

Budget Coordinating Group

MINUTES - Meeting of September 17, 2009

First Floor Meeting Room, Town Hall

**BCG Members 2009-2010:** Select Board: Stephanie O’Keeffe, Gerry Weiss. Finance Committee: Andy Steinberg, Doug Slaughter. Library Trustees: Patricia Holland, Chris Hoffmann. School Committee: Andy Churchill, Irv Rhodes. Town Manager: Larry Shaffer. Assistant Town Manager/Finance Director: John Musante. School Superintendent: Alberto Rodriguez. Director of Finance and Operations (Schools): Rob Detweiler. Library Director: Bonnie Isman

**CALL TO ORDER:** The meeting was called to order at 11:35 p.m. by John Musante.

**COMMITTEE MEMBERS IN ATTENDANCE:** Andy Churchill, Rob Detweiler, Chris Hoffmann, Patricia Holland, John Musante, Stephanie O’Keeffe, Alberto Rodriguez, Larry Shaffer, Andy Steinberg, Gerry Weiss.

**COMMITTEE MEMBERS ABSENT:** Bonnie Isman, Irv Rhodes

**POINTS OF AGREEMENT:**

- That the strategy guiding our FY10 budget process had been to identify and pare down to our core, with the goal of protecting that core going forward, which begins now;
- That we agree on the definition of "level services" as meaning to roll forward unchanged exactly what we are doing this year, and recognizing that the cost to do so increases;
- That the Town, Schools and Libraries have agreed to coordinate and accelerate their individual budget calendars in preparation for an override question on the March 23rd Annual Town Election ballot, with details to be worked out in time for the Select Board to create the ballot language in early February;
- That these plans are consistent with the guidance provided by the FCCC report, which called for significant cuts and restructuring to achieve core budgets, and anticipated the need for an override in the not-distant future;
- That BCG will host a Four Boards Meeting to share projections and information on the FY11 budget Thursday, October 15th at 6:30 p.m. in the Town Room. (All boards should post this meeting accordingly.)

Meeting summary:

1. Public Comment: None
2. Selection of Chairs: The group chose Andy Steinberg and Stephanie O’Keeffe as co-chairs. Andy chaired the remainder of the meeting.

3. Brief Review of Committee Charge: No changes made.

4. FY 09 Budget – Results:

John Musante reported that the Town’s FY09 budget ended with a small net plus of \$204,448; he commented that this “margin is very, very small.” In the General Fund the Town collected 99% of budgeted revenues, which was \$495,289 below the original budget. He noted \$406,000 saved in health insurance costs by having a premium holiday, and said he does not expect FY11 health cost to go up. He also noted that the 2% cut in Chap. 70 funds was replaced by federal stimulus money. Town reserves include about \$2.5 million plus \$1.4 million in the stabilization, for a total of \$3.9 million. Larry Shaffer said there may be a half million more.

Rob Detweiler handed out FY09 reports from the Amherst Elementary Schools, and the Regional Schools. At the end of an uncertain year, the Amherst Schools returned \$220,379 to the Town General Fund, from savings resulting from the health insurance premium holiday. For the Regional Schools, the contingency money was not needed and will be available for FY10, and the health insurance premium holiday saved \$276,763 which will be returned the Region’s general fund.

There was no report from the Library.

5. FY 10 Budget Process – Review/Recap/Lessons Learned

Stephanie O’Keeffe emphasized the importance of coordinating all budgets for FY11. She pointed out we need to improve our reporting on BCG discussions to our home committees, and proposed ending each BCG meeting with a review of what we will take back to those home committees. Andy Churchill recalled that the group had also had a small meeting of board chairs only; several members found that not as useful as they had hoped.

6. FY 11 Budget Development – Review Draft Calendar:

Town: Mr. Musante said that there is “a 100% certainty the town will need to generate revenue locally,” that is, have an override, since state tax revenue will remain low. He foresees a “multi-million dollar gap.” He handed out the calendar for the Town budget development. On October 15, 2009, there will be a Four-Board meeting. He hopes the Finance Committee will present guidelines for cuts by November 1st. The Town will present its budget January 16th which will include an override proposal. The Town election will be March 23rd, 2010.

Schools: Mr. Detweiler handed out a calendar which aims for a cut list by January 26<sup>th</sup> sorted by possible override levels. Mr. Rodriguez noted that the redistricting issue will affect the budget, especially the transportation budget; he hopes to have a decision by October 27<sup>th</sup>. The School Committee vote on the regional budget is scheduled for March 9<sup>th</sup>, for the elementary schools March 16<sup>th</sup>. Mr. Weiss raised the issue of defining level services, and Mr. Detweiler suggested “Exactly what we have now plus COLAs.”

Library: The Library’s calendar showed February 16<sup>th</sup> as the date to submit a budget. Andy Steinberg commented that the 16<sup>th</sup> is the final date for Select Board action to place an override on the ballot for the March

23 town election. He suggested that the Select Board meet on February 8<sup>th</sup> to consider recommendations for an override, which makes the current Library calendar problematic.

Mr. Steinberg said that the BCG needs to consider what information to present to the Select Board regarding the budget. He also said that the BCG may wish to consider whether any of the cuts for FY10 went "too far." Andy Churchill said there were three possible budget levels for FY11: 1) budget without an override, 2) level funding, 3) level services. Larry Shaffer described his conversation with Mayor Higgins of Northampton on the success of their override last spring, from which he took two lessons: the override campaign must have a simple message, and the campaign has to be led outside of city hall. Mr. Churchill said he thinks the campaign group is there, but what was the "simple message? Mr. Shaffer said the simple message had to be out by mid-October and the format of the override by mid-November. Pat Holland noted that the simple message in Northampton was Save Our Schools, though only half the money was for the schools. Mr. Musante thought the choices for an override amount should be only two. Mr. Rodriguez was concerned about asking for too small an amount.

Everyone agreed on having the Four Board meeting on October 15<sup>th</sup>. Mr. Musante proposed a budget theme: Since FY10 was cutting to the core, FY11 should be preserving the core.

We agreed that the summary points that will be conveyed to our home boards and committees.

That BCG will host a Four Boards Meeting to share projections and information on the FY11 budget Thursday, October 15th at 6:30 p.m. in the Town Room. (All boards should post this meeting accordingly.)

7. Review Minutes: The group approved the minutes of February 2, March 9, March 23, and May 4, 2009.
8. Date for next regular meeting: November 5, 2009, 11:30 A.M

The meeting adjourned at 2:05 P.M.

Patricia Holland, Acting Clerk

Approved: December 3, 2009