

Budget Coordinating Group Minutes

Date: March 28, 2013
Location: First Floor Meeting Room, Town Hall
Start time: 8:35 a.m.
End time: 9:30 a.m.

Attendance:

Stephanie O'Keeffe, Select Board - Co-Chair
Andy Steinberg, Finance Committee - Co-Chair
Rick Hood, School Committee
Kip Fonsh, Regional School Committee
Maria Geryk, Superintendent of Schools
Rob Detweiler, Director of Finance and Operations (Regional and Amherst schools)
Katherine Appy, School Committee
Alisa Brewer, Select Board
Sandy Pooler, Finance Director
John Musante, Town Manager
Robert Pam, Library Trustee
Sharon Sharry, Library Director

Documents and other exhibits used at meeting:

1. FY 2014 Cherry Sheet estimates

Summary of Discussion on each subject:

1. Musante and Pooler summarized the state budget process and the range of possible outcomes for local aid. The House Ways & Means Committee budget is expected to be released on April 10. The Governor's proposed budget includes \$328,336 under a new category, Annual Formula Local Aid. If that recommendation is adopted there would be a budget deficit of \$59,595 in a budget in excess of \$67 million. Other revisions to the budget may eliminate that deficit. If the full amount is appropriated as the Governor recommends, we would receive \$268,741 more than initially projected. After discussion, it was agreed to recommend the policy set forth in the Summary Points, Paragraph 1.
2. Musante explained that he is recommending that Town Meeting appropriate \$90,000 for funding social services now supported by the Community Development Block Grant so that an amount up to \$90,000 can be used as necessary to continue important programs during a transition year. The Town will not know how much it will receive in CDBG funding until June. He has also been talking with the Chancellor of the University about jointly supporting Town-Gown Strategic Planning, with the town share between \$25,000 and \$30,000. These expenditures are additional to the January proposed budget and could be paid from the overlay surplus that has resulted from abatements being less than the amount set aside in most of the recent years, or from reserves.
3. There are several petition articles that seek funding for various purposes. It was agreed that the town cannot support funding for additional purposes in light of projections for the next years.

4. The budget calendar has not changed except for the date on which the Select Board plans to sign the Town Meeting Warrant. It is now planned for April 8.
5. Steinberg explained that the most recent Standard and Poors bond rating report suggests that the town needs to do more to meet its obligation to pay health insurance for retired employees, Other Post-employment Benefits (OPEB). There is a new actuarial report for Amherst and the Regional Schools and the actuary will present it at a meeting. It was agreed to have that presentation at the March 25 Finance Committee meeting and to invite the Select Board, School Committee, and Library Trustees to attend. Hood stated his concern about the consequence of meeting the recommended funding amount on other current budget needs and doubts about the projected growth in the OPEB trust if funded, the discount rate.

Decisions made/actions taken:

**Amherst Budget Coordinating Group
Summary Points – March 28, 2013**

At our March 28th meeting, the members of the Budget Coordinating Group agreed that the following points would be conveyed to our home boards and committees:

- 1) That under the new local aid formula, the expected range of State aid to Amherst could be from \$268,741 above projections to \$59,595 below projections, depending on which, if any, of the Governor's revenue proposals are supported by the legislature. BCG was in agreement in recommending the following:
 - a) That if this revenue is greater than the lowest projection, the priority would be to use the first \$59,595 to support operating and capital budgets as recommended in the Finance Committee's preliminary budget guidelines, with no new spending of any additional dollars.
 - b) That if this revenue is not realized and we face the \$59,595 gap, the expectation would be to try to find ways to fill it within the existing budget proposals, rather than by seeking new proposals.
- 2) That we agree not to support additional spending requests at Town Meeting, in the form of petition articles or motions to increase appropriations.
- 3) That there will be an updated actuarial report on the Town's OPEB liability at the April 25th Finance Committee meeting. The Select Board, Amherst and Regional School Committees and Library Trustees are invited to attend that meeting, which will be held at 7:00 p.m. in the Town Room.
- 4) The next BCG meeting is scheduled for 8:30 a.m. on Thursday, May 2nd.

Member preparing minutes: Andy Steinberg