

**Amherst Finance Committee Minutes
Thursday, February 12, 2015, 7 PM
Superintendent's Conference Room
Amherst Regional Middle School**

ATTENDANCE:

Kay Moran (Chair), Marylou Theilman (Vice Chair), Steve Braun, Bernie Kubiak, Janice Ratner, Anurag Sharma. Absent: Douglas Slaughter.

OTHERS IN ATTENDANCE:

Sandy Pooler, Finance Director; Maria Geryk, Superintendent of Schools; Sean Mangano, School Finance Director; Larry Kelley; Amherst Media.

Meeting was called to order at 7 pm.

AGENDA AND DISCUSSION

1. News affecting budget - Nothing really new but there are some rumors floating around. The Legislature passed cuts for this year that the Governor asked for. There are indications that the Governor will live up to his previous statements regarding local aid for FY16.

2. Budget presentations - SCHOOLS

Elementary - Mangano distributed and presented the Amherst Public Schools FY2016 Proposed Budget dated February 12, 2015. He discussed the Consolidated Spending Plan on page 2 and the FY16 Budget by Function chart on page 3. The total budget is \$21,869,835, which is an increase of \$379,272 or 1.8% over the FY15 budget. The Finance Committee's preliminary guideline issued in November was for an increase of no more than 2.5%, and this is \$100,000 less than that. He noted that beginning in FY15, choice and charter tuition costs were paid by the Town of Amherst and were no longer included in the school budgets (accounting change). Also, retiree health insurance is now separated out and increases 5.1% for FY16.

Mangano discussed the Budget Additions/Reductions chart on page 6 where there are 6 teachers added and 13 paraeducators reduced. This is related to the expanded co-teaching model. According to Geryk, this model is more inclusive, is better for students, and reduces the total number of positions, which translates to a savings in health insurance and pension costs. Additions for the English Language Learners (ELL) program, instrumental music, and the Afterschool program were discussed briefly. The Amherst Together position is a 60% position and one-third of it is paid for in this budget (\$16,000).

Other Post Retirement Benefits (OPEB) are in the Town budget. Teacher retirement costs are paid for by the state and are in the state system. Non-teacher retirees are in the Hampshire County Retirement system and the town pays an annual assessment for these retiree benefits. Retirement costs are set by the state and are not negotiable.

There are expected to be 1213 students enrolled in the elementary schools next year. Demographics include about 20% in Special Education, 14% in ELL, and 40 - 50 choice in students who bring in \$300,000- \$400,000. There are 19 choice out students. The tuition for choice in and out is \$5,000, unless the student has special needs, which is assessed to the sending school district

based on services provided. Charter school enrollment appears to be increasing. Amherst, as other area districts, has declining enrollments.

The Capital Plan on page 7 was discussed. There is a net cost to Amherst of about \$300,000.

Regional - Mangano distributed and presented the Amherst-Pelham Regional Schools FY2016 Proposed Budget dated February 12, 2015. The recommended budget is \$30,029,505 which is an increase of \$411,027 or 1.4% over the FY15 budget. He discussed the Assessments and State Aid: Reimbursement charts on page 2. Assessments are calculated using the Regional Agreement Assessment Method. For Amherst, the proposed assessment is \$14,825,506, an increase of \$361,598 or 2.5% over FY15.

Transportation reimbursements have decreased to 60% from 90%, a rate that had already been used for budgeting. For FY16, \$400,000 from the Excess and Deficiency (E & D) Fund will be used. This Fund is similar to the Town's Free Cash and the region tries to maintain a balance that is 3% of the budget. Choice funds are used for the following year's budget. The expense for retiree health care is separated out in the chart on page 12. The region has not yet set up an OPEB Trust Fund. The Net OPEB obligation is shown on page 19. In FY15 the estimated obligation was \$23,692,774. The four towns in the region each have an OPEB Trust and want the region to start one. Medicare Part D money that is returned to the town now goes into the E & D Fund but could eventually go into an OPEB Trust. This is about \$50,000 per year.

The chart on page 3 shows Enrollment Trends. There are 80 - 90 choice in students. The tuition for choice in is \$5,000, unless the student has special needs, which is assessed based on services provided. The school choice program generates \$500,000-\$700,000 and costs .6 FTE or \$36,000 according to a NESDEC study, making it cost effective. Vocational programs in the area have been expanding and 55 students are expected to attend at a cost of about \$18,000 per student, plus transportation. (The region does not have to pay for transportation for charter or choice students.) Perhaps more vocational programs should be added to the high school curriculum to keep students in Amherst. (Five vocational programs can be offered in the schools.)

There are 1464 students in the Regional schools. In addition to the students going to the vocational schools, 83 go to charter schools and 30 choice out. Enrollment at the region is also declining. Should the region maintain 2 schools? The high school building can hold all of the grade 7-12 students in the region.

Budget additions and reductions (page 14) were discussed. These result in a net reduction of \$932,377. The AVID (Advanced Via Individual Determination) program encourages students to take Advanced Placement courses. The reduction in 6.6 professional staff at the High School will be realized mostly through attrition.

Mangano discussed Capital Expenditures found on pages 15 to 17. The proposed Capital Budget of \$370,718 appears on page 15 and includes money to upgrade the high school access control system and to make bleachers in the gym ADA compliant. A chart showing debt assessments for each of the four towns over a period of several years can be found on page 17.

A document regarding the Wildwood School Building Committee was distributed. It contained a timeline, a list of committee members, and information about the school and the process.

3. Member reports – liaison and representative reports - Braun reported that the Joint Capital Planning Committee (JCPC) met this morning and heard requests from the Fire and IT Departments. Among other things, the Fire Department is requesting new breathing apparatus and a stair chair to transport individuals down stairs.

4. Minutes of previous meetings - The minutes of the following meetings were approved:

- January 16, 2014 by a vote of 3-0 with 3 abstentions
- March 1, 2014 by a vote of 4-0, 2 abstentions, 1 absent
- April 3, 2014 as amended (correct spelling of Bascomb) by a vote of 4-0, 2 abstentions, 1 absent
- July 10, 2014 by a vote of 5-0, 1 abstention, 1 absent
- November 22, 2014 by a vote of 4-0, 1 abstention, 1 absent
- January 15, 2015 by a vote of 3-0, 3 abstentions, 1 absent

5. Next Meeting and Agenda - The next Finance Committee meeting will be Thursday, February 26. Agenda items include the General Government Budget. There will be a Four Town Meeting on Saturday, February 28. A Budget Process meeting for TMCC will take place on February 17 and BCG will meet on March 6 at 10 am.

6. Topics not reasonably anticipated by the chair 48 hours in advance of meeting - None

The meeting adjourned at 9:05 pm.

Janice Ratner, acting clerk

Documents used:

- Amherst Public Schools FY2016 Proposed Budget dated February 12, 2015
- Amherst-Pelham Regional Schools FY2016 Proposed Budget dated February 12, 2015
- Wildwood School Building Committee Timeline packet