

AMHERST FINANCE COMMITTEE MINUTES

Meeting of May 14, 2009

Location

The meeting was called to order at 7:00 p.m. in the first floor meeting room of Town Hall.

Attendance

Marilyn Blaustein, Kay Moran (Vice-Chair), Brian Morton (Chair), Robert Saul, Andrew Steinberg, Marylou Theilman

Others Present

John Musante, Assistant Town Manager/Finance Director; Larry Shaffer, Town Manager; Fred Vanderbeck, Pelham Finance Committee; Sarah McKee, Jones Library Trustee; Walter Wolnik, citizen

Agenda

1. Legislative Update
2. Updated Municipal Budget Summary and Identified Cuts
3. Continuing Discussion of FY 10 Revenues, Budget Balancing Strategies
4. Member Reports
5. Minutes
6. Next Meeting and Agenda
7. Miscellaneous

Actions

The committee approved minutes of the April 28, May 4 and May 6 meetings, each by a vote of 4-0, two abstaining, one absent.

Discussion

1. Legislative Update: Musante distributed copies of the state Department of Revenue's "cherry sheets" for Amherst and the Amherst-Pelham Regional School District (estimates of FY 10 local aid and local assessments), updated to include the Senate Ways and Means Committee budget proposal, which is based on recently lowered estimates of state tax revenue and no new revenue sources for the state. Including Chap. 70 school aid reductions, Amherst would receive \$13,028,736, a cut of \$4,101,096, or 23.9%, from FY 09. This is much worse than earlier budget proposals issued by the Governor (which cut Amherst's local aid by 16.8%) or the House budget (which cut Amherst's aid by 9.8%). The full Senate will debate its budget next week; we'll have to wait to see whether the Senate proposes new taxes to stave off some cuts, as the House did. Musante recommended basing our final local budget recommendations on the state budget to be voted by the full Senate.
2. Updated Municipal Budget Summary and Identified Cuts: Shaffer distributed an updated municipal budget cut list. Given the most optimistic state-aid estimate and no use of reserves, he's targeting a municipal budget of \$18,498,218, which would be 5% less than a level-services budget and 0.5% less than the FY 09 budget. To get there, in addition to

reductions in his January budget, he would eliminate a part-time clerical position in the Town Manager/Select Board office, eliminate a full-time IT position, eliminate more positions and increase fees further in LSSE, close War Memorial Pool, reduce overtime in the Communications Center and the Fire Department, and use a federal stimulus grant (applied for) to fill three vacant police officer positions, for a total reduction in FTEs of 9.69. He's also counting on \$85,442 in savings from increasing health insurance co-pays, which must be bargained with the unions, offset by a \$10,000 increase in basic life insurance for employees. He said he has identified, but not yet made public, the final \$115,286 in additional cuts and revenue needed to reach the \$18,498, 218 goal. If the House budget is approved by the state and Amherst gets no new revenue and no reserves are used, there will have to be another \$837,214 in cuts; the Senate Ways and Means budget would require \$400,000 in cuts on top of that. Shaffer argued for using a "significant amount" of reserves in FY 10 "to help transition to a new, leaner town government." As examples, he cited regionalization efforts, particularly in Veterans Services and dispatch, that are underway and could ultimately result in reduced on-going costs, as well as school reorganization. He's told several departments they'll have to pursue outside financial support, because the slow rate of growth of tax revenue won't continue to fund them. Without use of reserves, he said, he'll have to shut down recreation and some other programs and eliminate more public safety positions.

Steinberg asked about possible efficiencies in regionalizing police and fire and combining the police chief and fire chief positions. Shaffer responded that communities much larger than Amherst might have a public safety director, but they, too, need a police chief and a fire chief with expertise in their particular field to run incident commands. Saul asked about the status of discussions with municipal unions about suspending cost-of-living increases. Shaffer said he's met with representatives of two unions, "who aren't hostile" but will agree only if all collective bargaining units agree, including teachers and administrators. Morton said with decisions on reserves use, the issue will be how we manage the FY 10 budget without sacrificing the town's ability to weather FY 11 and FY 12, which could be equally bad or worse.

3. Continuing Discussion of FY 10 Revenues, Budget Balancing Strategies: Included in 1 and 2, above.
4. Member Reports: Moran reported that the Library Trustees have postponed a vote on their budget until their May 27 meeting, which she cannot attend. She believes they are leaning toward recommending a budget using \$1,502,733 in town tax support, the Minimum Appropriation Requirement for getting library state aid, and a 0.8% increase above the town's FY 09 library tax support. Musante noted that in his draft worksheet dated 5/14/09, tax support for Shaffer's proposed municipal budget would decrease by 0.5%, for the elementary schools there would be a decrease of 0.4%, and the regional school assessment would increase by 1.8%.
5. Minutes: The minutes of April 28, May 4 and May 6 were approved as amended, each by a vote of 4-0, two abstentions, one absent.

6. Next Meeting and Agenda: The next meeting will be May 21 at 7 p.m. to talk more about the budget. The schools and the library will be invited. The Finance Committee will take final budget votes May 28, with our report to Town Meeting to be mailed June 4.

Adjournment

The meeting adjourned at 9:40 p.m.

Submitted by Kay J. Moran, acting clerk