

Budget Coordinating Group – Minutes
April 13, 2009

Location: First Floor Meeting Room, Town Hall

Attendance: Andy Churchill, Patricia Holland, Chris Hoffmann, Bonnie Isman, Brian Morton (co-chair), John Musante, Stephanie O’Keeffe, Catherine Sanderson, Larry Shaffer, Andy Steinberg, Gerald Weiss (co-chair), Rob Detweiler, Maria Geryk

Others present: Walter Wolnik

Gerry Weiss chaired the meeting which began at 11:40 a.m.

1. Public Comment: Walter Wolnik stated that he was unsure the Library Trustees were not on board even with tier one cuts and would find cuts being made out from under them without a plan to address them. Holland stated that budget discussions are still going on and details of how to handle tier three cuts would be discussed at the Trustees meeting the following week.
2. Stimulus Package: Morton reported that no Federal stimulus funds for infrastructure had been allocated to Amherst. He that the governor’s Municipal Relief package still was facing opposition in certain aspects and he was skeptical that it would be passed in time to address the FY10 budget. Weiss and Shaffer both expressed the opinion that at this point we have to assume that things we don’t know about won’t be happening.
3. FY09: Musante reported that we have a \$978,000 mid-year cut. Also, we have slightly smaller savings in our health fund (\$462,000 vs estimates of \$500,000). We have the funds in hand for the Wildwood roof grant, but the grant is restricted: it has to be paced through the life of our debt service. Since 74% of the debt has been serviced, we can only use 74% of the grant (\$362,000) in the current year. This leaves us about \$154,000 short of being able to make up the mid-year cut. On the other hand, the Town Assessor has certified that \$292,000 of the Abatement Overlay Surplus is no longer needed. We can use this to make up the difference. The remaining \$138,000 would go into Free Cash.
4. FY10: Musante reported that we had been estimating the amount of new growth due to new housing starts at our 10 year average, or about \$34.5M. The assessor’s current estimate is \$23.5M. This means that instead of around \$600,000 in new revenues due to growth we can only expect about \$327,000.

Due to The Lord Jeff’s closing, room taxes are reduced by about 43% (from \$70,000 to \$40,000). In addition, Amherst College’s gift to the Town is only \$90,000, not the \$120,000 that we were expecting.

In all, this means revenue is about \$290,000 less than previously estimated. About \$40,000 of the roof grant can be applied in FY10, meaning we’re about \$250,000 down from the last estimate.

The assessor has estimated that the telecommunications bill proposed in the legislature would

bring in about \$250,000 in new revenue, though a proposed amendment might reduce that to \$175,000.

Weiss summed things up by saying that the budget is \$3.3M less than the original Finance Committee guidelines last fall of a 2% increase in the budget. This is around a -2% or -3% budget.

5. FY11: Musante stated that looking at a multi-year budget we're still looking at a multi-million dollar gap and further cuts, even if we optimistically hope for level-funding from the state.
6. Regional School Budget: Morton reported that though Amherst is looking at a tier "2.5" funding for its schools, two of the other four towns in the region have stated that they intended to ask their Town Meetings for a tier 1 budget, and the third (Pelham) may as well. Since it only takes three towns to approve a budget, this would mean an additional \$600,000 cost to Amherst.

Weiss noted that it takes four towns to approve the assessment formula and asked what the implications would be if our current formula were not approved. Detweiler said that Leverett and Shutesbury would shift about \$250,000 from one town to the other, and Amherst and Pelham about \$50,000 between them, but he wasn't sure which town would pay less and which more.

Isman pointed out that if the regional assessment goes up this may impact the State aid to the Library if its cuts were disproportionate to the cuts to the schools. This would prevent the Library from applying for State grants, for instance. Morton said that finding a way to provide enough money to the Library to keep its State aid and certifications would be a primary budget concern.

Sanderson noted that while being able to have level 1 funding at the regional level was good for Middle and High School students, it would be really bad for the Elementary students if the difference had to be made up from their budget. Weiss pointed out that Town Meeting might decide not to remove the additional money from the schools' budget but instead take it out of other parts of the budget.

The committee agreed to hold a four chairs meeting within the next few days and then try to have a four town meeting before Leverett's Town Meeting on 4/25 to present our arguments for not being able to afford a level 1 budget.

The meeting adjourned at 1:30 p.m.

Notes condensed and submitted by Chris Hoffmann