

Budget Coordinating Group Minutes

Date: January 26, 2012
Location: Town Room, Town Hall
Start time: 9:58 a.m.
End time: 9:46 a.m.

Attendance:

Bob Saul, Finance Committee
Andy Steinberg, Finance Committee - Co-Chair
Chris Hoffmann, Library Trusteesah McKee, Library Trustees
Rick Hood, School Committee
Irv Rhodes, School Committee
Alisa Brewer, Select Board
Stephanie O'Keefe, Select Board - Co-Chair
Sandy Pooler, Finance Director
John Musante, Town Manager
Rob Detweiler, Director of Finance & Operations – Schools
Maria Geryk, Superintendent of Schools
Sharon Sharry, Library Director
David Ziomek, Acting Town Manager

Documents and other exhibits used at meeting:

1. Revised Projections for Fiscal Years 2013-2015
2. Consolidated Budget Calendar

Summary of Discussion on each subject:

1. Members introduced themselves for the benefit of new members and the public.
2. Election of co-chairs for 2012 – It was agreed that the Chairs of the Select Board and Finance Committee will continue to co-chair the BCG.
3. Financial Projections for FY 13 – Pooler distributed and explained the revised projections which differed from the projections he distributed at the Four Boards Meeting in that he adjusted the estimated assessment increase for the Regional Schools and set the capital budget at 6.5% of the estimated net tax levy. He said that we need to monitor news that might affect the projected increase in state aid.

Geryk advised that a 2.8% increase will not provide resources to maintain level services for the schools. She expects to have more solid projections in two weeks, but noted that the Federal Education Jobs funds will have been used by FY 13. Musante said that he is comfortable with the projections and that the return to incremental increases will make it easier to project the needs for the Region. The library reported similar concerns due to the need to use a smaller portion amount of endowment funds.

4. Reports on FY 11 results and changes in FY 12 budgets that will affect FY 13 budgets; news affecting FY 13 budgets, including projected changes in grants and other non-Town revenue – Sharry reported that the library met with its investment advisor. The

endowment has lost money. They need to reduce the endowment portion of the budget. There is a staff shortage and they need to hire one key staff member.

Ziomek reminded the Group that Amherst is a mini-entitlement community for CDBG. That grant provides \$1 million for social service programs and some capital initiatives. The CDBG Advisory Committee is assuming a cut of \$100,000 - \$200,000 and planning for an \$800,000 grant. The schools reported that it is too early to project IDEA and other grants.

Pooler reported that the Town's only new service is likely to be the operation of the War Memorial Swimming Pool. He explained the FY 11 budget surplus and the relationship to Free Cash. The elementary schools returned a small amount of unspent funds. The schools had to increase staffing of 3 classroom and 1 intervention teacher, which had not been anticipated. The Region was able to return \$450,000 to E & D. They are trying to get E & D to 5% of the budget. The Library had three senior resignations in FY 11, including the Director. They used \$10,000 to supplement the materials acquisition budget, which had been reduced substantially from the prior year and had some necessary one-time purchases. Therefore the library had no turnback.

5. 2013 budget calendar – Pooler distributed an initial calendar. O’Keeffe reported about the Select Board’s guidelines and hearing process. The School Committee will discuss its guidelines (priorities) within the next week. They will be reviewing fee structures for FY 13. Four Towns meetings are scheduled for January 7 and February 11. The library needs to determine the Endowment distribution and the Trustees hope to vote on a budget in February.
6. BCG goals for the year – Ongoing goals are to have a process that leads to a coordinated budget recommendation to Town Meeting. That led to discussion of budget changes at the Annual Town Meeting and anticipated budget changes at the fall Special Town Meeting..
7. Report from Finance Committee regarding OPEB policy and discussion – It was agreed that the BCG should discuss the need to fund the OPEB Trust and how it is to be funded
8. Approval of minutes from 2011 meetings and discussion of process to produce minutes in 2012 – The minutes of the meeting held on March 31, 2011 were approved by agreement.
9. Identify Takeaway Messages – O’Keeffe proposed the initial summary of agreements which will be refined by the co-chairs and distributed.
- 10 Next Meeting – November 15 at 8:00 a.m.

Decisions made/actions taken:

At our October 20th meeting, the members of the Budget Coordinating Group agreed that the following points would be conveyed to our home boards and committees:

- 1) That initial projections for FY13 suggest a modest State Aid increase. That would fund a level services budget for the Town. It would be insufficient to cover level services for the

Schools, largely due to the end of Federal Ed. Jobs grant funding, and would require cuts. The Library faces ongoing endowment challenges, due to low investment returns and unsustainable withdrawal percentages.

- 2) That the FY13 Budget Calendar is a key resource for all, and updates should be sent to Sandy as changes occur. Access it on the FY13 Budget page of the Town web site, where comprehensive information, including School and Library budget links, will be available throughout the budget process.
- 3) That BCG's goals for this year are to:
 - a) Share budget information and coordinate budget processes in order to create unified recommendations for Annual Town Meeting.
 - b) To work together to help create a policy on how to fund the enormous liability of health care obligations (know as OPEB – Other Post Employment Benefits) to retirees of the Town, Schools and Libraries.

Member preparing minutes: Andy Steinberg