

Finance Committee  
Minutes  
June 22, 2009

Location: Amherst Regional Middle School Band Room

Attendance: Marilyn Blaustein, Kay Moran, Brian Morton (7:05), (Chair), Douglas Slaughter, Andrew Steinberg,

Others present: John Musante (Assistant Town Manager and Finance Director), Bonnie Isman, Library Director; Carol Gray, Louis Greenbaum, Chris Hoffman, Pat Holland, Sarah McKee, Kathy Wang, Library Trustees

Agenda:

1. Library Request Funding Shifts, CPAC- Capital - Operating
2. Miscellaneous

The meeting was called to order at 6:50 p.m.

**Actions:**

VOTED 5-0 with 2 members absent to oppose any further reduction to the capital budget which has already been reduced to 6.23% of the tax levy and at a new low point from the early 1990's.

**Discussion:**

Moran and Steinberg discussed the Library proposal to use funds from the Capital budget to augment the operating budget. They had met informally with Director Isman, and Trustees Gray and Holland on June 19 to discuss the proposal to use approximately \$30,000 in CPA historical preservation money to fund the window repair for the older part of the Jones Library. In turn, \$55,000 in capital to fund the Jones window repair project could be reduced by \$34,704 and those funds could then be shifted from capital to the Library operating budget. According to the trustees, this action would ensure that the library would not be in jeopardy of losing its MAR certification. Their discussion focused on the following issues articulated by Steinberg:

- 1) What degree of comfort do we need from the CPA process to justify action?
- 2) If CPA or other funds can pick up any capital needs on the JCPC list, should we meet other capital needs, augment an operating budget, or reduce the draw on reserves?
- 3) Does the function that can meet capital needs in other ways automatically get the increase for its operating budget?
- 4) Is the library the highest priority?
- 5) How will the Select Board and School Committee react to a decision to increase the Library budget after they agreed to all of these cuts? Should this have been a BCG discussion?
- 6) Should the library articulate what they would do differently (or lose) if they receive \$35,000 less than they requested?
- 7) What is their anticipation or plan for 2011?

Moran said her primary concern was the underfunding of the capital budget and that the proportional cut to this budget exceeded that of the general operating budget. In particular, if

funds were freed up for the library through CPA, there were unfunded requests in the Capital budget like school energy conservation projects that could be funded and would generate costs savings in future years. She did not want to augment the operating budget with capital money.

There was also concern expressed that this recommendation bypassed the established review process by JCPC and other boards and committees. The trustees were concerned that the library would lose its MAR certification and would not be able to participate in inter-library loan, would not be eligible for state grants and other programs. Additionally, library services would be diminished at a time when there is increased library usage. Moran had corresponded with the Head of State Aid and Data Coordination at the Massachusetts Board of Library Commissioners, and based on the response, was confident that Amherst would be eligible for a waiver. Applications for the waiver are not due until October and there are opportunities for appeals in the case of a denial through March 2010.

Morton stated that the schools and municipal budgets had large cuts to level services, and the library should not be an exception. An increase for FY10 would exacerbate the problem in FY11 and FY12 which are likely to be difficult as well. According to the trustees, rescission of funds for the writers walk was approved by CPA but would also require approval by Town Meeting at a special town meeting to be scheduled later this summer. Town Meeting would also need to approve the increase of \$34,704 in the library operating budget to be voted on June 22.

The FC voted unanimously to oppose any further reduction to the capital budget.

Miscellaneous. Musante informed the committee that the Conference Committee had agreed on a budget which was yet to be signed by the Governor. Revenue for the Town increased by about \$300,000 above the projection. He suggested that the FC recommend that amount of reserves used for FY10 to balance the budget be reduced from \$1.2 million to \$900,000. This would help to stabilize reserves and cap expenditures to address the structural deficit.

The meeting adjourned at 7:30 p.m.

Submitted by,

Marilyn Blaustein  
Acting Clerk