

## Budget Coordinating Group Minutes

Date: 9/23/2010

Location: First Floor Meeting Room – Town Hall

Start time: 11:35 a.m.

End time: 1:25 p.m.

Attendance (mark if present):

Doug Slaughter, Finance Committee	X
Andy Steinberg, Finance Committee - Co-Chair	X
Chris Hoffman, Library Trustees	X
Pat Holland, Library Trustees	X (11:40)
Rick Hood, School Committee	X
Steve Rivkin, School Committee	
Stephanie O'Keeffe, Select Board - Co-Chair	X
Alisa Brewer, Select Board	X (12:55)
Rob Detweiler, Director of Finance & Operations - Schools	X
Maria Geryk, Superintendent of Schools	
Bonnie Isman, Library Director	
John Musante, Town Manager	X

Documents and other exhibits used at meeting:

1. BCG Mission Document
2. Amherst –Pelham Regional School District FY 2010 End of Year Budget Report
3. Memo from John Musante to the Select Board, Finance Committee and Town Manager dated 8/27/2010 regarding the FY 10 Municipal Budget Quarterly Budget/Actual Report for Fiscal Year Ending June 30,2010
4. Town Libraries FY 2010 End of Year Budget Report
5. FY 2010 Town Libraries Summary Expense Report
6. Town Libraries Staffing Levels Report FY 2003 – FY 2011
7. Municipal Staffing Levels Trend Report
8. Massachusetts Taxpayers Foundation Press Release and Analysis Report regarding Question 3
9. Memo from Rob Detweiler to Superintendent Maria Geryk dated 8/31/2010 regarding Chapter 70, SFSF and EdJobs Grants for the Amherst School District
10. Memo from Rob Detweiler to Superintendent Maria Geryk dated 8/31/2010 regarding Chapter 70, SFSF and EdJobs Grants for the Amherst Pelham Regional School District
11. First draft of the FY2012 Budget Development Calendar

Summary of Discussion on each subject:

Andy Steinberg and Stephanie O'Keeffe were re-elected as co-chairs of the BCG for 2011.

Minutes of March 4, March 25, and April 29 were approved as amended by consensus of the group.

BCG goals for the new fiscal year budget development were discussed with particular emphasis on the items described in Summary Points 1, 2, and 3 in the next section. Musante indicated that the budget development for FY 12 would be another difficult year and continued, clear communication will be necessary.

Musante discussed his memo regarding the End of Fiscal Year 2010 report. The small net surplus of approximately \$700,000 (roughly 1.1% of the total budget) was the result of not expending budgeted monies as opposed to previous years where the surplus was a result in revenues exceeding expectations. Musante reported that Free Cash and Stabilization would soon be certified by the State and that the total amount in reserves would be approximately \$4.7 Million. Detweiler reviewed the schools end of year report.. He stated that the surplus in the Regional Schools budget was primarily due to lower utilities costs (better price and mild winter) which helped to reduce the use of E&D money. Holland gave a brief overview of the Libraries end of year report. She stated that lower utilities costs also helped the libraries. The change in endowment management fee was due to a decision by the Library Trustees to pursue a new endowment investment strategy.

Musante reported that the primary changes seen in the Municipal Historical Staffing report are in the non-Public Safety staff. The Town is often doing the same work with less people but is also not providing the same services due to the necessary cuts to staffing over the last few fiscal years. Holland and Detweiler both reported that the Libraries and Schools struggle to report historical staffing. Detweiler noted the difficulties in identifying a consistent method of counting. (See Summary Point 4 below.)

Steinberg noted that the memos from Detweiler to Superintendent Geryk identify that the funding to the schools as was budgeted was based on estimates of how much would be from grant sources and how much from Chapter 70 aid. Due the refinement of the specifics regarding the funding sources, a small technical adjustment to the Amherst School Budget will need to be made at the Fall Town Meeting. Musante explained the impact on the State and Amherst budgets of the November ballot Questions 1 and 3. He also noted the Massachusetts Taxpayer Foundation Report as a resource regarding the impact of these ballot initiatives. The resulting discussion led to Summary Point 5 below.

The Group briefly discussed the rough draft of the budget calendar for FY 12 with the intent of discussing it in more detail the next meeting. Summary Point 6 captures the essence of the discussion.

Decisions made/actions taken:

Summary Points

1. That we re-emphasize our request that the Chairs of each home board and committee distribute to their committee members hard copies of the Summary Points from each BCG meeting, and that they make a BCG Update an agenda item at their next appropriate meeting, so that those Summary Points may be reviewed. The goals are to keep all members of the home boards and committees apprised of the BCG's work, and to collect feedback from those committees to bring back to the BCG.

2. That the necessity of strong communication and coordination among the representatives of the Town, Schools, Libraries and Finance Committee continues as we face more financial difficulties in FY12. In addition to the challenging budget projections as stimulus funding ends before state revenues recover, uncertainties in the coming months include: tax rollback questions on the November ballot; the possibility of a new Governor; and the implications both could have for the relationship between towns and the state, and how aid is distributed. To best serve those we represent, continuing and enhancing our communication is crucial.
3. That optimal communication requires maximum participation by BCG reps, so we will work to put together a meeting calendar that allows all members to plan to attend.
4. That we continue to try to identify the most useful ways to represent historical staffing trends for the Town, Schools and Libraries. Each staffing situation is different, (reliance on part-time workers, definitions of FTE, funding sources, etc.) and it is a challenge to account for those differences while still presenting information that is helpful and has some consistency across the budget areas.
5. That we need to be informing our home boards and committees and the public about the serious implications of Question 1 (eliminating the sales tax on alcohol) and Question 3 (reducing the sales tax from 6.25% to 3%) on the November ballot. If these pass, they would take effect January 1<sup>st</sup>, requiring a significant mid-year cut to our FY11 State aid. For FY12, the projected impact would be a 30% aid reduction, translating to about \$4 million each to the Town and the Region. Public resources cannot be used to advocate for or against ballot questions, but it is appropriate for all officials to explain the situation and its implications to voters, and elected officials can take a position in support of or opposition to such measures.
6. That the FY12 Budget Calendar is being tightened up to reflect the best plans and expectations each of the boards and committees have at this point, and it will continue to be refined as time goes on. This is a key tool for sharing and coordinating information across the different bodies and assuring that the budget is developed in a timely manner for presentation at the Annual Town Meeting. The goal is to have a clean version to distribute at the October 14<sup>th</sup> Four Boards Meeting, and to have the BCG Co-Chairs make a presentation about the calendar to each of the boards and committees later in the fall.

Member preparing minutes: Douglas Slaughter