



TOWN OF  
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MASSACHUSETTS

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Town Council Finance Committee Meeting

Tuesday, May 9, 2019, 2:00 pm

Town Room, Amherst Town Hall

Minutes

Committee Members Present: Steinberg, Schoen, Bahl-Milne, Pam

Committee Member participating remotely: Griesemer

Committee Members Absent: None

Town Staff Present: Dr. Mike Morris, Sean Mangano, Sharon Sharry, Sonia Aldrich, Paul Bockelman

Chair Called to Order 2:00 PM

This meeting looked at the Public Schools' and Library Budget

## 1. School Budget

Morris noted that we have an unusually positive budget year for Amherst due to shifts in enrolment, health insurance savings, and other efficiencies that they've been trying to achieve. But they don't want to get used to it because it may not happen again. He also noted that the budget took into consideration both sustainability and our values, which are reflected in the additions and cuts in the budget.

Highlights from Mangano's description of specifics in the budget and ensuring discussion:

- The budget approved by the school committee for \$23,838,854, which is a 2.6% increase in budget and meets the guidance of the Finance Committee.
- The two largest sections of the budget are regular instruction and special education instruction. Other costs include retirees' and active employees' health insurance. Pension costs are not part of school budget and not reflected here.
- Chapter 70 state aid reimbursements for the elementary schools include charter tuition and homeless student transportation, both of which are only partially funded. There is a gap between what we should be funded and what we actually receive. For charter tuition that gap is about \$1 million and for homeless transportation is it \$74,696.
- We develop our budgets before the state so we don't know for sure but there are indications that in the current budget being discussed the impact for us will be neutral to negative with respect to elementary school budget, particularly as it relates to charter tuition.
- The School Committee is actively working with the local legislators to do the best to be heard.
- If we get more state money than budgeted, we would probably reduce our local receipts by adjusting the tax rate and any excess over what's budgeted goes to free cash at the end of the year.
- There was a concern about the high cost of special education which could be due to a higher percentage of special education students than our neighboring towns but our out of district spending is lower. We also have lowest class size among all districts in Western Mass. In 2013 did a coordinated program review of our special education services that had recommendations for corrective actions and we recently had a state review and received a favorable review.



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- Many actions taken to lower costs including cost of health insurance, competitive procurement of liability insurance, and bringing food service program back in-house.
- Salaries going up to make cost of living adjustment. Substitute costs need to be increased incrementally each year to keep up with minimum wage.
- Additional costs for two special education out of district placements.
- There were large drops in health insurance rates because the health insurance surcharge went away and some drop in enrollment as we went from self-insured to current health insurance with MIIA.
- We take this year's level of services and project forward what it would cost to maintain that.
- Substitute teachers rates are low and trying to slowly increase those but then need to increase the whole scale proportionately.
- Concerns about starting programs and then not being able to support them.
- Concerns about increase in special education and decrease in regular education. Regular education has dropped because enrolment gone down but it's a little misleading because earlier we were not in the school choice program and we are now. We have a positive reputation for special education programs that brings many students from outside our district. But there is a policy of never accepting choice students that require addition of another teacher or increasing the class size beyond 20. If we get additional students within the class size limit, it's a net financial benefit as we were already paying that teacher. We have about 90 choice students in our elementary schools. Our regular students brings in \$5,000 per student and for special education, additional costs of them attending are added in the school choice claims form.
- Costs associated with our values reflected in the budget:
  - Two positions added to take care of elementary schools' facilities
  - School van driver that also provides some HVAC support because of major problems with our heating and cooling systems.
  - A temporary position for assistant facility director until we get our buildings in place
  - Bilingual psychologist and bilingual special education teacher
  - 25% of students coming from Latino heritage and not all of them are Spanish speakers but a significant number are and teachers need ongoing professional development to discern if English language learners also need special education. We need additional staff to do this in house.
- Considering creating a special education Stabilization Fund
- A big concern is our inability to meet the demand of high quality and low cost preschool education, which we know is linked to success later in life. Community Action meeting explored how can community be engaged to increase number of seats - planning grant that Town Manager also supported - what partnerships will look like – Community Action work with Head Start programs. Julie Federman will be the contact in the town to partner with other agencies to make preschool accessible to all. Our preschool grant may be going away.
- Questions about guidelines for setting a seamless process for budgeting in the new government – Changing Amherst Public Schools timeline to have financial conversations a bit later when we have more information from the state. Also need to rethink timeline all the way through for the whole budget to make it beneficial to everybody who is involved in the process.
- There was a question if the capital budget should be presented with the operating budget.

## 2. Library Budget



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Steinberg noted his disclosure statement regarding his wife working part-time at the North Amherst library. He is allowed to participate in discussions related to the budget as a whole but if discussing anything that might involve his's wife's salary or position, he may have to recuse himself and turn this over to bice chair of Finance committee.

Sharry was joined by library trustee Tamson Ely. Sharry presented the budget with an introduction to the mission statement written four years ago after a year-long community engagement. Main points presented and discussed:

- Three current priorities:
  - Secure additional sources of revenue to attract and retain motivated staff and provide high quality of services
  - Secure capital funding for expansion and renovation of Jones library building
  - Re-examine the roles of branch libraries
- 19,000 Amherst residents have active library cards with over half of them in the age bracket of 18 – 59. College students use the library.
- Received a \$15,000 grant to celebrate Jones Centennial that was used to provide all types of programming.
- Seeing a shift from hardcopy books to digital sources.
- The challenges include:
  - Jones library and North library buildings
  - Staff
  - Programming demands and not enough staff
  - Demand for longer open hours and weekend hours – can't afford additional staff
- Three primary revenue buckets are:
  - Town – 75% of revenue is Town appropriation
  - Endowment – 12% of revenue is endowment
  - Gifts and bequests (Friends of Jones Library) – spent on programs and circulating materials – 3.6%.Overdue fines are turned over to the Town.
  - State aid is 6.5% of revenue
- Two full time positions not being filled up due to increase in health care costs and decrease in endowment draw rate. Don't like to rely on fundraising for staffing costs.
- The Friends of Jones is its own 501C3 corporation run but a group of volunteers and supporters and their focus is on services and special needs.
- Last year Friends of Jones library and the Jones Library Corporation were merged.
- Sharry raised a concern that circulation may have levelled off and slowed down because we don't have as many books on the shelves as we used to.
- 1% decrease in operating budget;
- The revenues are lower because Sharry took a conservative approach and the actual fundraising has been better since the merger.
- Question about reduction in circulation because of digital use or Sharry's assumption of fewer books – we don't have all the information to know the answer to that.
- Question about volunteers working in lieu of paying taxes – we do have seniors getting this tax benefit but most are not.



- Question about balancing capital expenditure and cost of services – one of the biggest problems is the building itself that is requiring more staff to run the place and lack of appropriate technology like RFID to do some of the work that staff does.
- Question about lower fundraising when capital project requires a lot of fundraising – Sharry shared that the fundraising figures shown in the budget are very conservative and we have been extremely successful
- Question about number of part time employees and benefits they get – they get pro rated benefits but no retirement which is a Town item. Not increasing number of part timers but increasing hours of full timers.

### **3. Other Agenda Items**

OCA will be doing the interviews for the resident appointments to Finance Committee and we will be sending them the interview questions.. Question will we as part of town council see everyone who has applied for these positions since this is a town council appointment and not a president appointment – we will receive that as a council but as a confidential document.

Amended agenda posted for next Tuesday includes Airbnb tax – do we want to impose the tax, should it be 3%, who is this applicable to and should it go to anything specific.

Question of when the matter of \$500,000 CPAC project will be discussed – May 23<sup>rd</sup> under the CPA proposals.

Question about where to locate the documents on the Town website – now all docs on Town website under Amherst MA gov's budget page and the link has been provided in press release and in the material going out to the public.

Minutes. Schoen will email to Sonia with completed minutes. Need future discussion on minute taking and finding volunteers to do this since not all councilors have time to complete the minutes in a timely manner. Schoen has been coordinating the minutes and when missing watching the video to write the minutes.

Next meeting to look at goals for the Finance committee.

Meeting adjourned at 3:45 Motion by Griesemer and seconded by Schoen

Respectfully submitted: Shalini Bahl-Milne

Materials reviewed during meeting:

Amherst School Elementary School. Posted on Town budget website and handout. Morris and Mangano

Library budget: posted on Town budget website and handout at meeting, Sharon Sherry



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