

Amherst Finance Committee Meeting Minutes
February 11, 2016, 7:00 p.m.

Present: Kay Moran (Chair), Marylou Theilman (Vice Chair), Steve Braun, Janice Ratner, Anurag Sharma, Timothy Neale, Bernie Kubiak.

Others in attendance: Sonia Aldrich (Comptroller), Claire McGinnis (Treasurer/Collector), Mike Morris (Assistant School Superintendent and Building Committee), Tom Murphy (Owner's Project Manager – OPM- for the schools), Rick Hood (School Committee), Maria Geryk (School Superintendent), Shaun Mangano (Business Manager, Schools), Larry Kelly (reporter), ACTV.

Attending for budget discussion: Maria Kopicki (resident), Susan Wells (resident, school librarian), Elaine Donoghue (resident), Toni Cunningham (resident), Vira Douangmany Cage (School Committee)

1. News affecting the budget: No new information is available.

2. Budget presentations: School Operating Budgets

Elementary School: Amherst Public School summary budget distributed. Budget adoption is projected for March 22nd.

Expense budget summary reviewed by Mangano, contains a net reduction of \$428,897.00 from level services operating budget. Total budget is \$22,092,324, an increase of \$422,489 (1%) from FY '16. There was much discussion as to the reduction of library para-professionals. Neale asks if these are real reductions and received an affirmative response, actual reductions. Four paraprofessionals are added for instruction, reducing library assistance, due to mix of students being served by the schools.

Discussion by Mangano of drivers of budget increases: risks/benefits, health insurance, charter/choice. Charter/choice has reduced the 2.5% increase available to the school which means a 1% increase is all that's available. Enrollment continues to decline. Likely in three years there may be reductions in the number of teachers. Changes in pattern of enrollment, mix of students play a role in staffing, class size.

Amherst-Pelham Regional

Geryk -- No details on staffing tonight because the school committee will not meet until next week, staff have not been notified. February 23rd will be the release date for a detailed budget; March 8 will be the date for budget vote.

Revenue discussion by Mangano: the budget stays within 2.5% increase guidance for Amherst's assessment. Modified assessment method is used to calculate each town's allocation and it will need an affirmative town meeting vote in all four member towns to approve the changes. Excess and Deficiency (E&D) funds will be at 4.87%, highest in years.

School choice funding: fewer choice students accepted to allow for staff reductions. Geryk stated if choice maintained at a higher level, would have resulted in higher costs. Simply rounding off classrooms with choice so schools are not maintaining staff based on choice.

Expense budget summary: 2% increase over current fiscal year. Major changes are due to charter and choice. More students choice in rather than out. The impact of charter and choice are shown in the regular education line, vocational students show in the Other Programs line.

Charter reimbursement is 100% for 1st year, 20% for next five years, if the state account is fully funded. Currently funding reimbursement is limited to 80% of first year funding, none of the "out" years.

Budget Addition/Reductions: increases due to program with Greenfield Community College and Science, Technology, Engineering, Arts and Mathematics (STEAM) programs.

Capital plan: February 27 is the voting date for the capital plan; anticipate some changes to the plan due to need for some accessibility related work. There will be an overall review of the capital plan with the school committee and the towns. Amherst will likely pick up 80% of the costs, costs of plan get rolled

into a bond and the cost of the bonding is apportioned. Spike up in FY 17 for Amherst due to issuance of new bond. Theilman notes this is a different assessment formula (by equalized value - EQV) than other charges.

Other Post Employment Benefits (OPEB): trust fund is set up, will look to vote funds into it for FY '16 or include in the budget for FY '17 – Medicare part D reimbursement will be used to seed the account. OPEB funding plan discussion, Sharma notes that there can be changes with different assumptions. Actuary will do projections to show what might occur if the additional pension payments are diverted to OPEB in the future.

Per pupil cost report discussed by Mangano, shows components that impact the cost of instruction. Historical education spending charts was discussed by Mangano, pre-K to 12 costs, not just regional trends.

Charter and choice trends chart, percentage of students for Amherst and contiguous towns.

Staffing analysis history presented.

Ratner asks about graduation rates. State publishes different graduation rates, using the adjusted rates, graduations are still in the 90% range.

Charter school enrollment numbers history presented -- variance between anticipated placements and actual placements.

Choice in versus choice out: Choice in is currently producing revenues. Need to be careful accepting choice students, number may change with the new school, which will be at capacity when it opens.

Discussions are under way with Smith Voc regarding their costs, capital.

The school administration projects \$800,000 savings from consolidating middle and high schools without regionalization.

Cost per pupil projections under different methods of assessments supplied to the Committee.

Revised taxable property method, revision to regional agreement, reviewed. All four towns are needed to approve the changes. All four towns indicated they did not want to use the statutory method. This approach would be in place for one year only. The revision takes out income factor in statutory method.

Final chart: administrative costs per pupil for Amherst and contiguous communities. Amherst costs are in the middle of the towns sampled. Year sampled is FY 14, latest year available. DESE data was used to generate elementary school profiles and regional profiles to illustrate Amherst differences from other towns/districts. The demographics of Amherst students versus other towns and the lack of comparables was discussed

3. Elementary school building project update

Morris and Murphy – gave an update on the building project. Only 10% of applicants get accepted in to Massachusetts School Building Authority (MSBA) projects and the 2013 statement of interest accepted. Feasibility study funded in FY '14, OPM and designer hired. Detailed financial information is available on line as of February 12, 2016. . Phase 1 allows for students to remain in school while new building is constructed. One structure will replace Fort River and Wildwood but with two co-located wings. Full size gym, two “caffeteriums,” can lock off one of the wings. Design allows for expansion in the future, flexible structure to allow for adaptations. Two second to sixth grade wings can configured around neighborhoods. Crocker Farm will be an early childhood center. Sharma asks if this is a proven model and was provided several similar examples that were examined. Sharma asks about community support, contentious vote by the school committee. Morris says he’s received significant positive feedback about the design. There was opposition to each model presented, will need to engage stakeholders in the next couple of months to present the design and the program, have conversations about benefits and tradeoffs. The submission will tell if MSBA has any concerns about dispute within the community over the design. Neale asks about model as design, in other words one big box versus the proposed design.

Costs: estimating that 52-53% will be actually reimbursed by the state, cost estimators (2) ended up very close to each other but there are a lot of decisions to be made. Example: LEED Silver status will cost more to construct but will attract higher reimbursement. Estimators were working from square foot costs.

Construction manager hiring will take place; cost manager will make another assessment. Looking at a possible 3.5 - 4% escalation, escalation is included into the cost up to the bid date. Escalation during construction is locked in with the bids. Part of the process will be to determine a guaranteed maximum price that will be developed by the construction manager.

MSBA will commit funding based on town commitment. Know by September if the MSBA has any concerns over design, model and support from town. September 28 will be the date MSBA will vote and the maximum state grant. At some point after that, it needs to go to the town for a vote and possible debt exclusion. KM questions timing of town meeting and a vote, possible at the November ballot if the Selectboard decides early enough for an override.

Schematic phase: designers will set to work on the large scale drawings; sometime between August 11 and September 28 costs will be determined. Discussion regarding costs, features, and the realization that the school isn't the only capital project the town is facing. Know where the state caps are and will introduce those during the design.

4. Member reports – reports from liaisons and representatives

JCPC – Kubiak reported on the committee's meeting that day: Information technology departments (town, school); copier replacement

5. Minutes of previous meeting

October 8, 2015 minutes: Neale moves acceptance, Ratner seconds, Vote to approve: 7-0.

6. Next meeting and agenda

No meeting next week, next meeting will be February 25th. General government budgets.

March 31st will be the date for voting on budgets; will be the point where we manage unresolved issues.

7. Topics not reasonably anticipated by chair 48 hours in advance of meeting: none.

Braun moves to adjourn, Neale seconds, voted unanimously.

Respectfully submitted,

Bernie Kubiak, Clerk Pro Tem

Documents utilized: Amherst and Regional School budget submissions