIDANCE FROM MEMBER TOWNS**

Pelham anticipates a total property tax revenue increase of \$70,000 for FY 10. If Pelham's regional school assessment increased by 5.7%, Pelham would have to pay an additional \$112,000 to the region and cut all its other budgets. Pelham passed an override last spring for capital expenditures.

Shutesbury passed an override last year and won't do another this year. All departments have been asked to increase budgets by no more than 2.75%. A buried oil tank could become a large extra expense.

Leverett's budgets saw some small cuts last year and could see modest increases for FY 10.

Amherst would have a \$2.6 million deficit if level services are maintained. If state aid is cut by 15%, that deficit would double. There will have to be budget cuts to get through the next few years.

## **K-12 REGIONALIZATION**

The state is strongly encouraging small school districts to explore regionalization. Vivian asked for input on whether there is interest in forming a committee to study the possibility.

## **ADJOURNMENT**

The meeting adjourned at 11:25 a.m.

Submitted by Kay Moran, acting clerk