

Amherst Finance Committee Minutes
January 7, 2017
Middle School Library

ATTENDANCE:

Marylou Theilman (Chair), Steve Braun (Vice Chair), Joseph Jayne, Tim Neale, Anurag Sharma, Bernie Kubiak

OTHERS IN ATTENDANCE:

Michael Morris, Acting School Superintendent; Sean Mangano, Director of Finance, Amherst Pelham Regional School District.

Representatives from the Select Boards and Finance Committees of Amherst, Pelham, Shutesbury, and Leverett.

Meeting was called to order at 10:10 am.

This was a meeting of representatives from the four towns in the Regional School District to discuss the FY18 Regional School budget and the formula used to assess member districts for their share of the budget. After that portion of the meeting was finished, the Amherst Finance Committee and other representatives heard a presentation by Daniel Sherman, actuary, about a set of actuarial reports he generated for Amherst, Pelham, and the Regional School District.

1. Regional Budget

Mr. Morris and Mr. Mangano presented an overview of the FY18 Regional Budget. Three major points were made:

- FY18 will be a stable budget year with no budget cuts expected in instructional programs (barring unexpected enrollment changes)
- Using a compromise assessment method that combines a 5-year rolling average based on an equal per-pupil cost and a calculation that factors in 15% of taxable property in each town, the expected assessments of each town fall within the guidance obtained earlier from each town.
- Capital costs this year will be relatively low, although more significant expenditures (e.g., for the middle school roof) are expected in the future. A plan to create and fund a capital stabilization fund and a dedicated joint capital planning committee for the Regional Schools was presented.

Members of the Shutesbury delegation discussed their feelings about the assessment method and lobbied for a method that would include “ability to pay” in the calculations. This has been an on-going topic of debate for several years. Representatives from other towns presented their own perspectives, which differed at times from those given by the Shutesbury representatives. A representative from Leverett distributed a handout which presented financial comparisons among the Towns and pointed out that it would be difficult to convince Leverett voters to support the Alternative Formula since the proposed Assessment Method would not be fair to Leverett based on the information in the handout.

No consensus was reached about which assessment method to use. Town representatives will continue their discussions, both among themselves and with their communities, in an attempt to settle on an assessment method that can be brought before the spring Town Meetings of each town and secure the needed votes.

2. Actuarial Presentation

Daniel Sherman, of Sherman Actuarial Services, reviewed the reports he has prepared about the Post-Retirement Benefits Plans for Amherst, Pelham, and the Regional School District. All three entities have very significant unfunded liabilities. The town of Amherst has been making initial progress in establishing and funding a dedicated reserve fund for Other Post-Employment Benefits (OPEB) with about \$2.8 million in the fund at the moment. Pelham and the Regional Schools are at earlier stages in setting up and funding their reserve funds.

The actuarial reports can be downloaded at the links listed below.

3. Member reports – Liaisons and Committees

None.

4. Next meeting and agenda

Next meeting will be Thursday, January 12 at 4 p.m. for a joint meeting with the Select Board for the Town Manager's budget presentation, followed at 5:00 p.m. by its own meeting and agenda.

5. Minutes of previous meetings

None.

6. Topics not reasonably anticipated by chair 48 hours in advance of meeting.

None.

The meeting adjourned at approximately 12:45.

Stephen Braun, acting clerk

Documents distributed/used:

PowerPoint presentation: Four Town Meeting Regional Schools. Available online at: <http://www.arsp.org/cms/One.aspx?portalId=926815&pageId=8740162>

Amherst 2016 Actuarial Reports. Available online at: <http://www.amherstma.gov/93/Accounting>