

Amherst Finance Committee Minutes November 22, 2014

CALL TO ORDER: The meeting was called to order at 9:02 a.m. in the Amherst Regional Middle School Library.

FINANCE COMMITTEE MEMBERS IN ATTENDANCE: Steve Braun, Kay Moran, Janice Ratner, Anurag Sharma, Doug Slaughter, Marylou Theilman.

OTHERS IN ATTENDANCE: Maria Geryk, Superintendent of Schools; Michael Morris, Assistant Superintendent of Schools; Kathryn Mazur, Regional Schools Human Resources Director; Sean Mangano, Regional Schools Director of Finance; John Musante, Amherst Town Manager; Sandy Pooler, Amherst Finance Director; David Ziomek, Amherst Assistant Town Manager/Director of Conservation & Development; Members of the School Committees of Amherst, Leverett, Pelham, and Shutesbury; Members of the Finance Committees of Leverett, Pelham, and Shutesbury; Members of the Select Boards of Amherst, Leverett, Pelham, and Shutesbury.

AGENDA AND DISCUSSION

1. Welcome and Introductions
 2. Revenue Projections
 3. Assessment Information
 4. Capital Plan/Debt
 5. Guidance From Member Towns
 6. RAWG Update
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1. Welcome and Introductions

Superintendent Geryk welcomed the group and noted the meeting norms. Attendees introduced themselves.

2. Revenue Projections

Mangano presented his estimates for FY16 revenues. He stated that he expects a small increase in Chapter 70 aid of 0.4%. With the mid-year cuts to Chapter 71 Regional Transportation Aid announced this week he projects a 1.64% decrease in Chapter 71 aid. He noted that although Section 15 of Chapter 15 of the Acts of 2010 do not allow for the Regional transportation aid to be lowered by a greater percentage than Chapter 70 aid

during the same year, the law does not seem to be enforceable in the current situation. Therefore the Governor has made the cuts to Chapter 71 aid which has an impact on next year's budget as well. Mangano stated that he is still trying to get greater clarity on the applicability of the law. For discussion purposes at this meeting Mangano stated that he estimated Assessment revenue based on the alternative method of assessment used in recent years and the guidelines from the Amherst Finance Committee of a 2.5% increase in Amherst's assessment. Mangano reported that the use of Excess and Deficiency Funds to support the budget would decrease 11.2% to \$400,000 in order to sustain this reserve fund at a healthy level.

3. Assessment Information

Mangano noted the Regional Assessment Method Working Group final report and briefly described the process they went through to select and evaluate the various assessment methods explored by the group. Their report recommends that the five year rolling average of enrollment be used for FY16. Using the Amherst Finance Committee's preliminary guideline of a 2.5% increase to Amherst's assessment, Mangano presented what each Town's assessment would be using the five year rolling average of enrollment. For comparison purposes he presented the calculation of what each Town's assessment would be utilizing the statutory method and the same total assessment amount of \$19,162,343.

4. Capital Plan/Debt

Mangano presented the FY16 Regional School Capital Projects which total \$310,000 for the High School and \$50,000 for the Middle School. Some of the funding for the High School projects may come from other sources such as the student parking fees and the athletic boosters, however, those revenue streams are not certain at this time. He noted that the first debt payments for Capital Projects authorized in fiscal years 2013 through 2015 will begin in FY16 and are separate from the regular regional assessment. He stated that he is working on trying to find methods, allowed by law, to smooth out the Capital assessments.

5. Guidance From Member Towns

Leverett Select Board member d'Errico stated that Leverett is facing a large tax abatement and will need to reduce all budgets by 2-5%. He asked what effect that would have on the Regional Schools' budget. Mangano responded that kind of reduction in Leverett's assessment would result in the overall assessments to the Towns being lowered by \$500,000. Pooler updated the group on what the Governor's proposed mid-year cuts would mean to Amherst, namely, Charter Schools reimbursements would be reduced by 1.5% (\$3,013), unrestricted government aid would be reduced by 2.8% (\$208,092), and library aid would be reduced 1.5% (\$1,259). He stated that while none of these cuts are in effect yet since the legislature and new Governor would need to enact them, we will need to keep a close watch on the situation. Pooler indicated that Amherst would try to keep the current projected increase in its assessment at 2.5% but that reserves may need

to be used to do that if these cuts are realized.

6. RAWG Update

Steinberg gave the group an update on the work of the Regional Agreement Working Group. He stated that the group is exploring an amendment to the current Regional Agreement to allow a pre-K to 12 arrangement but with the option for Towns to keep their pre-K to 6 separate. Mohawk Regional is an example of a system like this and the RAWG is looking closely at their regional agreement for cues on modifying ours. At this time the district's lawyers are marking up changes to the Regional Agreement to bring back to the RAWG. He reported that once changes to the Regional Agreement are fashioned, then the RAWG would bring them to the Regional School Committee. From there it would go to each Town Meeting for approval and subsequent participation in the new pre-K to 12 district.

ADJOURNMENT

The meeting adjourned at 10:45 a.m.

Douglas Slaughter, acting clerk

DOCUMENTS USED AT THE MEETING

Printed packet of slides from the PowerPoint presentation of Meeting Agenda items.

FY16 Preliminary Assessments to Member Towns

Important Regional School Committee Meetings regarding budget

November 7th, 2014 Draft of the Regional Schools Ten Year Capital Plan

Regional Assessment Method Working Group Final Report (dated November 3rd, 2014))