

Finance Committee, Select Board, Joint Budget Meeting 1.13.12

The meeting convened at 4 p.m.

Attendance: John Musante, Town Manager, Sandy Pooler, Finance Director, Finance Committee Members; Kay Moran (Vice-Chair), Janice Ratner, Bob Saul, Anurag Sharma (7:30pm), Doug Slaughter, Andrew Steinberg (Chair), Marylou Theilman, and from the Select Board Alyssa Brewer, Stephanie O'Keefe (Chair), Diana Stein, Aaron Hayden, and James Wald.

Mr. Musante and Mr. Pooler began the meeting with the presentation of the budget overview for FY 2013

Mr. Musante acknowledged Mr. Pooler's good work during his first year.

Mr. Musante presented a balanced budget with no use of reserves and with a stated goal of building reserves back to a safer level. The budget increase of 2.9% is "essentially a level services budget, consistent with Finance Committee guidelines" except a small .1% increase over the guideline percentage to account for expense associated with the pool opening. Key assumptions within the budget include levying to the Proposition Two and a Half levy limit which will result in slightly less than \$42 million in new tax revenue, a 3.5% increase in the levy limit. The "new growth" number is lower than the historical growth number. Another key assumption is State aid growth of 2%.

On spending side, most budgets are funded at current staffing levels.

Mr. Musante highlighted other key components of the budget:

- All collective bargaining unit contracts settled through 2013
- No increase in health insurance premiums due to the reintroduction of less expensive HMO plans, Canadian prescription drug option, and the imposition of an increased employee contribution requirement.
- Good news on energy savings, HVAC conservation and other energy reduction moves, will cut utility bills.
- Solar project set to operate by end of 2012.

Public Safety

- Staffing levels preserved
- EMS calls and severity continue to increase and puts stress on force
- Supplemental needs in police and fire budgets will ask for four new police officers and two new firefighters.
- Regional dispatch is still an ongoing project progressing more slowly than desired, but still on track.

Public Works

- Staffing preserved
- The Sustainability Coordinator is in place

- Alan Snow has assumed responsibilities as the full time as Head of the Tree and Grounds Department
- Mr. Musante has initiated a plan to plant 2000 trees, and leverage grants to get this accomplished.
- Conservation and development is currently recruiting a new building commissioner with a desire to refocus the department's mission to protect the community and provide maximum clarity with respect to the complicated web of building codes without imposing an undue burden on property owners
- Refining the best in the form based zoning proposal and preparing to bring it back to Spring Town Meeting
- Sustainability coordinator working on Amherst's application for designation as a "green community."

Community Services

- Health Director overseeing an initiative to look at quality of life issues in neighborhoods close to the University.

LSSE

- \$85,000 in additional funding to budget for the pool opening

Water Budget

- 3% increase in water and sewer rates

Transportation Fund

- New business improvement allocation in the budget to strengthen Amherst's central business district

Mr. Musante also noted several 2011 Amherst highlights including:

- Lord Jeff Opening
- Hitchcock Center/Hampshire College alliance
- Resurfacing of 10 miles of road
- New sewer initiatives
- Planning for the reopening of the War Memorial Pool
- The launch of the Business Improvement District

Priority additions for the FY 2013 budget

- \$40,000 for afterschool program with an assessment of program design underway
- \$70,000 for economic development director position as the point person in town hall for those who seek to invest in Amherst to navigate the permit process
- Move the DPW positions currently supported by capital project grants into the general budget

Mr. Steinberg, Chairman of the Finance Committee made some additional comments. First, that the 2% increase was a welcome change compared to cuts in the past five years, but it is still only a small rebound after four years of decreases. We've managed through this period and maintained critical services by

finding efficiencies, and kudos to Mr. Musante for his roles in finding these efficiencies. The FY2013 budget is consistent with Finance Committee guidelines.

Ms. O’Keefe opened it up to questions. Ms. Brewer asked about code enforcement process. Ms. Stein asked about the pool bids, and Mr. Musante indicated that they would need to be opened and assigned quickly to get the pool open on time in late June. Ms. Moran pointed out the JCPC will meet soon to discuss the pool budget. Ms. Theilman asked about tree planting process. Ms. O’Keefe asked about assumptions on the Capital budget which Mr. Musante projects as the same percent of the budget, 6.5%, as the previous year. Ms. O’Keefe noted the low estimate on meals and lodging tax. Mr. Pooler indicated that he is paying close attention to these receipts. Ms. O’Keefe stated that this is not a year to be adding extra expense especially with the need to build Reserves and fund OPEB. Mr Steinberg reaffirmed that the Finance Committee will not support increases to the budget that require the use of reserves. Ms. O’Keefe indicated that health insurance is a multi-headed beast, and likely to go up some time soon. Also she noted that the “add back” list is likely to change, and Ms. Moran noted that the list is just a preliminary document for discussion.

Meeting adjourned at 5:15.

Bob Saul, acting clerk

Documents used at the meeting:

Town of Amherst Proposed Budget Fiscal Year 2013