

## FINANCE COMMITTEE MINUTES

Meeting Date: February 8, 2007

### CALL TO ORDER

The Meeting was called to order at 7:00 P.M. in the First Floor Meeting Room of Town Hall.

### COMMITTEE MEMBERS IN ATTENDANCE

Alice Carlozzi (chair), Marilyn Blaustein, Kay Moran, Douglas Slaughter, Andrew Steinberg

STAFF IN ATTENDANCE: John Musante, Finance Director/Treasurer; Larry Shaffer, Town Manager; Keith Hoyle, Fire Chief; Michael Zlogar, Deputy Chief; Charlie Scherpa, Police Chief; Rita Burke, Director of Communications Center

OTHERS IN ATTENDANCE: Anne Awad, Robie Hubley (Select Board), Elaine Brighty (School Committee) Bryan Harvey, Nancy Gordon, Eva Schiffer, Walter Wolnik, Fred Van Derbeck

### COMMITTEE AGENDA

1. Public Safety budget review
2. Override analysis
3. Members' reports
4. Miscellaneous

### COMMITTEE ACTION

Voted 6-0 with one member absent to recommend a 3-year override plan with 3% budgets for FY08 as written in Model B of Amherst Override Scenarios.

Voted 6-0 with one member absent to strongly support all revenue enhancement activities, including support for local option taxes, seeking support from the colleges and university, economic development, supporting state efforts to expand property tax exemptions and circuit breaker activities, and support the MMA proposal to increase state aid.

### DISCUSSION

#### **1. Public Safety Budget Review**

**Fire.** K. Hoyle reported to the FC that compared with similar communities in the state that also run EMS, Amherst has the lowest number of career fire fighters. He also noted that there have been increases in EMS calls, fire calls, and inspections. He distributed Gant charts which showed ambulance and firefighter calls for the month of December.

During December, there were 22 days with at least 3 ambulances engaged at the same time, and 9 days with four. This situation requires that call firefighters cover the station because career firefighters are staffing the ambulances, a potentially dangerous situation. Patterns were similar in July which is often considered to be a slower period. He also noted that in the first six months of FY07, there was a 9.9% increase in ambulance calls and 26% increase in fire responses--many of these were a result of carbon monoxide problems. There is also a need to raise the minimum staffing which has been at 7 since 1992-93. If the department loses the 5 SAFER grant positions, response time will likely increase and there will be a greater probability of injury, along with higher stress levels.

A. Steinberg asked if there could be efficiencies of scale by partnering with other towns. L. Shaffer responded that fire and ambulance is a “best buy” and that 41% of the funding comes from outside sources and has been increasing annually. He indicated that there is a serious effort to expand the resource base with increased contributions from UMass and possibly Amherst and Hampshire Colleges. Presently, the Town is receiving \$181,000 from UMass and there on ongoing discussions with the University to increase its contribution.

There has been an increase in ambulance calls. In general fire calls remained the same or decreased slightly. They should continue to go down with prevention; however ambulance calls are expected to go up because of the aging population. In response to questions regarding whether staffing patterns could change to reflect the greater need for EMTs versus firefighters, Shaffer responded that they are examining that question. Hoyle indicated that firefighters/EMTs are preferable with existing staffing level, but could be considered if the minimum level went up.

Moran asked if the Town would have to pay back the SAFER money if those positions are eliminated in FY08. Shaffer responded that there is a non-appropriation clause and does not see it as a problem. He also stated that with additional revenue support, the problem wouldn't come up. It is a high priority to restore these positions.

In response to A. Steinberg's question regarding increases in inspection fees for FY08, Hoyle responded that there are none planned for next year. Fees are now approaching the 90<sup>th</sup> percentile for the state of Massachusetts.

**Communications Center.** Rita Burke reported that the center is down by one staff member and will be replacing that person. With increased staffing in FY07, staff has been able to take more time off and is less stressed. In addition, overtime and sick leave are down as are turnover rates and expenditures. There are also fewer mandatory overtime assignments.

**Police.** Charlie Scherpa reported that the budget as presented is not his recommended budget and reflects \$190,000 in cuts and will be devastating. It will require major changes in response time and will inconvenience the public. He reported that calls went up about 20%, some of which were self-initiated calls including arrests, motor vehicle

stops and proactive enforcement. There have been 23% more physical arrests. 17% of calls required more than 4 minutes to find someone to dispatch it to.

Shaffer stated that public safety is the number one priority on the restoration list. Scherpa stated that replacements for time off is a problem and eats into overtime. Staff is not allowed to take vacation for six months of the year. Presently there are 3 people on the day shift, the same as 1970. All resources are directed to evening activities. The night shift currently stands at 10.

In response to questions about the Memorandum of Understanding, Shaffer noted that the mutual aid agreement represents a more coordinated and synchronized approach with UMass. It will have no effect on staff time initially and may not ever because peaks and valleys in demands for services are similar for the Town and UMass. It will not save money any time soon but will provide higher quality and better coordination of services.

Scherpa also said that they will do the best they can with the cuts in maintenance and supplies. Although there is a 50% cut in protective clothing, Scherpa will still be able to buy three vests and doesn't anticipate having to buy more. If the .5 FTE administrative assistant is eliminated, it will place additional burden on other Town staff.

### **Override Analysis.**

Carlozzi told the FC that the Select Board would like a recommendation from the FC for its next meeting. Musante explained that the priority was to develop a coherent multi-year financial plan. During that period there would be a commitment to increase the financial support of the colleges and UMass for public safety, in particular, and commitments to economic development as a means of increasing the tax base. Growing reserves from 5-8% of operating revenue is also a priority. Also, there is an expectation that the state will develop a reasonable revenue sharing plan along with property tax relief and exemptions to qualifying individuals.

Musante described the override scenarios that he had prepared. They assume that override dollars are dedicated to operating budget, not capital. The capital budget will grow by 2 ½% of the base amount without the override. Model A assumed no cuts for FY08. The one-year override amount would be \$3,750,000, with the budget problem recurring in year two. Musante said that we need to think in a multi-year context which will provide stability and predictability. Model A was not feasible because the tax increases were not realistic (ranging from \$3,750,000 for a 1 year override to \$6,150,000 for a 5-year override).

Model B would cap the budget increase to 3% in year 1 with reductions of \$650,000 (versus \$1,028,000 with no override) for the Town and comparable reductions in the cut lists for the schools. The budget would be capped at 5.5% in year two with additional increases of .1% in years 3 through 5. A one year override would be \$1.5 million, 3-year \$2.5 million and 5-year \$3.7 million. With a 1-year override, there would be a shortfall of \$1 million in year two. Reserves are presently at \$3 million and would grow to about \$4 million at the end of FY07. Some of this increase can be attributed to one time funds

from the Crocker Farm building project. This model would require spending restraint and would limit spending growth in year 2-5. It would allow time for other elements of a financial plan to be implemented that might extend the life of the override.

Bryan Harvey suggested that a one-year override be considered as part of a multi-year plan based on the practical reality of what is doable, and that voters should not be asked for all of the money at once. A one-year override would put the town on “probation.” However, it would be stated up front that voters would be asked to approve another override. Shaffer stated that we need to carve out some middle ground and that the last two years of the five-year plan are more speculative. With a one-year approach it is unlikely to get two overrides to pass sequentially and a 3-year strategy may be preferable. Other advantages of a 3-year override were that more time could be spent in exploring efficiencies and expanding the tax base rather than focusing on the budget. It would also allow the Town to hire an Economic Development Director, the police and firefighter staff cuts could be eliminated, and Memorial Pool could remain open.

The Committee also discussed timing of the override. If it occurs before Town Meeting and fails, there will be an opportunity to come back for another override vote after TM. Additionally the schools would have the information they need to produce their budget. If the vote were scheduled after March 27 but before TM, there would be more information available about the Governor’s budget. According to E. Brighty, a March 27 vote was preferable especially for planning the Regional Schools budget. Also, handing out pink slips is demoralizing, and the schools run the risk of losing competent teachers if the override vote occurs after TM. Anne Awad indicated that while she was generally in agreement that an override is needed, timing was an issue. She was concerned that there was not enough information to put an override on the March 27 ballot.

There was general agreement that the override needs to be contingent on the agreement of the Select Board, School Committee and Library Trustees to contain spending to the stated limits and a commitment to no additional overrides during the stated period. This would involve reductions to existing budgets in year 1 of the override.

The FC also discussed whether it would be possible to phase in an override, so that taxpayers would not have to pay the full amount of a 3-year override in year 1. However, the net result would be less money to the Town and would not allow for three years of balanced budgets.

It was moved and seconded to recommend a 3-year override plan consistent with Model B. The FC voted 6-0 to approve. P. Bobrowski asked if the elements on p. 1 of the discussion document prepared by J. Musante for the FC, “5 Year Financial Plan – Potential Elements of a Plan,” should also be part of the FC recommendation. L. Shaffer said that revenue enhancement activities will take place and the FC should recommend that these be a priority. It was moved and seconded that the FC strongly support all revenue enhancement activities including support for local option taxes, seeking support from colleges and the university, economic development and support of state efforts to expand property tax exemptions and circuit breaker activities and support for the MMA proposal to increase state aid.

**Members Reports**

Carlozzi reported that the School Committee was developing its budget and the FC would be receiving it soon.

Slaughter and Blaustein reported on the activities of the Comprehensive Planning Committee and work groups.

Moran said that JCPC will be looking at a DPW request for a facilities study. The building does not meet code and has no fire protection system. It is not presently in the capital plan

**ADJOURNMENT**

The meeting adjourned at 10:10 P.M.

Marilyn Blaustein  
Acting Clerk