

**Budget Coordinating Group
December 17, 2009 – Minutes
Town Hall – First Floor Meeting Room**

Present: Andy Steinberg, Doug Slaughter, Andy Churchill, Irv Rhodes, Farshid Hajir, Pat Holland, Chris Hoffmann, Gerry Weiss, Stephanie O’Keeffe, John Musante, Alberto Rodriguez, Rob Detweiler, Larry Shaffer (arrived late)

Absent: None

Members of the Public: Stan Gawle, Clare Bertrand

Public Comment:

No one from the public offered comment.

Member Reports:

Schools: Churchill said the preliminary Regional and Amherst School cut lists are out; a productive Four Towns meeting was held December 12th; and trying to keep School Committee meetings on Tuesdays only means that, the Regional School Committee won’t be able to vote on its budget until February 9th, with the Public Hearing on the 2nd. The Amherst School Committee will vote February 8th or 10th.

Town: Weiss reported on anticipated budget reductions, recently presented by the Town Manager to the Select Board: Totals about 1.3 million in cuts; elimination of 14 FTEs Town-wide; water and sewer rates will remain the same; a reduction to Health Insurance Trust Fund increases, from 6% to 3%, for a savings of about \$100,000; eliminating 50% of street lights, saving \$48,000; Mill River Pool expected to stay open; and Senior Center social service programs to remain, despite rumors to the contrary. Musante reported that the Police Union ratified an amendment to the Collective Bargaining Agreement, eliminating the 3.5% COLA scheduled for June 30th while Quinn Bill pay incentives are maintained. (With reduced reimbursement from the State, the difference = \$160K from the Town.) Negotiations with other unions continue, in hopes that wage concessions are a significant part of the FY11 solutions. While significant, COLA givebacks can’t fill the whole gap (COLAS = \$400K for Town side.)

Libraries: Isman reported that Department Heads presented budgets with 10% reductions to the Trustees. Would be \$200,000 in cuts, through combination of reduced hours, furloughs and more. A prioritized list will be put forth on January 5th, with a vote scheduled for January 19th. Isman and Holland reiterated the Trustees’ intention to seek a certification-level budget.

There was discussion to clarify the 10% reduction figure: The 10% reductions ask each department to dig deeper than expected to be necessary to allow Towns, Schools and Libraries to create “worst-case scenario” budgets of 3% below FY10 appropriations (or 7.6% below level

services.) State aid is also projected to be cut by 10%. But 10% is not a projected reduction or requested scenario for the full Town, School or Library budgets. (Isman noted that reduced State aid and endowment revenue would make the 3% “worst-case” reduction a 10% overall reduction for the Libraries.)

Process and Expectations

The memo outlining a projected timeline for January and early February (“Process for Override Recommendation” – 12/14/09, Steinberg/O’Keeffe) was discussed. Expectations for the January 21st budget presentations were discussed. It was agreed that those would entail executive summaries with key contextual information, prioritized cut lists, and how those cuts project out to FY12 (and FY13, if possible.) It was agreed that getting ACTV to televise that meeting would be helpful.

There was discussion to reiterate and clarify the BCG’s role and goal of creating recommendations to the Select Board on the size, structure and language for an override. The prioritized cut lists will inform the recommendation: we don’t expect to recommend an override that would fill the whole gap and eliminate all cuts; and coordinating the process allows consideration of adjusting the cut percentages rather than distributing them equally across the Town, Schools and Libraries. These intentions were reaffirmed. It was agreed to proceed with the timeline and process as described in the 12/14 memo. Long meetings are anticipated for 1/21, 1/26, 1/28 and 2/4. The 1/28 meeting will be cancelled if sufficient progress on recommendations is made 1/26.

Consolidated Calendar

Changes will be made to reflect the School Committees budget vote schedule; scheduling of the new 2/12 Select Board meeting for tying up any loose ends in the override ballot language was noted.

Supporting Information to Answer Voter Questions – Staffing/ Compensation Report

Musante presented two draft charts, created with Detweiler and Isman, based on the model suggested by BCG. One breaks out and totals salaries and benefits from FY02 to FY08 for the Town, Elementary Schools, Region and Libraries in constant dollars, the other in actual dollars. Adding staffing numbers was requested, and needed corrections were noted, and will be provided at the next meeting. Members will consider the info and be prepared to discuss then.

Supporting Information to Answer Voter Questions – Other Issues

O’Keeffe presented a draft list of issues and questions per budget area, as a starting point for discussion. It was noted that some questions are either not being answered clearly or satisfactorily, or the answers are not being disseminated widely enough to inform and satisfy much of the public. It was decided that the four Chairs would meet to create a draft packet of

key information (i.e., helpful charts from past presentations and reports; FAQs about budget items and issues, etc.) that will be useful for the public. This packet will be made available on the Town web site and can be updated as necessary.

Chart Detailing Costs of Different Override Amounts

Musante presented a chart showing the impact of different override amounts on property owners at a variety of assessment levels, and with offsets for deductions at different Federal Income Tax rates. It was noted that the document would be useful to BCG when considering the recommendation for an override amount, and for informing the public about specific impacts once an amount is set. Hajir expressed support from the other towns in the region for Amherst's pursuit of an override.

Approval of Minutes

The minutes of the December 3rd meeting were approved by consensus as amended.

Next Meeting and Adjournment

The next BCG meeting will be January 21, 2010. The meeting adjourned at 1:17 p.m.

Summary Points to Share with Home Boards and Committees

The following summary points were agreed upon at the meeting and distributed afterwards:

- That BCG representatives agree to the process and dates as recommended (per the 12/14/09 memo from Steinberg and O'Keeffe – "Process for override recommendation") with key points being formal budget presentations January 21st, consideration of override structure and amount January 26th (and the 28th, if necessary); and with a draft memorandum detailing recommendations to the Select Board to be considered and finalized February 4th. These meetings are all expected to be longer than 90 minutes.
- That our shared expectations for the January 21st budget presentations are for the Town, Schools and Libraries to present an executive summary of their full budgets with key contextual details, a prioritized cut list (with dollar amounts and with the different Finance Committee guideline tiers marked,) and with projections for the financial impacts of those cuts in FY12 (and FY13, if possible.) We will try to arrange for this meeting to be taped by ACTV. Following the presentations, we will determine if additional info (data, format or analysis) is needed from budget officials, the Finance Committee or others, to assist the January 26th discussion.
- That the prioritized cut lists as approved by the Select Board, School Committees and Library Trustees are needed for BCG to create its override recommendations; other budget process details (formal budget approval votes, etc.) are at the option of those committees and are unrelated to the BCG's override recommendations.

- That the group appreciates the work of Musante, Detweiler and Isman to create the draft compensation trend charts; that these will be reviewed and revised (i.e., adding the number of employees; correcting errors in the Library \$ in the new chart, and on the “Wages & Benefits as Percentage Total Operating Budget” chart in the Town’s Financial Trend Monitoring Report); and that BCG members will bring questions and comments on the new charts to the next meeting.
- That the four Chairs will meet to compile a draft packet of highlight information for the public, to include data and graphics from existing reports and presentations, and to create and answer “Frequently Asked Questions.” This will be a “living document,” updated as needed and available on the web.

-- Respectfully submitted by Stephanie O’Keeffe