

Ways & Means Supports Proposed Town Budget and Warrant

To the editor:

The Amherst Town Ways and Means Committee (W&M) is chartered to examine and provide an outside point of view on all planned appropriations and finances of the Town. To do so, W&M has spent the last several months reviewing records of the town's revenues and expenditures and understanding the plans of the Departments for FY19. Also, our members interviewed the head of each town department to inquire into the details of planned FY19 expenditures and proposed initiatives.

Thereafter, we conducted a line-by-line comparison of the town's overall proposed budget for FY19 with actual spending from the past several years. This level of detailed attention cannot be expected from every Amherst voter, so W&M members agree to act as the "agents" of the taxpayers and to make our conclusions available to the Town's voters to help them make informed decisions.

In summary, W&M agrees with the BOS's proposed FY19 Budget and Warrant Articles, with the following comments:

- For the second year in a row, the BOS has added \$200,000 to the DPW road budget early in the budget process, only to remove the funds late in the process. DPW initially asked for an additional \$1 million for roads, and is now planning for a zero \$ increase.
- This makes W&M uncomfortable, since if an additional \$1 million is needed, they only feasible way to get there is to add a little bit each year. The BOS response:
- Now that most of the road segments identified in the Road Bond have been rebuilt, the BOS wants DPW to shift to a strategy of maintaining roads in good or fair condition, so as to prevent deterioration and extend the life of roads between rebuilds, and
- DPW has under-spent its overall budget in each of the last 3 years, and careful analysis of the DPW budget might uncover funds that could be shifted to road work without increasing taxes, and without sacrificing DPW's ability to handle a hard winter.
- W&M supports the shift in strategy to maintaining the good roads in good condition.
- The DPW recently estimated the cost to maintain the approximately 48 miles of 'good' roads in Amherst at ~\$1,300,000 (\$27,083 per mile) per year. These figures are consistent with the Road Funding Analysis Committee Report from 2008 which determined that in order to "keep our good roads in good condition," the town needed to spend approximately \$1,200,000 per year (in 2008 dollars) on road maintenance (not rebuilding).
- If these cost estimates are correct, and if maintaining 'good' roads is given top priority, then there are essentially no funds built into next year's road budget to work on rebuilding 'bad' condition roads.
- W&M requests that prior to next year's budget cycle, data be collected and presented on what percentage of Amherst's roads are in Good, Fair, and Poor condition. And, if a "target" is to be set by the BOS for each category, what it will cost to achieve that target on a steady state basis.
- Cost of Living Increase (COLA). The Selectmen have decided on a COLA of 2.5% (in addition to Step increases for just over 50% of the Town's employees) for an overall increase in wages of approximately 3%-4%. The data to support this planned increase is weak:
- The median salary increase of 20 nearby towns is 2.0%, not including Step increases.
- The average salary increase of 20 nearby towns is 2.5%, not including Steps.
- The Social Security COLA for next year is 2.0%.
- The US Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) in the Boston-Brockton-Nashua area over the last 12 months rose 2.9 percent. (https://www.bls.gov/regions/new-england/news-release/ConsumerPriceIndex_Boston.htm.)
- W&M notes that Boston and Brockton are both 1) much larger cities than Amherst, and 2) are in Massachusetts, which has an income tax, a sales tax, and a generally higher cost of living, making this a weak comparison for Amherst, NH.
- For many years, W&M has expressed frustration that data useful for assessing proposed salary and benefit increases has not been provided by the Town. Such data might include: comparative staffing analysis, alternative benefits provider investigation, and comparative cost analysis between Amherst salaries and benefits and other nearby towns' salaries and benefits.
- W&M sees at best a tenuous justification for the Selectmen's decision to award a COLA higher than 2.0%. W&M believes that the town should stay competitive, but does not need to go above what other, comparable towns are doing. W&M reiterates that objective data should be provided to support proposed increases.
- Article 30. Article 30 is a Warrant Article proposed by BOS whereby \$43,500 shall be withdrawn from the Town's share of the Land Use Change Tax Funds (LUCT) from the preceding fiscal year and used to pay for a grant match for a trail (Recreation Department) and to update the town forest management plan and to control invasive species on the Bragdon and Great Meadow conservation properties (Amherst Conservation Commission).
- The Selectmen do not question the need for these expenditures. However they are asking the voters to agree, for this year only, to let them be paid for from LUCT funds, and not from tax funds. In theory this sounds good because it lowers the increase in taxation by \$43,500. However, W&M believes that the maintenance of Town owned land, including the mitigation of invasive species, is something that is customarily funded as a Town general budget item, and thus should be treated as such here.
- While it is admirable that the BOS came up with a creative way to fund a necessary initiative without using taxpayer money, placing this initiative in a warrant article runs the risk of it failing to pass. Such an outcome would only allow the invasive species problem to grow over another year thereby making it more expensive to control later.

The Public Hearing on the proposed budget is scheduled for the BOS meeting on January 8, 2018. If you have input you would like to share concerning the proposed budget, please plan to come and speak to the BOS at that time. Once the Public Hearing is concluded, whatever form the budget has at that time is what will be presented at the Deliberative Session on February 7, 2018.

Respectfully Submitted
Amherst Town Ways & Means Committee
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