

Finance Committee Report Template Subcommittee Minutes

July 21, 2010

CALL TO ORDER

The meeting was called to order at 10:10 a.m. in the first-floor meeting room, Town Hall.

MEMBERS IN ATTENDANCE

Phil Jackson, Kay Moran, Bob Saul

OTHERS IN ATTENDANCE

None

AGENDA

1. Elect a chair
2. Develop a draft template for Finance Committee members to use when preparing committee reports on assigned budget sections
3. Develop a list of Finance Committee questions and guidelines for budget-making authorities to use in preparing their presentations to the Finance Committee

DISCUSSION AND ACTION

1. **Elect a chair.** Moran nominated Jackson to be Chair. Saul seconded. Jackson was elected 2-0; he abstained.

2. **Develop a draft template.** Jackson stated, and the others agreed, that the Finance Committee's report to Annual Town Meeting contains certain data elements for each budget section that should be delineated in a somewhat uniform fashion, so that Town Meeting members can clearly understand it. Having such a template to follow would also give guidance to committee members writing each section. Moran suggested a template with the following headings, which she demonstrated by applying it to three sections of the 2010 report to Town Meeting – Conservation and Development, Public Safety, and Libraries:

- Budget and recommendation (Appropriation and recommendations for the Library)
- Basic functions
- FY 10 summary
- FY 11 summary
- Full-time-equivalent employees

Jackson thought we should include sources of funds; Moran said we could leave those out in the interest of brevity, since a chart accompanying each budget contains them. Saul proposed and others agreed to write "See sources of funds in accompanying chart" in each Budget section.

Saul proposed and others agreed to insert FTEs after "Basic Functions."

Jackson proposed and others agreed to write at the end of each FY 11 section, "For more information see URL OF TOWN, SCHOOL OR LIBRARY BUDGET WEB SITE."

The suggested template as applied to those three budget sections (attached) will be presented to the Finance Committee for discussion at its Sept. 30 meeting.

Jackson proposed and others agreed to ask the full Finance Committee to discuss whether members' names should be attached to the sections they write.

3. Develop a list of Finance Committee questions and guidelines for budget-making authorities to use in preparing their presentations to the Finance Committee.

All agreed that the report template could form the basis for questions to present to budget-makers in advance of their appearance before the Finance Committee. For instance, what are the sources of funds for the coming year and how has that changed from the current FY to affect your budget-making? What changes in functions and services do you anticipate? What are your anticipated staffing levels for the coming year? How has the current year's budget played out, where have you realized cost savings, and what unexpected expenses arose? What changes do you anticipate in the coming fiscal year?

Saul suggested that the Finance Committee member responsible for each budget section should not only prepare those questions in advance for his/her section but also run that portion of the meeting. Moran reserved judgment on that suggestion pending discussion of the whole issue by the full Finance Committee at its Sept. 30 meeting.

ADJOURNMENT

The meeting adjourned at 11:25 a.m.

Kay Moran, Acting Clerk

TEMPLATE DRAFT KJM 7/22/10

ARTICLE 9, Conservation & Development (formerly Planning, Conservation & Inspections)

BUDGET: \$745,073, a decrease of 9%, or \$73,505, from FY 10. (Sources of funds are listed in accompanying chart.) Recommended by Finance Committee vote of 7-0.

BASIC FUNCTIONS: The Conservation & Development functional area provides services to monitor, protect, and enhance the Town's developed and undeveloped environments through the protection of open space; long-range planning for an orderly and appropriate development process; implementation of the Master Plan; and the appropriate application of policies, regulations, state laws and local bylaws enacted to promote these goals. Staff members provide support and coordination to many of the Town's boards and committees. Conservation supports seven committees including the Conservation Commission, Agricultural Commission, and Energy Task Force; Planning supports 10, including the Planning and Zoning Boards, and the Kendrick Park Committee; and Inspections supports four, including the Planning and Zoning Boards.

FULL-TIME-EQUIVALENT EMPLOYEES: 9.98, a reduction of 0.85 FTEs from FY 10.

FY 10 SUMMARY

The former Planning, Conservations & Inspections departments were reorganized over the past two fiscal years. Inspections staff are now co-located on the second floor of Town Hall with Planning and Conservation staff. There is a central service counter for these three functions, and administrative staff from the three areas are cross-trained to work at the counter. A new MUNIS permit tracking software module was implemented, enabling information sharing, reducing staff time and increasing productivity for all Town permitting bodies. Some personnel costs were defrayed by Community Development Block Grant (CDBG) funding. The Community Development Director's position was entirely funded by CDBG in FY 10.

The Master Plan was formally adopted by the Planning Board in February 2010. This will facilitate more efficient planning, and a number of major economic development activities consistent with the plan's goals are under consideration, in progress or completed, including: New England Environmental, the Lord Jeffery Inn, the Boltwood Walk project, the Patterson Property project and the UMass Gateway project.

An increase in electrical permit fees yielded approximately \$10,000 in new revenues. In light of current economic conditions, no plans are in place to raise fees in the near future.

An assistant planner is dedicated to identifying and pursuing grant funding. Seven grants totaling \$800,000 have been awarded to the town in the past two years, funding projects in water quality, historic preservation and economic development. Federal and state energy grants have been used by the Facilities Maintenance department to make energy improvements to town and school facilities resulting in \$250,000 savings to date. These savings are projected to save the town another \$1.25 million over the next ten years.

The Town continued to rely on private fundraising for maintenance and site management of Puffer's Pond.

FY 11 SUMMARY

The departments will continue to look for efficiencies and cost savings from reorganization, as well as ways to leverage Community Development Block Grant (CDBG) and other grants to offset staff costs. CDBG funding will save \$56,103 in FY 11. Just over 50% of the appropriation for Conservation & Development is funded by taxation, down 11.7% from FY10.

- **Conservation** budget decreases by \$14,321 from FY 10, due to funding 10% of director's and assistant's salaries from the Community Development Block Grant and other grants. The town will continue to look for ways to fund the management of Puffer's Pond and other conservation areas by increasing its volunteer programs and seeking private funding. Taxation funds 86% of the appropriation for this budget. There are 3.63 FTEs, a decrease of 0.20 from FY 10.

- **Planning** budget decreases by 18% from FY 10, due to the use of CDBG funding to offset the costs of staff and administrative support. The Community Services director, who moved to the Planning & Development department in FY10, will retire in July 2010 and this position, funded by CDBG money, will not be filled; the former director will be hired as a part-time consultant when his unique expertise is needed. The department will continue to focus on ways to make community development fully sustainable through grant monies, as well as seeking ways to help the town prioritize projects. Taxation funds 94% of the appropriation for this budget. There are 3.35 FTEs, a decrease of 0.89 from FY 10.

- **Inspections** budget decreases by 5.2% due to staff turnover. This department is fully funded by permitting fees and requires no funding from taxation. There are 3.0 FTEs, unchanged from FY 10.

More information is available at <http://www.amherstma.gov/index.aspx?nid=78>

TEMPLATE DRAFT KJM 7/22/10

Art. 9, Public Safety

BUDGET: \$8,394,386, an increase of 1.0%, or \$79,000, over FY 10. (Sources of funds are listed in accompanying chart.) Recommended by Finance Committee vote of 7-0.

BASIC FUNCTIONS: Providing police, fire, ambulance, emergency dispatch (communications center) and animal welfare services 24 hours a day, 365 days a year.

FULL-TIME-EQUIVALENT EMPLOYEES: 106.5, a decrease of 1.0 FTE from FY 10.

FY 10 SUMMARY

- **Police Department:** Over the past year, patrol districts have been reorganized, with specific officers assigned to each district to become more familiar with residents there; it is too early to tell whether this will produce cost savings. Amherst and University of Massachusetts police have held joint training sessions, splitting the cost, which saved Amherst some money. The two departments plan joint patrols during 10 weekends this spring. The department won grants totaling \$62,915 earmarked for traffic enforcement, prevention and safety education programs, safety equipment and technology improvements.
- **Fire Department:** Grants received in FY 10 included \$16,100 to teach fire safety in schools; \$5,000 to support equipment and responses for regional incidents; and \$36,000 in Federal stimulus funds to restore some overtime funding lost to budget cuts.
- **Communications Center:** In FY 10 the Director's position was eliminated and those duties taken over by police lieutenants, allowing on-duty dispatcher staffing to increase to 3 during busy evenings and weekends. Grants totaling \$197,890 in FY 09 and 10 are being used for a feasibility study of regionalizing dispatch services for approximately 10 participating agencies; if this happens, it could save Amherst considerable money in future years.

FY 11 SUMMARY

- **Police Facility** budget decreases 11% from FY 10, due to energy savings in fuel and electricity from the completed HVAC system upgrade. Savings would be even greater if the price of electricity were not increasing.
- **Police Department** budget is only 0.8% higher than FY 10, due to the police union's agreement to forego a cost-of-living increase. The authorized number of officers, 45, is the same as in FY 10 and five fewer than in FY 07. Offsetting revenue for FY 11 includes \$6,000 in licenses, fees and miscellaneous fines; \$135,000 in court fines; and \$21,600 in department receipts, all of which goes into the General Fund. There will be additional grant applications in FY 11.
- **Fire Department** budget increases by 1.8%. Off-setting revenue for FY 11 is \$95,000 in departmental receipts and \$1,970,082 in ambulance receipts, which include payments from

UMass and the towns of Pelham, Leverett, Shutesbury and Hadley. The five-year SAFER grant that funded a declining portion each year of the salaries of five additional firefighters ended with the FY 10 payment of \$30,000. FY 11 is the first year that the town bears the whole cost. The department's ability to respond to an increasing number of fire and EMS calls has improved due to the additional personnel, though total staffing is low relative to national norms, according to the July 2009 rating by the Insurance Services Office Inc., which affects fire insurance rates.

- **Communications Center** budget increases by 0.3%. There are currently 12 funded dispatcher positions; for FY 11, one of those would be funded by a state grant, for a savings of \$35,994 plus benefits.

More information is available at <http://www.amherstma.gov/index.aspx?nid=78>

TEMPLATE DRAFT Kjm 7/22/10

Article 9, Library

APPROPRIATION: \$1,541,736 in Town tax support. (Sources of funds are listed in accompanying chart.) Recommended by Finance Committee vote of 7-0.

BASIC FUNCTIONS: Library services are provided at the Jones Library, the North Amherst Library and Munson Library in South Amherst. The mission of the libraries is to provide access to materials to assist people in their quest for information, to preserve the history of this region and to serve as a meeting place for the community's educational and cultural pursuits. The libraries offer information in the form of print, audiovisual, and electronic media. The Jones Library holds collections of historical and literary significance related to the Town and its residents. The Libraries also offer programs to encourage children to read, and to help people whose native language is not English to learn English.

The Jones Library building is owned by Jones Library, Inc. which is governed by the Library Trustees. The Town owns the Munson building and the North Amherst Library building. The Library pays the Town annual rent of \$6,500 for space in the Munson building, which includes heat and utilities. The costs of interior and exterior maintenance at Munson and exterior maintenance at the Town-owned North Amherst Library are in the budgets for the Town Maintenance and Public Works Departments. Most library accounting, payroll, and information technology support is handled by the Town and not charged to the library budget.

FULL-TIME EQUIVALENT EMPLOYEES: 26.4, down 0.2 FTEs from FY 10.

FY 10 SUMMARY

In FY 10 the Town was unable to fund the library at the MAR level and, along with 96 other municipalities, the Town applied for, and received, a MAR waiver from the State Board of Library Commissioners. This allowed the Library to receive \$33,535.94 in State Aid in the latter half of FY10.

The Library's materials budget was cut by 30%, but lending thus far in FY 10 is off by only 1%. The State funded inter-library loan system has filled the gap by giving the Amherst system access to materials from other libraries that it may not have been able to purchase. The increased expense associated with this higher volume of inter-library lending is expected to continue into FY 11.

The current recessionary economic conditions continue to generate higher demand for the Library's services. Most notably, in 2010, electronic access to Library resources is up dramatically, and electronic lending rates exceed walk-in lending by a 4 to 3 margin. Unfortunately, as with the cuts to the materials budgets, past budget cuts have had consequences. For example, the Library was forced to cut computer classes that taught people to use the internet as a borrowing resource. Personnel at the reference desk now fill in this function on an ad hoc basis which puts additional burdens on a limited staff.

FY 11 SUMMARY

Our recommended appropriation of \$1,541,736 provides 70.7% of the library budget, up from 70.1% in FY 10 and 69.7% in FY09. Town tax support for FY 11 increases 5.0% as compared to FY 10. The larger proportional increase for the Library relative to other tax supported operations is the result of deliberations by the Budget Coordinating Group prior to the override vote whereby the BCG set a policy of providing a larger allocation of the override-derived revenues to the Library budget. This level of tax support exceeds the State's Minimum Appropriation Requirement (MAR). The State requires municipalities to fund their libraries at 2.5% above the average of the preceding three years' municipal appropriations in order for the libraries to be certified and to continue to receive state aid. This appropriation meets that requirement. In FY 11, the Library will be performing some significant capital improvements to the heating-ventilation-air conditioning system, the elevator, and the insulation. The Town's capital plan proposes support of \$115,000 for these projects. Additional support for the Library's capital program is outlined in the CPAC appropriations.

The total library budget for FY 11 is projected to be \$2,181,417, a 3.8% increase over FY 10. This number is still subject to change by the Library Trustees because it relies on a fund-raising projection of \$100,000 which will not be known exactly until June 30, 2010. This fund-raising projection at 7% below last year's totals, is appropriately conservative. In addition to fund raising, other resources used to fund the 3.8% increase in the budget come from the additional tax support from the Town as well as the endowment. As of March 31, 2010, the endowment had moved back over the \$8 million mark after bottoming near \$6 million a year earlier. The Trustees have voted to use 5.4% of the endowment based upon the average value of the last three-year period. This equals an endowment contribution to the budget of approximately \$430,000. This 5.4% rate of support is still above the 5% level usually recommended as sustainable, and there is some concern from the Finance Committee that the Trustees should consider dropping support levels down to 5% in the years to come. The library's FY 11 budgeted revenue includes \$36,451 of state aid previously received plus \$65,000 of FY 11 state aid. Beginning in FY 08, library trustees began an unsustainable practice of using all state aid previously received plus a portion of state aid anticipated in the current fiscal year. FY 11 is the last year such "spending forward" will be possible. Some of the more notable changes in this budget include the absence of cost of living increases for professional staff that saves \$22,275; a \$33,000 increase in endowment management fees attributable to the new "active" management of the endowment by the library's new financial management firm, Gage Wiley; and a 3% increase in the inter-library loan (CWMAARS) budget.

More information is available at <http://www.joneslibrary.org/budget/index.html>