

AMHERST FINANCE COMMITTEE MINUTES
Meeting of January 23, 2014
1st Floor Meeting Room, Town Hall

Attendance

Andrew Steinberg (Chair), Kay Moran (Vice-Chair), Janice Ratner, Sarah Swartz, Anurag Sharma, Douglas Slaughter, Marylou Theilman

Others in Attendance

John Musante, Town Manager; Sandy Pooler, Finance Director; and Amherst Media

Agenda

News affecting budget

Pooler distributed the Town of Amherst's FY15 Cherry Sheets with Local Aid and State Assessments Estimates from the Governor's budget, which the Governor released this week. The preliminary Local Aid estimates show a slight increase in Chapter 70 funding, but not the amount anticipated. Charter Tuition and School Choice Receiving Tuition were up. However, Unrestricted General Government Aid was level funded and therefore \$72,892 less than anticipated. Veterans' Benefits were down. State Aid and State Assessments were both up from FY14, but Assessments were up more than Aid.

State Assessments showed an increased assessment for Charter School Sending Tuition that was \$326,092 more than the estimate upon which the Manager's budget is based, while School Choice Sending Tuition was lower by \$55,226. Including other minor Assessments, the total estimated increase in charges to the Town is \$273,836.

Total estimated receipts in the Governors' FY15 State Aid Budget were \$144,000 over Amherst's FY14 receipts. Due to underfunding in some Aid, as well as the increases in the Assessments the Town owes the State, the Governor's Budget for Amherst is \$292,182 less than originally estimated in the FY15 Town Manager's Budget.

Due to underfunding in some Aid, the Legislators may feel pressure from communities to raise Aid levels. Pooler will inquire about the charge for Charter School Sending Tuition, which is higher than the State Department of Education figure based on the actual number of students as of December 2013. For now the Town will work with the reduced \$292,182 figure and wait for more budget information from the MA House Ways and Means Committee, which comes out in April. Generally, there is some indication of their intent before April.

Although preliminary budget guidelines were given to the Town, Library and Schools in the fall based on earlier Town estimates, if the projections do not conform to the amount of State Aid the Town will receive, the guidelines may need to be revised.

Additional presentation, questions and discussion of Town Manager's budget

(Employee/Retiree Health/Insurance) Musante reported that the employee/retiree health insurance rates will remain unchanged. The Town works with the employee groups when setting rates, taking into account upcoming factors, which then are considered and, if necessary, implemented early. In anticipation of the Affordable Care Act (ObamaCare), the regular office copay was adjusted early.

(Fire/EMS, page 60) Musante reported that there has been no increase in ambulance fees since 2009 but will increase in FY15, based on information compiled by staff, if the Select Board agrees. Increased ambulance fees will pay for increased staffing of firefighters during the semesters when the University and Colleges are in session. Overtime will be used, so no new permanent staffing will be required. Since a firefighter workload is 24 hrs. on, 24 hrs. off, 24 hrs. on, and 5 days off, a concern was raised as to whether a firefighter would be assigned a 24 hr. shift back to back with another 24 hr. shift creating a 48 hr. shift. Musante said that the Fire Chief would consider that in assigning firefighters.

(Public Safety-Dispatch) The Town is anticipating implementing Regional Dispatch this calendar year, 2014, with Hadley and Pelham. An updated analysis is being done to determine how it would work financially with a three-town model. The existing center in the Amherst Police Station would continue to be used. An InterMunicipal Agreement would be required.

(Conservation and Development, pages 83-86) Steinberg asked where the staffing formerly paid by the Community Development Block Grant (CDBG) appears in the budget, since CDBG funding has been reduced. Musante pointed out the various people and the areas in which their salaries appear. They are spread across several budgets, including Conservation and Planning, with one position remaining on CDBG through FY15.

There has been a \$30,000 item in the Planning Budget in anticipation of reduced CDBG for staffing. Since this money will be used in FY15, unlike other years, it will no longer be available as free cash at the end of the fiscal year.

The Town is applying for CDBG this year of which 18% may be used for administrative salaries. This round of funding will focus on affordable housing and the homeless shelter. Past CDBG focused on social services, the homeless shelter and capital improvements.

(Social Services) Social Services may be put on a separate Article on the Town Warrant for FY15. Steinberg noted that the FC has guidelines for the use of Free Cash and urges that financial requests be in the regular annual budget and not separate Articles. Slaughter suggested that start-up money be used in the first year with succeeding years relying on "roll-over" funding. It is unclear if that would work as Federal money starts in October, although generally spending is allowed over 18 months.

(Additional Funds) If additional funds become available through savings from a Regional Dispatch Center, a Police patrol officer with salary and benefits would be hired to cover the downtown beat.

If available an additional \$65,000 from tax dollars would be used to fund employees of the Public Works Highway Division who now are paid from project funding, such as Chapter 90 activities.

Adding an Economic Development Director (salary and benefits) with additional funds would put greater focus on increasing the housing supply and expanding the tax base. Musante continues to seek partners to fund this project.

Musante said that his Annual Operating Budget meets the 2.7% increase requested in the Finance Committee Guidelines.

The Solid Waste Fund grew this past year and has a surplus. Musante stated that this is a critical year for the Solid Waste Committee. They are working on the goals related to solid waste which are not quite ready.

The two unions that are still negotiating with the Town are the DPW rank and file and the Police Supervisors. All other unions have settled, and any resulting increases in salaries are included in this budget.

Review of proposed calendar for meetings from January through April, 2014

Pooler distributed the Amherst Finance Committee Draft Meeting Schedule. At the present time, members are comfortable with the schedule through March 27. However, since it is not clear when the Town will have final Local Aid figures from the State, determining changes in the schedule will be decided later.

Member Reports – Liaison and Representative Reports

Moran reported that the Regional Schools' Capital Needs Process Ad Hoc Committee (not official), met one and a half times. Comprising two representatives each from Amherst, Pelham, Leverett and Shutesbury, it was formed to advise the Finance Director of the Schools, Rob Detweiler, how a Capital Budget Plan might be financed without big annual fluctuations in assessments to the towns. The formula for capital assessments to the four towns is in the Regional Agreement and is not the same as the formula for assessing operating expenses. For FY15 Amherst will be assessed an additional \$160,000 to start paying off bonds that will be issued this year to cover the cost of windows in the Middle School. The Regional School Committee determines the capital needs of the schools. If a town does not agree with the project/assessment, it has 60 days to call a Town Meeting and vote up or down. The Regional Schools' capital assessments come out of the percentage of the Levy that is designated for capital spending in the Town of Amherst's Capital Budget.

Ratner reported that the Library Trustees passed the Library Budget in December. She had hoped to go to the Library budget subcommittee meetings in order to know the financial challenges presented with limited funding, but was not informed of when they were held.

Theilman reported earlier that the Amherst School Committee cancelled its budget meeting on January 21, due to inclement weather.

Minutes of previous meetings

The minutes of the following meetings were approved:

July 10, 2013: Vote 6-0-1 abstaining

October 17, 2013: Vote 6-0-1 abstaining

October 24, 2013: Amended to insert "Affordable Care Act" after "ObamaCare" Vote: 7-0

November 16, 2013: Vote 6-0-1 abstaining

Next Meeting and Agenda

Thursday, January 30, 2014

Library Services

Pooler will email the Library Budget to the FC on 1/23.

Conservation and Development

Conservation

Planning

Inspections

Community Development

Public Works
Public Works—General Fund
Enterprise Funds
Water
Sewer
Solid Waste

Topics not reasonably anticipated by the chair 48 hours in advance of meeting

None

Handouts and Documents used at the meeting

- *Town of Amherst, FY15 Cherry Sheets with Local Aid and State Assessments, based on the Governor's Budget, dated January 22, 2014
- *Town of Amherst Proposed Budget, Fiscal Year 2015 (July 1, 2014—June 30, 2015)
Pages 60, 83-86 and 153
- *Amherst Finance Committee Draft Meeting Schedule, dated January 23, 2014

Adjourned

The meeting adjourned at 9:05pm

Submitted by:
Marylou Theilman, Acting Clerk