

Budget Coordinating Group – Minutes
March 9, 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 and Clare Bertrand

Gerry Weiss chaired the meeting which began at 11:30 a.m.

1. Public Comment: Walter Wolnik questioned how the long term costs of employee benefits (2020 and beyond) are being factored into the budget process. Weiss replied that the Select Board is aware of this issue.
2. News related to budget: Weiss relayed several comments regarding the state budget: there could be further cuts to FY09, many bills are on file, and Sen. Rosenberg’s committee on municipal funding relief hopes to have a bill ready for the Governor’s signature by April 1. Musante reported that the House Ways and Means Committee budget is expected by April 15 and a budget approved by the full House could be ready by May 1. The Senate’s budget proposal is expected by Memorial Day (May 25), then a conference budget will be prepared. Weiss mentioned that Rep. Kulik challenged the cost benefits of single payer health care, and Kulik also suggested that there was little possibility of lifting the property tax exemption for banks, due to their effective lobbying efforts

Holland asked for information about the \$100,000 that the Town was holding in escrow. Shaffer gave the background of the source of the funding (originally designated as reimbursements to renters). He will propose that the Select Board allow the Community Services Committee to distribute the money to human service agencies. Shaffer also described a new grant that the Town has received from the state 911 commission to study setting up a regional dispatch center with UMass, Hadley and Belchertown. The 911 commission would cover all capital costs and a portion of operating costs, but it would be 2011 before a new center could be up and running. UMass wants to build a new public safety/dispatch facility, and creating a regional 911 center would eliminate duplication of effort and result in better service to the area, in his opinion.

Churchill asked if police operations could also be regional with UMass. Weiss cited union concerns and dramatically different missions. Shaffer worries that creating a “police czar” over both departments would result in more administration costs and little direct benefit. Both the Burlington, VT and Storrs, CT systems were discussed. Weiss suggested that the Town would save in overtime payments, if all fraternity calls were directed to UMass. “There’s lots more we can share,” he said.

O’Keeffe asked about tax abatement requests. Musante explained that requests for abatements surge every time there is a significant re-evaluation of property and that the Town is carrying

funds to cover any abatement pending. Steinberg urged an early resolution to the distribution of local aid, and Shaffer said he is “pounding” our legislators to get this information out as soon as possible. Sen. Rosenberg says he will know about school aid in two weeks.

3. Worse Case Budgets: Musante distributed two handouts on the Town’s worst case budget planning, dated Feb. 25, 2009. The total revenue shortfall is just under \$3 million. Based on legislative action, additional revenues could come from state and local meals taxes and lodging taxes. Some portion of the Town’s Reserve Fund could be used over the next two years. Musante referred to a list of budget cuts, noting that so far all positions eliminated were from non-union staff. Funding for LSSE and support for human service agencies is dramatically different from previous years. More staff cuts and changes to co-pays on insurance plans are being considered. Shaffer stated that his top priority is public safety and public works.

Detweiler referred the committee to their website (www. arps.org) for the latest information on school department budgets. The worse case scenario will require re-organization of “how we do school.” Churchill added that at the worst levels staff reductions will be required, including cuts of teachers. There will be a new list of cuts in two weeks. Weiss asked about new revenues, but Detweiler said they are waiting like everyone else, referring to federal stimulus money. Grants are scarce, and fees on athletics and parking lots won’t raise a lot of new money. The Committee has decided not to charge bussing fees. Morton urged all committees to use local tax dollars for core services. Sanderson commented that they are receiving lots of emails from parents supporting the music programs, Russian, and Marks Meadow School.

Isman handed out information on Town Library budgets, illustrating three levels of gaps in revenue. Even with a 2% increase in Town funding, there would be a gap of \$112,180 to meet a “level services” budget because of a decline in private funding. If the Town appropriated enough funding to qualify for State Aid to Libraries (1.1% increase), there would be a gap of \$126,111. State regulations require a “Minimum Appropriation Requirement” calculated from the previous three years of funding in order to apply for State Library Aid. Without this level of funding, Amherst would lose approximately \$82,000 in State Library Aid funds next year. The worst case scenario for Town Libraries would be a funding gap of \$271,111 (-12.7% from FY09). The Library Trustees are currently considering potential new revenues and \$51,000 in staff reductions. Churchill asked about cuts in hours or closing the branches. Hoffmann replied that an amazing amount of borrowing goes through the branches, and Holland added that volunteers can’t handle the computer system, which needs a trained librarian. For the long term, the library staff is looking at reorganization options.

Next steps: Morton reminded everyone that the Finance Committee will have to vote by April 16 to prepare their written report. There was a consensus that budget votes be scheduled later in Town Meeting. Musante and Shaffer were asked to convene a “4 Chairs Meeting” to develop specific calendar recommendations prior to the 3/23 BCG meeting. Shaffer suggested that the Finance Committee set some appropriation amounts at a macro level, not review individual departments. The BCG could recommend a funding distribution plan back to home committees, including how to use reserve funds over a transition period. Morton asked about other towns voting to fund the regional schools at a 2% increase. Churchill suggested that was a mis-communication and not likely to happen. Communications are getting better among the four town committees.

Next meetings of the BCG will be Monday, March 23 at 11:30 a.m. and tentatively Mondays, March 30 and April 6, also at 11:30 am.

4. Blue Ribbon Committee: Shaffer spoke to Bruce McInnis recently about the work of this independent group. They do not seem to be recommending any administrative consolidations. Town and School administrators have provided a lot of data to the committee, and Musante is drafting a summary of the data for the committee's report. O'Keeffe worried that their report will lose credibility if it appears to come from staff. Isman suggested having a verbal report to Town Meeting, setting a deadline. Weiss noted that having this committee at arms length from all Town government is both good and bad. Shaffer expressed frustration at the slow pace of the committee's work.

Items 5-9 were tabled for now. Weiss explained that his proposal to study salaries is intended to support the staff by making data available to explain salaries. Musante pointed out that teacher salaries are within \$1,000 of the state average and that recently all Town salaries (payroll growth) has been 4% a year for cash compensation. Morton questioned the value of doing such a study now when it may be threatening to staff and take time away from more pressing needs. Such a study would be very valuable in the long term. O'Keeffe quoted Musante's sage advice, "All kinds of data can be provided. How will it help us make decisions?"

On that note, the meeting adjourned at 1:20 p.m.

Notes condensed and submitted by Bonnie Isman