

Finance Committee Meeting, jointly with Select Board

January 16, 2013, Town Room, Town Hall

Agenda: FY 2014 Budget Presentation Meeting

Present: Finance Committee Members, Chair Andy Steinberg, Co-Chair Kay Moran, Doug Slaughter, Marylou Theilman, Janice Ratner, Anurag Sharma, and Bob Saul. Also, Select Board members Jim Wald, Alisa Brewer, Diana Stein, and Chair Stephanie O’Keeffe; Town Manager John Musante, Finance Director Sandy Pooler.

Ms. O’Keeffe called meeting to order at 4:02 P.M.

Mr. Musante welcomed his son Matt Musante back from a semester abroad in Argentina. Mr. Musante recognized Alan Snow’s Tree Warden of the Year Award. Alan is spearheading the Town’s tree planting program and the new Tree Stewardship Program.

Mr. Musante announced that his FY 2014 budget is essentially a level services budget. The budget proposal also meets the Finance Committee’s 2014 guidelines and recommendation that the budget increase be limited to 3%. Additionally, Mr. Musante noted that this 3% increase comes from sources that are fiscally sustainable, which the guidelines define as revenue from stable local sources. Mr. Musante uses a FY 2014 State Aid increase of less than 1%. Additionally, Mr. Musante noted that the budget includes several new investments that would 1) improve the quality of life in neighborhoods, and 2) cement the Town’s status as a green community, a designation received over the last year.

Mr. Pooler noted that 80% of total budget spending is for personnel expenses including salary, wages and benefits. Mr. Musante noted that he is beginning negotiations with Fire, Police, Public Works and Clerical Unions and expects to complete these negotiations in a timely manner within the Town’s fiscal constraints and timelines.

Employee health benefits and premiums will remain unchanged in the FY 14 budget. The movement to transition employees and retirees to lower cost plans continues.

In the FY 14 Water and Sewer budget, there is a line item allocation to the Other Post-Employment Benefits Trust Fund included in those budgets for the first time.

The Town received a Green Community Grant for LED street lights. This will generate at least \$40,000 in annual savings in Town wide electricity use

Mr. Musante has also proposed a line item in the General Budget of \$1000 for dependent care expenses for Town Meeting members to encourage more families to participate in Town Meeting.

The Public Safety budget is also level services, but Mr. Musante noted that call volume and

intensity continues to grow. The police have benefited from better co-operation with UMass on direct patrols in the Fearing and Sunset neighborhoods. The EMS budget includes increased staffing levels during high peak periods in warmer weather.

In the area of Public Works, Mr. Musante proposes to reinvest the street light savings, a total of \$40,000, back into the Highway Division to remedy personnel structural issues whereby certain Highway Department employees are project funded which limits the flexibility for allocating labor.

Mr. Musante also noted that the Town has lost its mini-entitlement status. This translates into a \$900,000 loss of Community Development Block Grant revenue but Mr. Musante believes we should get at least half of that money back and the Town has been encouraged to apply on a competitive basis to receive some CDBG funding. There is a possibility that Human Services will take a \$90,000 hit in a worst-case scenario on the Human Services budget, and Mr. Musante will recommend that Town Meeting consider a special article as a placeholder to re-inject that money back into budget.

Mr. Musante announced that Dave Ziomek, Director of Conservation and Development, has been promoted to Assistant Town Manager and is currently chairing The Safe and Healthy Neighborhood Working Group to address the growing Town-wide rental and inspection issues.

Mr. Musante noted that the FY14 budget meets the 3% target increase. He has also included a separate list of some key areas considered for funding. These include: the outcome of the Regional Schools Study Committee now considering expanding the Region to k-12 which might require a referendum in November with funding for that election included in budget; the previously mentioned \$90,000 special article for Human Services; the potential for hiring an Economic Development Coordinator; the addition of one Police officer with benefits \$61K for an entry level; and the addition of a full time Electrical Inspector, to replace the contract electrical inspector.

Steinberg expressed thanks for the on-time budget, but noted that no additional funding for OPEB had been proposed. He stated that the Finance Committee has a general policy objective that recommends an OPEB line item in the budget annually. Mr. Steinberg also questioned the thinking behind the additional article for Social Services. He noted that the Finance Committee does not encourage a non-comprehensive budget process because it does not allow consideration of Town-wide priorities.

Ms. Brewer pointed out that there is potential pain if CDBG grant funds are not recovered, and she was loathe to add another full time building inspector. Mr. Pooler explained that there are funds for a full time electrical inspector and a contract gas inspector using a re-allocation of other dollars.

Ms. O'Keefe adjourned the meeting at 4:55 pm.

DOCUMENTS USED IN THE MEETING

Town of Amherst Proposed Budget, Fiscal Year 2014

Bob Saul, acting clerk