

Budget Coordinating Group Minutes

Date: October 24, 2013
Location: First Floor Meeting Room, Town Hall
Start time: 8:36 a.m.
End time: 9:09 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)
Alisa Brewer, Select Board
Sandy Pooler, Finance Director
John Musante, Town Manager
Robert Pam, Library Trustee
Sharon Sharry, Library Director
Sarah Swartz, Finance Committee

Documents and other exhibits used at meeting:

1. FY 2015 financial projections, Amherst Finance Director
2. FY 15 consolidated budget development calendar, current version

Summary of Discussion on each subject:

1. The meeting was chaired by O'Keeffe. After introductions, it was agreed that the BCG would continue the practice of having the Chairs of the Select Board and Finance Committee serve as co-chairs of the Budget Coordinating Group.
2. The BCG discussed the financial projections and budget process as presented at the October 17 Four Boards meeting. Hood asked about the Finance Committee process following the Finance Director's presentation. Steinberg explained that the Finance Committee will have an extensive discussion of the revenue estimates and assumptions and the policy issues that are included in the expenditure model that was presented by the Finance Director. Since those policies arise from previous Finance Committee actions, there is often no change.
3. There was discussion about the effect of a 2.7% increase in funds from the General Revenues Budget on the budgets for schools, library and municipal services. Geryk responded that the schools need more information on charter school numbers and grants before she can respond. Sharry explained that the Library budget will be affected by a decision of the Trustees to drop the draw rate from the endowment to 4.5%, bringing the draw closer to a long term sustainable level of 4%. This will result in a reduction of over \$40,000 in available operating funds. This is likely to leave no funds for book acquisition except for funds that can be raised from donations. Musante explained about the uncertainty of other revenue, the challenge to support human services, and the effect of not having assured CDBG funds to support some positions and public works. There is

little or no margin and the conclusion that we can again avoid an increase in health benefit premiums is significant. He also noted the projected increase in the retirement assessment.

3. The BCG reviewed the consolidated calendar. The schools agreed to a suggestion that the first Four-town Meeting will be on November 16.
4. There was discussion of next meetings. See Summary Point 4, below.

Decisions made/actions taken:

**Amherst Budget Coordinating Group
Summary Points – October 24, 2013**

At our October 24th meeting, the members of the Budget Coordinating Group agreed that the following points would be conveyed to our home boards and committees:

- 1) That projected budget growth for FY15 is modest and with a smaller percentage increase than FY14 due to higher known fixed-cost obligations (i.e., assessment from the Hampshire County Retirement Board,) the recommendation to begin regular annual investment in the OPEB (Other Post-Employment Benefits) Trust Fund, and a State Aid increase estimate of only 1%. [*Note: the net State Aid increase projected at this time last year was also projected to be about 1%, which proved to be correct, and budgets adopted by Town Meeting were in the amounts set forth in the Finance Committee's preliminary budget guidelines.*] This is the most prudent estimate at this time, given the current information.
- 2) That a 2.7% budget increase doesn't keep pace with rising expenses, and it is too early in the process to identify potential impacts.
- 3) That the first Four Towns meeting to consider preliminary projections for the FY15 Regional Schools' budget and capital planning will be Saturday, November 16th at 9:00 a.m. in the ARMS Library.
- 4) That BCG has scheduled two future meeting dates: a tentative date of December 12th at 8:30 a.m., if circumstances warrant it; and a definite date of January 27th at 8:30 a.m., following release of the Governor's preliminary budget plans.

Member preparing minutes: Andy Steinberg