

Amherst Finance Committee minutes Jan. 27, 2011

CALL TO ORDER. The meeting was called to order at 7:05 p.m. in the first-floor meeting room at Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE: Kay Moran (Vice-Chair), Bob Saul, Doug Slaughter, Andy Steinberg (Chair), Marylou Theilman. Absent: Phil Jackson

OTHERS IN ATTENDANCE: John Musante, Town Manager/Finance Director; Walter Wolnik; Fred VanDerbeck, Pelham Finance Committee; ACTV

AGENDA AND DISCUSSION:

1. News affecting budget and discussion regarding possible changes to revenue assumptions

Musante reviewed the Local Aid and Municipal Partnership document from the governor's office, distributed at the Mass. Municipal conference Jan. 21, outlining his plans for state aid to municipalities for FY 12. Also distributed was MMA's Jan. 26 memo about that. State aid would not be cut as much as the Finance Committee estimated in its FY 12 budget guidelines issued in November. Amherst's Chap. 70 school aid would be close to level-funded. The Saturday, Jan. 29, meeting of committees from the four towns of the Regional Schools district should reveal more about the prospective regional schools budget. Unrestricted government aid to Amherst is reduced by 7.2%. Total estimated state aid would be reduced by 1.9%, giving us about \$1.4 million more than we estimated in November. Caution: these estimates are preliminary and could very well be changed by the Legislature, also if charter school charges change. Musante thinks it's too early in the state budget process for us to modify our November guidelines.

2. Second quarter FY 2011 revenue and expense report

Musante said we're close to estimates for revenue from property tax and hotel/motel taxes. Next year the latter may increase because the Lord Jeff will be open again. The Town's legal services expenditures are running ahead of budget, but he hopes to make up for it elsewhere in the General Government budget. Veterans benefits and ice and snow removal are on track to exceed budgets. \$280,000 had been spent as of last Friday for ice and snow removal, leaving \$50,000 in the account with more winter weather ahead, and we'll probably exceed budget. Last year \$40,000 was added to the FY 11 snow and ice budget, thanks to the override.

3. Additional presentation, questions and discussion of Town Manager's budget

The “big book” containing details of the Manager’s FY 12 budget was distributed. Several questions were asked about Musante’s prioritized list of restorations/additions to be made if additional funds are available. Moran asked about employee benefits. Musante said the Federal health care reform act eliminates copays for preventive care, which would increase the town’s costs as of July 1, unless the town and employees agree on increased copays for other services. The Insurance Advisory Committee will discuss this in early February. Theilman asked what happens if no additional maintenance money is allocated to for the East Street School. Musante said he’s looking into revenue from rental. Saul asked about the proposed new housing/code enforcement position, which tops the list. Musante and staff are developing a proposal that would offset the cost with fines and fees. Slaughter asked if this position could be part of a new regional approach to public health services. Musante said maybe. Musante would like to add a new position for parks and commons in the DPW. Near the bottom of the list is a new position for an energy/sustainability coordinator. If everything on the list is added, the Town budget would increase by 2.1%. In future fiscal years, he’d like to consider restoring lost police positions. His restoration list includes an additional \$50,000 for veterans services; the Governor’s budget has about \$50,000 more in veterans benefits reimbursements than Musante estimated earlier, so maybe the two could be linked. Steinberg pointed out that town has to provide any required services to qualified veterans, so it’s odd to have it on a restoration list.

Saul asks when we will discuss use of reserves vs. increased taxes to fund the FY 12 budget. Musante said that by the end of March we’ll have better idea of actual state aid so we can adjust the bottom line according to more refined revenue estimates. Slaughter and Steinberg said the Budget Coordinating Group will also discuss this after all budgets are better developed and unfunded needs are understood. Steinberg wants the Joint Capital Planning Committee also to give feedback on unfunded capital needs

Time for more detailed questions about sections of the Town budget will be available at later meetings with department heads. Steinberg asked about the road bond issue, in light of news articles about the perilous municipal bond market. Musante says we have a good bond rating, are doing everything we said to close budget gaps, and we’ll see when we go to the market in March.

Steinberg noted that the Solid Waste Fund is again operating with a slight deficit. Musante said possible solar installation at the old, old landfill has a lot of potential for revenue, from personal property tax on equipment installed.

Steinberg noted that cost of solid waste removal will eventually increase steeply.

Wolnik asked that the Finance Committee meeting schedule go on the budget page of the town web site. Steinberg said he has asked that that be done.

4. Member Reports – Liaison and Representative Reports

Saul reports that he met with the acting library director and staff, and they are working on a proposed FY 12 library budget.

Theilman reported that Regional School Committee was using old budget format but will present new format at the four-towns meeting Saturday.

5. Minutes of previous meeting

VOTED 5-0, 1 absent to approve the minutes of Jan. 6, 2011, as amended.

6. Next Meeting and Agenda

We meet next on Saturday, Jan. 29, at 9 a.m. in the Middle School with Select Boards, Finance Committees and School; after that, on Thursday, Feb. 3, at 7 p.m. in Town Hall.

ADJOURNMENT: The meeting adjourned at 8:31 p.m.

Kay Moran, acting clerk

DOCUMENTS USED AT THE MEETING

Local Aid and Municipal Partnership document from the governor's office, distributed at the Mass. Municipal conference Jan. 21

Mass. Municipal Association's Jan. 26 memo about the Governor's proposal for FY 12 state aid

Jan. 20, 2011, memo from Sonia Aldrich, Comptroller, FY 11 Municipal Budget/Actual Reports for Quarter Ending December 31, 2010

Town of Amherst Proposed Budget Fiscal Year 2012, dated the last week of January 2011