

Amherst Finance Committee Minutes

January 15, 2010

CALL TO ORDER: The joint meeting of the Amherst Select Board and Amherst Finance Committees was called to order at 4:02 p.m. in the Town Room of the Amherst-Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE : Marilyn Blaustein, Phil Jackson, Kay Moran (vice-chair), Bob Saul, Douglas Slaughter, Andy Steinberg (chair), Marylou Theilman.

SELECT BOARD MEMBERS IN ATTENDANCE: Alisa Brewer, Aaron Hayden, Stephanie O'Keeffe(chair), Diana Stein, Gerry Weiss.

STAFF IN ATTENDANCE: Larry Shaffer, Town Manager; John Musante, Assistant Town Manager/Finance Director; Maria Racca, Software and Financial Analyst.

OTHERS IN ATTENDANCE: Members of the public and press.

DISCUSSION

Shaffer presented an executive overview of the 2010 Fiscal Year Municipal budget. He enumerated a prioritized cut list delineating the specific cuts from a level services budget to a budget level 3% below the current budget. The total of the cuts to get to the Finance Committee's -3% Budget Guideline is \$1.466 Million. Of that total \$570,211 are cuts that will be made regardless of whether there is an override or not. The remaining cuts listed are recommended for restoration via an override. Musante stated that the proposal is within the guidelines set out by the Finance Committee using the assumptions of a 10% reduction in state aid, no new revenue other than those sources cited in the October projections and no use of reserves. He also noted that there will be no rate increases for the water and sewer enterprise funds. The savings on COLA for the Police and the non-union staff save two Police positions and prevent additional non-union personnel cuts. These workers represent approximately 60% of the municipal workforce. In addition efforts are being made to keep ourselves financially sustainable into the future. An example of this is the sharing of a Sanitarian with Northampton. Also, cuts are being made such as the reduction in the number of dispatchers and a 0.5 FTE reduction in the Town Clerk's office. These cuts result in some shifts having fewer dispatchers available to take emergency calls and the elimination of the Passport service in the Town Clerk's office.

The Select Board began the question and answer session with the Town Manager. Weiss asked if any new information was available regarding the assumption about state aid. Musante replied that no new information will be available until the Governor announces his budget in about two weeks. However, there will be some opportunity to recalculate based on the Governor's budget before the February deadline for placing an override question on the spring election ballot. Weiss noted that the personnel board had not met to discuss the non-union COLA of 0%. Shaffer stated that the personnel board is aware of the proposal. Weiss asked about the difference in the dollar amounts for the two Police positions versus the two Fire/EMS positions. Shaffer responded that the two Fire/EMS positions were captain's positions whereas the Police positions were line officers. Weiss asked about the effect of the loss of the positions in Community Development. Shaffer replied that some of the work will be moved to the Planning department and some money from the Community Development Block Grant will now be used to fund the positions in that department. Having the Planning department do some of the

Community Development work is common in other communities. Musante added that it is, however, still a cut. Weiss inquired about the cuts to Veterans services as well as the funding of legal services. Musante responded that the cuts to Veterans services and snow removal bring them back to the current fiscal year amounts but the original goal when budgeting them at higher levels was to be more realistic as to the true costs associated with these budget areas. With the cuts the Town will take its chances that these funding amounts will be sufficient. If they are not sufficient then end of the fiscal year budget rearrangements will need to be done, as has been done in the last few years. Shaffer stated that with regard to the legal expenses some current legal proceedings are winding down so he is comfortable with the estimate. Brewer asked about the amount associated with the pools and that more detail would be needed as the full budget is presented to explain this number relative to the changes in the current fiscal year. Shaffer said that LSSE would be experiencing big changes as it shifts to being more dependent on self-generated revenue to fund its operations. Brewer asked about how ambulance receipts, and other receipts, have changed over the last year and what the projections of these revenues for the new fiscal year would be. Musante stated that when the full Manager's budget is released it will contain some of those details.

The Finance Committee continued the question and answer session with the Town Manager. Steinberg asked if there is a risk of loss in Ambulance revenue if the most severe cuts are made to the budget. Shaffer replied that while the department is very near its capacity to provide service he feels that the receipts will remain strong. Mostly the change with fewer staff will be in the timeliness of the response not in their ability to provide the service. Moran asked if the Manager expected any other reductions in revenue similar to the one that will be a result of the reduction staff in the Town Clerk's office and the subsequent suspension of the Passport service. Shaffer responded that he didn't think there would be, but an ever vigilant watch of revenue will be maintained. Moran inquired about the reduction in the estimated need for Veterans services. Musante replied that this is an area where the Town has regionalized with Northampton and other communities and we are very happy with the financial results, our level of care has never been better, and the state will eventually reimburse 75% of the cost of services provided to veterans. Theilman asked about the certainty of the grant funding used to fund some positions. Shaffer replied that the grants utilized are "in-hand" and we will fund those positions in the short term with the grants and make decisions about funding them in the future based on our financial circumstances when the grants are no longer available. Jackson noted that the Finance Committee had asked for three levels of funding and inquired where within the prioritized cuts list the third level was located. Musante replied that the third level is about \$150,000 above the bottom of the list, so a restoration of the Fire/EMS cuts would represent the third level. Blaustein asked about how the fiscal year 2010 revenue estimates were holding up relative to the actual receipts. Shaffer stated that mid-year cuts have been made and that they are continuing to seek new revenues since they will not be allowed to run a deficit.

ADJOURNMENT:

The meeting adjourned at 5:34 p.m.

Respectfully submitted,
Doug Slaughter, Acting Clerk