

AMHERST FINANCE COMMITTEE MINUTES

Meeting of March 8, 2012
First Floor Meeting Room
Town Hall

FINANCE COMMITTEE MEMBERS IN ATTENDANCE: Kay Moran (vice chair), Janice Ratner, Bob Saul, Anurag Sharma, Doug Slaughter, Andy Steinberg (chair), Marylou Theilman

OTHERS IN ATTENDANCE: Sandy Pooler, Finance Director; Steven Connor, Director, Central Hampshire Veterans' Services; Maria Geryk, Superintendent of Schools; Rob Detweiler, Director of Finance and Operations for the schools; Irv Rhodes, chair, Amherst School Committee

1. Schools – Elementary and Region Update, discussion of funding options
 - a. Elementary Schools: The FY 10 budget included \$700,000 from reserves to the elementary school budget to allow a year's planning for the closing of Mark's Meadow School. Theilman reported that she and Steinberg met earlier today with Geryk and Detweiler to review budget data related to that closing, which show that savings of \$700,000 were realized after the closing. The Finance Committee does not believe it is prudent to fund operating budgets from reserves unless there would be equivalent savings or additional revenue in following years. Steinberg said he and Theilman are satisfied that it worked in this case.

Detweiler distributed the Amherst Public Schools FY 2013 Budget voted by the School Committee March 6, 2012, presented to the Amherst Finance Committee March 8, 2012.

2. Fiscal Year 2013 budget development
 - a. Veterans' Services: Connor distributed graphs showing the average number of cases per month for the last 10 years and average benefits over the same period. Both have risen considerably, due to the increased number of veterans returning from recent wars; efforts to help the increasing number of older veterans gain eligibility for Veterans Administration benefits; and the opening of a homeless shelter in Amherst, which has brought in some veterans who then find more permanent housing in this town. Steinberg asked Connor whether he thinks the manager's FY 13 budget request of \$294,369 would be enough. Connor said the number looks good, though it's hard to predict. The town will have to pay whatever the costs are, with the state eventually reimbursing 3/4 of the expense. Connor said he'd like to increase hours for one employee of his regional agency, but the increased assessment for that cost for each of the six member communities won't be much. Connor was enthusiastic about last fall's ceremony in Amherst to honor black Civil War veterans and is working with volunteers to increase participation in future observances.

3. Discussion about the monies from school choice.

The monies from school choice flow in quarterly payments three times a year (December based on October enrollment, second in spring and then trued up in June), and it goes into a special account directly to the schools.

In discussing the budget, Geryk indicated that level services budget comes in at about 3.5 percent; they are actively looking for revenue sources and efficiencies, pooling of resources and partnerships to leverage resource. Still, they need \$218,000 as a short term plug to balance this year.

Rhodes indicated that not to have requested short term help would be devastating to what the schools have begun to build. "We want our brand back...we want to get back those (240) kids who are choicing out of the schools.

The schools' objective is to keep the class sizes the same or not allow them to get larger. Theilman indicated that about 80 percent of the budget is staffing. Geryk indicated that they needed to notify staff by 4/15 if we will have a reduction in force.

The schools request \$218,000 for a plug as a short term solution. Discussion ensued about the use of free cash. Pooler indicated that we do have the capacity because of increased reserves last year. The unwritten principle about using free cash: one-time use for one-time expense. Free cash and stabilization numbers are healthy compared to our targets (S&P report). We can afford to use the resources that are there for that purpose. Pooler indicated that John and he were both comfortable with using free cash for this purpose..

Andy indicated that tonight is to see if the FC could come to an agreement about the schools issue.

4. Financial projections for FY 13

Led by Pooler, a discussion ensued about 2013 numbers.

To Theilman's question if the town had insurance to cover itself if it were sued, Sandy indicated that one cannot sue a municipality if it cannot provide adequate services. Yes, the town does have insurance the premium for which is paid in the operating budget.

More discussion about revenues. Steinberg urged caution about revenue turn-backs and not having enough to add to the free cash. Pooler indicated that revenue estimates have changed in the past. The town was expecting a large building permit from Amherst College for the Science Center at some point. Doug indicated potential for revenue from the project on the old land fill. Steinberg indicated that the state may give us some money back as well. Sandy articulated a common sentiment that we should put any found monies in free cash and deal with it appropriately.

5. Discussion about writing assignments. All members were assigned their parts.

Meeting adjourned at 9:53 p.m.

Respectfully submitted
Anurag Sharma

Documents used at the meeting:

Town of Amherst Proposed Budget, Fiscal Year 2013

Graph showing monthly average number of Veterans' Services cases for Amherst, dated 3/6/12

Graph showing benefits of veterans' services in Amherst compared to comparable communities

Public Schools FY 2013 Budget voted by the School Committee March 6, 2012, presented to the Amherst Finance Committee March 8, 2012.