

AMHERST FINANCE COMMITTEE MINUTES
Meeting of March 28, 2009

Location:

The meeting was called to order at 9:07 a.m. in the Middle School Library

Attendance:

Marilyn Blaustein, Brian Morton (Chair), Douglas Slaughter, Andrew Steinberg, Marylou Theilman.

Others Present:

John Musante, Assistant Town Manager/Finance Director; Maria Geryk, Acting Superintendent of Schools, Rob Detweiler, Director of Finance and Operations, Amherst/Pelham Regional Schools; Members of Select Boards, Finance Committees, and School Committees from Amherst, Leverett, Pelham and Shutesbury; members of the public.

Agenda:

1. Welcome and Introductions
2. Reports from Boston
3. Potential Cuts to Level Services in the FY2010 Budget
4. Assessments to Member Town
5. Update on Other Revenue Streams
6. Guidance from Member Towns
7. Town Meeting Calendar

Actions: None

Discussion:

Reports from Boston. Local legislators were unable to attend the meeting; there were no updates.

Potential Cuts to Level Services in the FY2010 Budget. Detweiler described the level 1-3 budget scenarios. Level 1 budget, the “best case scenario” was based on the Amherst Finance Committee preliminary draft guidelines (11/19/08) with a 3.5% increase in the assessment for Amherst. This represented a cut of \$1.4 million to the FY10 Level Services budget for the region. On February 10, 2009 the Amherst FC endorsed a recommendation from the BCG to develop spending cuts that reflected the reductions in the Governor’s budget. This worst case scenario (Level 3) represents an additional cut of \$638,000 from Amherst’s assessment and overall reduction of \$821,575 for the Region from a Level 1 budget. The Level 2 budget is a middle case scenario, which assumes that additional funding would be available from other revenue sources (e.g., local options tax) and a cut of \$376,887 for the Region and \$292,879 for Amherst from Level 1. Detweiler said that Level 1 and 2 budgets are doable, but the details of a Level 3 budget have not been worked out.

Assessment to Member Towns. Detweiler explained what the assessments to the four towns would be under the three budget scenarios. Under the Level 1 Scenario, the overall increase would be 3.1%, and was 3.5%, 5.7%, 2.8% and -1.4% for Amherst, Pelham, Leverett and Shutesbury, respectively. The Level 2 scenario was 1.1% for Amherst and 3.3%, 0.5% and -3.7% for Pelham, Leverett and Shutesbury, respectively. And, Level 3 budgets were -1.7%, .4%, -2.3% and -6.3% for Amherst, Pelham, Leverett, and Shutesbury, respectively, the worst case scenario.

Update on Other Revenue Streams. According to Detweiler, the region did not benefit from \$168 million in federal stimulus money used to bring school districts in Massachusetts up to foundation level.

Discussions are ongoing about additional Chapter 70 funds, and restoration of cuts to regional transportation. There will be \$280,000 in IDEA grant funds, and \$140,000 will be available in FY10. Half of the funds could be used to supplant cuts and the other half to support new programs. Also, \$163,000 will be available in Title I money, half to be used in FY10. Guidelines will be available in April.

Guidance from Other Member Towns. Member towns discussed strategies to deal with the budget. One question raised was, what is the bottom line that the schools can sustain? Geryk said that the schools cannot sustain the Level 3 scenario; Level 2 is challenging but workable and a budget somewhere between Level 1 and Level 2 was preferable. A Level 1 budget would require two study halls per year at the High School, and class size would be maintained at reasonable levels. Level 1 cuts at the Middle School would result in the elimination of one team. Additionally, there will be substantial cuts in the central office.

A member from Shutesbury asked if Amherst could come up with the money to fund a Level 1 budget if the other towns voted to support it. Shutesbury had approved an override for FY09 and could support funding at that level. Members from Leverett were absent but there appears to be support for funding at Level 1. Pelham representatives said that they would pay the Level 1 assessment if supported by the three other towns, but it would stretch the town and elementary school budgets. They wanted to see the impact of the cuts before supporting a budget higher than Level 3. Musante said that Amherst would need to reduce other portions of its budget by \$650,000 to fund this budget and that proposed cuts of \$1 million to the municipal budget, \$1 million to the elementary schools, and \$100,000 to the library are on the table. The library is already at risk of losing state aid. If approved for FY10, local options taxes could fill about one-third of the gap.

O’Keeffe referred to the March 26, 2009 memo from the Finance Committee concerning reserve use criteria. Morton described the criteria, and said that there was reluctance to plug a revenue gap with reserves. He said that the FC would consider using reserves for transitional funding that would likely produce long-term savings. The FC would need to see a bona fide plan, and if approved, would request periodic updates and reports.

Questions were raised about the potential impact of a grades 6-8 model for the middle school. Geryk said it would alleviate space issues at the elementary level and liked this model from an educational perspective. There would be numerous details to work out including rental of space from the region. The question of regionalizing grades K-12 also came up. Geryk noted that there would be efficiencies realized centrally such as developing one budget rather than the existing three, working with only one school committee, and better curricular alignment. There is a committee looking at these issues.

Town Meeting Calendar. There was discussion about when the school budget would be voted on by member towns. Leverett’s town meeting is the last week of April, Shutesbury meets on May 2, Pelham’s meeting is on June 13, and Amherst will begin deliberating the budget on June 1. Brighty noted that the School Committee would vote the Level 1 budget and would adjust accordingly based on the outcome of town meetings.

Adjournment:

The meeting adjourned at 10:15 a.m.

Respectfully submitted,
Marilyn Blaustein, Acting Clerk