

Amherst Finance Committee Meeting Minutes Approved 1/18/2018
Thursday, November 16, 2017, 5:00 pm
Professional Development Room, Amherst Pelham Regional Middle School

ATTENDANCE: Bernie Kubiak, Tim Neale, Sharon Povinelli, Janice Ratner, Anurag Sharma, Marylou Theilman (Chair). Absent: Joseph Jayne.

OTHERS IN ATTENDANCE: Sonia Aldrich, Co-Finance Director; Paul Bockelman, Town Manager; Sean Mangano, Finance Director, Amherst Pelham Regional School System; Andrew Steinberg, Select Board and Regional Assessment Committee.

Meeting was called to order at 5:05 pm

AGENDA AND DISCUSSION:

1. Regional Draft Assessment Formula and Discussion.

Sean Mangano distributed a packet titled "Assessment Method Working Group, November 7, 2017" and presented several assessment methods described in the packet which are currently being considered. S stands for Statutory and the methods considered are based on the state calculated minimum required district contribution for each town for part of the assessment formula. These types of methods are considered statutory and don't have to be approved by all four towns of the region every year. The remainder of the assessment, or excess, is calculated using different criteria.

Three of the methods proposed were explained and compared. All start with the minimum required district contribution and are therefore considered statutory methods. The S4 assessment method then allocates capital costs according to the EQV (Equalized Value or the sum of all taxable property values in a municipality) of each town and any excess according to a five year rolling average of enrollment. S1 is similar but also includes a component based on transportation miles for each town. S10, the method recommended by the consultant, Mark Abrahams, allocates any excess according to a 50/50 composite of the five year rolling average of enrollment and median aggregate income. The minimum required distribution comprises about 60 or 65% of the town's assessment and the excess is about 35%.

Charts in the packet relating to the three methods, S1, S4, and S10, were discussed. Various criteria, such as volatility and predictability, were compared for each method. S10 falls in the middle for all four towns in graphs of assessments over time.

In the Financial Look Forward chart, for Amherst in FY19, the increase in assessment using S4 would be \$814,401 or 5.25%. Using S10, the increase would be \$385,276 or 2.49%, which is within the Finance Committee guideline of 2.5%.

Amherst's share of the assessment is about 78%; Pelham's is about 5%; Shutesbury's is about 9%; and Leverett's is about 7%. This is based on enrollment.

Previously, the Region used an alternative method based on a five year rolling average of enrollment. One of the towns wanted to include a wealth factor, or ability to pay, so the region is now looking at other methods. Alternative methods, or methods not based on a statutory method, have to be approved each year at all four town meetings. Regional budgets need approval by three of the four towns.

2. Minutes. The minutes of the November 6, 2017 Finance Committee were approved by a vote of 5-0, with 1 abstaining and 1 absent.

2. Future Meetings. The Regional Assessment Methods will be presented and discussed at the Select Board meeting on November 20, 2017. The next meeting of the Regional Assessment Working Group is November 28, 2017.

The Four Town Meeting will be held Saturday, December 2, 2017 at the Middle School Library. The Regional Assessment Methods will be discussed at this meeting.

The meeting adjourned at 6:12 pm.

Janice Ratner, acting clerk