

AMHERST FINANCE COMMITTEE MINUTES

Meeting of January 25, 2007

CALL TO ORDER

The meeting was called to order at 7 p.m. in the First Floor Meeting Room of Town Hall.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE

Marilyn Blaustein, Paul Bobrowski, Alice Carlozzi (Chair), Kay Moran and Douglas Slaughter.

STAFF AND OTHERS IN ATTENDANCE

John Musante, Finance Director/Treasurer; Town Manager Larry Shaffer; Schools Superintendent Jere Hochman; Elaine Brighty, School Committee; Rick Hood, Walter Wolnik, Nancy Gordon, Hilda Greenbaum, Lee Gianetti, Eva Schiffer, Fred Vanderbeck.

COMMITTEE DISCUSSION

1. Municipal budget overview. Shaffer said meeting the Finance Committee's guideline of a 1% budget increase required difficult cuts, including 12 municipal employees, as well as some reorganization. He has submitted a prioritized list of what should be restored if revenue exceeds expectations. Responding to committee questions, he said:

- a) It is unclear whether the town will have to repay about \$100,000 of federal SAFER grant money already received if it eliminates the five new grant-funded firefighter positions; repayment is not accounted for in his budget.
- b) He has submitted to UMass Chancellor John Lombardi a proposed 10-year contract which would increase UMass's contribution for fire/ambulance services by about \$300,000 a year. If UMass agrees to pay, he'll approach Amherst and Hampshire colleges, which currently pay nothing.
- c) In the past, the town has not identified needs or required an accounting of services delivered for its contributions to human service agencies. Such agencies have other funding sources, and town residents could choose to support them with private donations. The town should do a community needs assessment before directing any future contributions toward those needs.
- d) The DPW will clean Puffer's Pond if pond seasonal employees are eliminated.
- e) Cuts of two police officers and five firefighters would be particularly difficult. The average cost of each ambulance call is about \$850; he's evaluating whether payments by other towns are adequate.
- f) The decision about which swimming pool to close was made because War Memorial Pool sees less use and is older and in worse shape than the pool at the Mill River Recreation Area.

2. Elementary and regional schools budgets. Hochman distributed copies of his Budget Planning Meeting #2 document, which outlines effects of previous years' budget cuts, exploration of additional revenue sources, and likely effects to staff and programs if the FY 08 budget increases by only 1%. His final budget proposal will meet the 1% guideline and include a list of items prioritized for restoration if revenue predictions improve. If the elementary schools did exactly the same things in FY 08 as in FY 07, the budget would

have to increase 4.7% due largely to health insurance, utility and transportation costs. Meeting the 1% limit requires \$706,000 in reductions (and more than \$1 million for the regional schools). A specific list of mandated additions, budget cuts, prioritized restorations and other revenue proposals will be ready next week. Responding to questions, he said:

a) Bus routes are being reexamined for efficiencies and appropriateness.

b) He's awaiting completion of the schools demographic study before exploring the possibility of distributing elementary age children among schools according to grade. Besides saving money, such a reorganization could produce educational benefits and reduce current economic disparities among school populations, but it would be a huge change for parents and children used to their neighborhood schools.

3. Report and discussion of BCG meeting: override report, projections, multi-year strategy

Carlozzi said the Budget Coordinating Group received the Finance Committee's override report, discussed the possibility of a large Proposition 2 ½ override to cover several years' budgets, and will continue that discussion Feb. 2. Hood, representing high school parents, said the high school can't sustain further cuts. Shaffer and Hochman agreed a multi-year override approach would provide some long-term budget stability and predictability and give them time to plan and initiate greater efficiencies, economic development, etc. Musante said it would still require budget cuts and continued pressure on legislators to increase state aid. Several people noted that some Amherst taxpayers can't afford a large increase in property taxes and aren't old enough to qualify for available tax relief. According to Carlozzi, Finance Committee member Brian Morton suggested a smaller, one-year override while awaiting the Legislature's plan for stable, increased local aid. Bobrowski asked what a multi-year override plan would look like. Musante and committee members agreed such an override would have to be coupled with a commitment to restrict yearly budget increases by a stated percentage. Musante will work on scenarios for continued discussion at next week's meeting.

4. Members' reports. Blaustein reported that the Comprehensive Plan working groups have been meeting, and their updated work is on the town's web site. Moran reported that the Joint Capital Planning Committee has started its capital budget review.

5. Miscellaneous. None.

ADJOURNMENT

Voted unanimously to adjourn at 9:25 p.m.

Submitted by Kay Moran, Acting Clerk