

**Budget Coordinating Group
Minutes of January 28, 2010 Meeting
Town Hall First Floor**

Present: Andy Steinberg, Doug Slaughter, Irv Rhodes, Farshid Hajir, Pat Holland, Chris Hoffmann, Gerry Weiss, Stephanie O’Keeffe, John Musante, Alberto Rodriguez, Rob Detweiler, Andy Churchill, Bonnie Isman.

The meeting was called to order at 11:31.

Only one comment on 1/26 takeaways: amended version adopted by consensus.

JM handed out most recent cuts list, updated set of projections at request of BCG, looking out to FY12 and FY13, thanking BI and RD for their help. There are deep cuts regardless of override, the possible override proposal being for roughly 2 million dollars. Assumption on health ins. increase FY12, most recent projection from our consultant is 3%. FY13 increase by 6%. Utility growth of 3% per year. The assumption on COLA to employees was shown as 1%.

The low increases in FY12 13 are partially due to payroll growth estimate and controlling health insurance costs.

Amherst elem. charter school assessments growing quickly as shown in the documents.

Region: same is true, less so, less impact with charter and choice.

Assumptions include 1.5% increase projection for state aid and \$1.893 million override.

Details are in the handouts, but the general picture is that projections show with either 5% or 0% cut to state aid, overall Amherst budgets will be balanced, either slightly in the red, or slightly in the black.

For example, with 0% cut to state aid (Governor's plan), there would be about \$1million, 517K, 223K surplus in FY11, 12, 13.

JM explains that town meeting wouldn't have to levy up to the limit allowed by override ballot in any given year.

IR: Once an override is approved, town decides what to do, taxpayers don't have a say on how much of it to spend. Does the taxpayer have a say?

JM: They absolutely do have a say through their Town Meeting representative because Town Meeting will approve the town budget.

AC: Override is Authorizing, TM is Appropriation.

IR: The taxpayers will need that explained many times.

PH: 1% cola assumption appears low.

JM: We'll bargain responsibly. We need to keep sustainability in mind. Each 1% cola increases budget by \$400K.

RD: it's not a projection, it's for clarity for each 1% how much it would cost.

FH: Do we have projections without an override, or with smaller override?

JM: RD did. Percentage of growth is about the same. The point is that the trend would be about the same, even though the base would be different.

SOK: is the override amount what we need to keep up with the 2.5% limit, or is it to fill in the decrease in state support?

JM: We're on a path to narrow the gap. We think with a \$1.9 million override, we can have a few years of peace and harmony. Gets us through worst year, FY11, sets us up for a few years not to go back to voters for an override. Only done it 3 times, twice successfully last 30 years.

SOK: It's important for us to understand what override would mean in the context of future years.

AC: We're narrowing gap of FCCC and filling in hole of recession-created state aid cuts. In the process we are cutting a couple million dollars of services.

BI: Capital amount is not affected by override. How much left for capital spending?

JM: Assumed capital funding level funded in FY11 stay at 6% of tax levy going forward. That means reductions from 5-year capital planning committee's recommendation. Assuming we would not increase capital budget as part of override. It effectively is a cut to capital planning. Not ideal but respectable capital budget. Don't want to gut it, but we're not looking to up it in the worst year we have had.

SOK: moving on.

Status of recommended recommendation

Discussion of how to go from 10% cut to aid projections to 5% aid. About 1.078 million to "distribute"

New document from JM; first two columns same, but allocated the \$1.078 mill distributed in amount proportionate to FY10 funding levels.

FH: Proposes that a different way to calculate is to simply start the calculation of each dept budget by assuming a 5% cut to state aid as opposed to 10% cut to state aid. Wonders whether there would be substantial differences in the previous distribution method described because of the different rates at which the level services are growing for different departments from FY10 to FY11.

AR: Is this related to the question that the Amherst SC had about changing the mix of override dollars allocated to Amherst elementary vs. Amherst assessment for Regional district?

SOK: Agrees with Andy, that BCG will decide the combined Amherst/Region monies they will appropriate, up to the school to decide how to allocate to different districts.

GW: Still uncomfortable with the fact that the revenue picture won't be known when we ask for the override.

AS: Still have to make the best judgment we can today to meet the deadline. Many mechanisms for adjusting between exist.

JM: this is true every year. If aid is worse, we are prepared with cuts lists.

IR: GW's point is important. Public would punish us if we err.

SOK: What we are doing here is what we want to recommend being funded next year. At this point, it looks like the gap is a certain amount, say x. If those costs change, then we aren't going to tax that full amount. This is the projected cost at this point. we won't ask people to pay more than what it costs. Moving on.

SOK: Agreed to 6a, proportional distribution of the 10% to 5% amount differential.

6b.

SOK: This is the coordinating part.

GW: each group has to say from home committees what they support.

DS: That's what they did on Tuesday, to give us where the lines were drawn.

FH: It's a multidimensional conversation.

IR: Not ready for representing what SC would vote for.

AR: Not so much a question of dollars. The ordering prioritization will be discussed in the green (highest priority.) Not the total. The total dollar figures is what will be recommended by the superintendent.

JM: Big picture: an override recommendation, policy decision. are SC in a position in an override scenario of 3.4% growth

AC: What should be in green may change.

FH: possibility of asking for slightly less as a strategy to increase likelihood of override passing?

AC: it's already smaller than we expected. There are already many millions of dollars of cuts.

The amounts for the budget gaps as they look right now:

537K town

1000K region

255K elementary

88K library

GW would support 1.9 million if library trustees support override and SC comes back with support for saving all these programs.

Irv: The town needs to understand there are severe cuts to intervention teachers and teachers of color

AS: we need to have feedback from the SC on the timeline

Pat: We may wish to ask for an override of exactly 2 million dollars.

FH: I don't think that's a good idea; we should stick with the process we have set up for coming up with the number.

LS: We need a statement of support from library, from region and amherst school committees, otherwise I wouldn't recommend it to the Select Board to be included on the ballot

SOK: take-away message will work on 1.9 mill upper limit

Emphasizing not taxing up to the levy limit

Sense from schools that 1.9 mil is supported as maximum, they may come in with a different number

Lib trustess also support the number.

Without support of the committees, they won't be included

GW: technical question; if schools don't want to delineate, then we can't have any breakdown?

SOK; sure, you can do it any way you want.

JM distributes handout on potential costs to homeowners.

Next thurs change it to 2 hour meeting

Meeting adjourned 1:35pm by consensus.

**Amherst Budget Coordinating Group
Summary Points – January 28, 2010**

At our January 28th meeting, the members of the Budget Coordinating Group agreed that the following points would be conveyed to our home boards and committees:

- That BCG members agree that proportional distribution of the \$1.1 million realized by a projected State Aid cut of 5% rather than 10% is fair. That allows for restorations of the highest priorities on each cut list, totaling approximately \$360,000 for the Town, \$400,000 for the Elementary Schools, \$250,000 for the Regional Schools assessment (Amherst share of a potential \$400,000 increase to their budget), and \$29,000 for the Libraries.
- That BCG members agree to not pursue an override amount totaling more than \$1.9 million; current plans for approximate maximum distributions are as follows: \$537,000 for the Town; \$176,000 for the Elementary Schools; \$1.1 million for the Regional Schools assessment (Amherst share of a potential \$1.4 million increase to their budget with the potential to combine and reallocate the Elementary and Regional dollars, if those School Committees express that desire;) and \$88,000 for the Libraries.
- That the timing requirements for the Annual Town Election ballot necessitate making recommendations about a total dollar amount and how those dollars would be distributed even as significant budget uncertainties remain. As such, the BCG emphasizes the following:
 - An override would determine a maximum amount of potential spending; it does not require that the maximum amount be requested or appropriated;
 - If additional unions agree to COLA concessions, thus decreasing the cost of the recommended restorations, that amount would be: a) deducted from the requested override amount, if the agreement occurs before the ballot language is finalized February 12th; or b) reflected in the budgets recommended to Town Meeting: we would recommend not taxing to the full levy limit authorized by the override, rather than seeking to spend the COLA savings on additional restorations.
 - If FY11 State Aid is more than projected, that difference would be reflected in the budgets recommended to Town Meeting: we would recommend not taxing to the

full levy limit authorized by the override, rather than seeking to spend that additional State Aid on additional restorations.

- If Elementary and Regional School budgets ultimately seek fewer restorations than recommended by the Superintendent at this time, then that difference would be reflected in the budgets recommended to Town Meeting: we would recommend not taxing to the full levy limit authorized by the override, rather than seeking to spend that savings on additional restorations.
- Town Meeting has appropriating authority, but budget managers would not seek additional restorations that would “spend” the savings from these areas.
- That in order for BCG to recommend override language to the Select Board that includes distributions for the Elementary and Regional Schools, and the Libraries, a vote to support those distributions by those respective elected bodies is necessary. Without such support, it would not make sense to include any request for override funds on their behalf.

Respectfully Submitted,

Farshid Hajir