

## Budget Coordinating Group Minutes

Date: February 10, 2011

Location: First Floor Meeting Room – Town Hall

Start time: 9:30 a.m.

End time: 10:56 a.m

Attendance (mark if present):

Doug Slaughter, Finance Committee	X
Andy Steinberg, Finance Committee - Co-Chair	X
Chris Hoffman, Library Trustees	X
Patricia Holland, Library Trustees	X
Rick Hood, School Committee	X (10:10)
Steve Rivkin, School Committee	
Stephanie O'Keeffe, Select Board - Co-Chair	X
Alisa Brewer, Select Board	X (9:45)
Rob Detweiler, Director of Finance & Operations - Schools	X
Maria Geryk, Superintendent of Schools	
Tevis Kimball, Acting Library Director	X
John Musante, Town Manager	X

Also present: Walter Wolnik

Documents used at meeting:

1. Town Manager's Proposed FY 12 Municipal Budget, 1-14-11
2. Public Schools of Amherst, Massachusetts, Initial Development of the FY 2012 Budget, 2-3-2011
3. Amherst-Pelham Regional School district, Initial Development of the FY 2012 Budget, 2-3-11
4. Jones Library and Branches: Proposed Budget Fiscal Year 2012, draft
5. Town of Amherst - FY2012 Budget Development Calendar, 2-8-10 [11]

The meeting was called to order at 9:30. Patricia Holland was appointed minute taker.

**News:** Town Manager John Musante announced the Cherry Sheet figures from the Governor's budget. The budget is about \$1.5 million better off. The Assessment Sheet shows a drop in retired teachers' health insurance cost and in charter school tuition. When the Legislature will announce its budget is unknown.

### **Budget Summaries**

**Town:** John Musante explained the proposed level-funded FY12 budget. There would be fewer cuts because health insurance costs can be level-funded and utility costs will decrease. He noted the prioritized list of restorations, including reimbursement of funds contributed by the Friends

of the Senior Center. Ms. O’Keeffe noted that the Select Board has not yet discussed the restoration list.

**Elementary Schools:** Mr. Detweiler reported that the budget is challenged by higher costs for charter schooling and by having to pay insurance for teachers hired through grants. The cuts needed to meet the Finance Committee’s recommended reduction of \$1.2 million are not yet determined. The Superintendent has proposed allocating Chapter 70 funds to the Elementary Schools rather than the regional schools to reduce the \$1.2 million figure. The budget is \$704,954 greater the FY 2011 level funding amount.

Mr. Musante noted that there may be fewer enrollments and teachers. Mr. Detweiler explained that budget development began with a visioning process for restructuring the schools over the next 3-5 years. Mr. Musante requested the School Committee to note increased health insurance costs and the drop in federal stimulus funds. Andy Steinberg asked the committee to examine the on the budget for FY 2013.

**Regional Schools:** A level services budget goes up only 1.1% because of the shift in health insurance costs. The budget assumes no cut in Chapter 70 funds.

**Libraries:** Tevis Kimball said the proposed level-funded FY12 budget represents a 1.4% increase. The total state aid is \$65,000. The trustees are planning a fund drive to help make up a \$75,000 deficit from a Level Funding figure which would mean cuts in hours and in four positions. Included are COLA increases for the professional staff, since those increases were given up in FY11. Ms. Kimball pointed out that funding the libraries at the state’s Municipal Appropriation Requirement (MAR) level would cost the Town only \$7,672 more. Trustee Chris Hoffmann said the amount to take from the Endowment would be the same for FY12 as for this year and that the trustees are exploring reducing the withdrawal rate and shifting to taking out a fixed amount each year.

**Key Issues:** Andy Steinberg emphasized the need to look ahead to FY13 and define the issues for that year as well as FY12. He noted the possible reduction of Community Development Block Grant (CDBG) funding and the Other Personnel Employment Benefits (OPEB) obligation. Stephanie O’Keeffe discussed taxing to full capacity. She noted the \$400,000 passed by the override vote for teachers but not needed and said she supports not spending that amount. Not spending it would give a good message in case we need an override again and also postpones the need for an override. Doug Slaughter commented that we are not spending enough on capital projects and should increase the funding. He is also concerned about rising health costs for retirees and said the Town should put money away for that. Rick Hood said the public were comfortable with the override figure and that we should use that \$400,000. Mr. Musante said that reserves stand at \$4.7 million, which is between 5.5% and 6% of operating revenue; a good policy is to have 5%-15% of operating revenue in reserve.

There was a discussion of the budget calendar. We agreed to cancel next week’s scheduled meeting. Mr. Musante suggested we should discuss a less conservative budget.

Future meetings will be on March 10, 17, and 31, at 9:30 A.M., in Town Hall.

Member preparing minutes: Patricia Holland

**Amherst Budget Coordinating Group  
Summary Points – February 10, 2011**

At our February 10<sup>th</sup> meeting, the members of the Budget Coordinating Group agreed that the following points would be conveyed to our home boards and committees:

1. That we ask the home boards and committees to consider during their budget deliberations the pros and cons of the following options, with regard to the potential for State aid to exceed initial projections:
  - a) Spending those dollars on key restorations and additions, allowing for maximum service provision with available resources
  - b) Leaving some amount of property taxes uncollected, allowing for: increased goodwill and decreased cynicism among voters; a slower phase-in of the tax increase and a longer interval before another override is needed; and the strengthening of the case for our collective fiscal responsibility next time an override is sought
  - c) Strengthening financial security by putting it toward long-underfunded capital investment, bringing reserves closer to target levels, or making an initial deposit in the OPEB trust fund (Other Post-Employment Benefits = retiree health care, an enormous unfunded liability; a funding plan is expected by the fall, with contributions expected to otherwise commence in FY13)

We ask home board and committees to consider additional factors that may affect the 2013 budget, such as the completion of the use of stimulus funds, the possible termination or reduction of CDBG funding, and the need to address the OPEB obligation.

2. That the updated Master Budget Calendar includes the following important dates

**February and March:** Budget presentations to Finance Committee

**March 3:** BCG Meeting: Information on more detailed budget requests (requests exceeding traditional percentage distributions) and response to consideration of summary point #1 above

**March 5:** Four Town Meeting

**March 17:** Feedback from home boards and committees re: information from the March 3<sup>rd</sup> BCG meeting (each home board should plan to meet between 3/3 and 3/17)

**March 31:** BCG meeting to review the budget after the House Way's and Means budget is released and prior to the Finance Committee meeting when it will need to develop a budget to recommend to the Town Meeting.

**April 4:** Select Board signs Town Meeting Warrant

**April 7:** Finance Committee develops consolidated budget for Town Meeting Consideration

**May 2:** Town Meeting begins

3. Repeating Summary Point #2 from the 11/29/10 BCG meeting, with new dates: That any requests for budgets exceeding traditional percentage distributions will be considered as part of the March 3<sup>rd</sup> budget presentations. BCG representatives will brief their home boards and committees on such information following that meeting and before March 17<sup>th</sup>, to get their feedback (support, opposition, neutrality or suggestions.) That feedback will be shared at the March 17<sup>th</sup> BCG meeting. The goal is to have any such request receive formal consideration by each home committee – as “more” for one budget area necessitates “less” for another – in order to formulate recommendations for Town Meeting. BCG requests that each home committee plan to meet between March 3<sup>rd</sup> and 17<sup>th</sup> for this purpose.