

Town of



AMHERST *Massachusetts*

Town Hall - 4 Boltwood Avenue - Amherst, MA 01002

CONSENT CALENDAR – 2015 Annual Town Meeting

From the General Bylaws of the Town of Amherst, November 2012:

ARTICLE I, The Town Government, Rules of Order for Town Meeting

1. CONSENT CALENDAR. At least five business days prior to the opening of the first session of the Annual Town Meeting or any Special Town Meeting, the moderator shall propose to all members a “Consent Calendar” listing all articles and budget areas which, based on the records of recent town meetings, the moderator deems to be non-controversial. At the first session of the meeting, at the request of any five members present, any article or budget area shall be removed from the Consent Calendar so that it can be debated and voted upon in accordance with the provisions of these Rules of Order. All items remaining in the Consent Calendar shall then be voted upon by a single vote without debate.

A note from the Moderator:

The purpose of the Consent Calendar is to save time by dispensing with separate motions and with oral statements from the Finance Committee and Select Board on articles that can be expected to pass unanimously.

In selecting articles for the Consent Calendar I have used the following criteria:

1. The article must be a routine article that has appeared regularly in recent years.
2. The meaning of the action must be clearly explained in the Finance Committee Report.
3. It must be reasonable to expect that the motion under this article would pass with no controversy.

At the beginning of the first session of the meeting I will read or summarize each article on the Consent Calendar. If you believe that a separate debate or vote on a specific article is necessary, call out “Remove”. I will then ask for a show of hands, and if I see 5 hands, the article will be removed from the Consent Calendar and dealt with in the normal way when we reach its number on the warrant. You will not be asked to explain your request, and a request for removal is not debatable. When we reach the end of the list, I will call for a single vote on the remaining items on the Consent Calendar. If a majority votes yes, all items will be considered passed.

The proposed Consent Calendar has been included in this mailing and is available on the town web site.

*Jim Pistrang
Town Moderator
April 2, 2015*

The Proposed 2015 Annual Town Meeting Consent Calendar:

I propose that the eight Warrant Articles listed below be included in the Consent Calendar of the 2015 Annual Town Meeting. Additional information may be found in the Finance Committee report.

ARTICLE 2. Transfer of Funds – Unpaid Bills (Finance Committee)

To see if the Town will, in accordance with Chapter 44, Section 64 of the Massachusetts General Laws, appropriate and transfer a sum of money to pay unpaid bills of previous years.

MOTION: I move to dismiss the Article.

This is an annual article that allows the Town to pay unpaid bills from a prior fiscal year, if any, for which funds were not already encumbered. As of this writing, the Town is not aware of any such bills requiring action by Town Meeting. If no such bills are received prior to Town Meeting, the Finance Committee will move to dismiss this article.

ARTICLE 3. Acceptance of Optional Tax Exemptions (Select Board)

To see if the Town will authorize a maximum additional exemption of up to 100 percent for taxpayers qualifying for exemption under Chapter 59, Section 5, Clauses 17D, 22, 37A, or 41C of the Massachusetts General Laws.

MOTION: I move in terms of the Article.

This local option authorizes assessors to reduce property taxes for certain qualifying taxpayers (limited income elderly or blind persons, veterans and surviving spouses). The reduction is in addition to the base amount allowed by the state. The option has been in effect in Amherst since FY94, the first year for which Town Meeting adopted it. The option must be renewed annually. The total cost to the Town in FY15 to provide these tax exemptions, including the optional tax exemptions, was \$96,721.59 in foregone tax receipts. Reimbursement by the state for the base exemptions was \$35,293. The cost to the Town in FY15 to provide the additional optional tax exemptions was \$27,880.76.

ARTICLE 4. Authorization for Compensating Balances (Select Board)

To see if the Town will accept the provisions of Chapter 44, Section 53F of the Massachusetts General Laws, which authorize the Treasurer to enter into written agreements with banking institutions pursuant to which the Treasurer agrees to maintain funds on deposit in exchange for banking services.

MOTION: I move in terms of the Article.

Acceptance of this provision of the Massachusetts General Laws authorizes the Town Treasurer to enter into certain banking agreements that require maintenance of a minimum account balance. These agreements typically offer either higher interest rates or some free services in exchange for maintaining a minimum balance. Town Meeting authorization is required annually because, in effect, funds may be expended for services without an appropriation. The Treasurer bids all banking services and bank service fees and determines which proposals are most advantageous for the Town. It is appropriate to provide the Treasurer with the flexibility to use this type of account.

ARTICLE 6. Retirement Assessment (Select Board)

To see if the Town will raise and appropriate \$4,528,702 for the Hampshire County Retirement System assessment.

MOTION: I move in terms of the Article.

The Town, as a member of the Hampshire County Retirement System, pays an annual assessment that covers benefits to current retirees and funding for future retirees. The assessment is based on the payrolls of municipal and library employees as well as non-teaching elementary school employees. The amount to be appropriated for the retirement assessment in this article is \$4,528,702, an increase of \$324,553, or 7.7%, from the FY15 assessment. This represents the General Fund share of the assessment. In addition, the Enterprise Funds are allocated their share of the total assessment of \$5,055,067 in their respective budgets. It includes an annual payment of \$233,994 to fund the liability created by the Early Retirement Incentive program adopted by the Town in 2002 and 2003. The pension funding schedule is based upon a January 1, 2014 actuarial study.

ARTICLE 7. Regional Lockup Assessment (Select Board)

To see if the Town will raise and appropriate \$35,928 for the Hampshire County Regional Lockup Facility assessment.

MOTION: I move in terms of the Article.

The Town, as a user of the Hampshire County Regional Lockup, pays an annual assessment, based on population, that covers its portion of the operating costs of the Regional Lockup. (The Sheriff's office, the University, and the other communities that use the lockup are the other contributors.) The \$35,928 to be appropriated in this article for FY16 is unchanged from the amount appropriated for FY15.

ARTICLE 8. Other Post-Employment Benefits (OPEB) Trust Fund (Finance Committee)

To see if the Town will raise and appropriate \$200,000 for the OPEB Trust Fund established under the provisions of Section 20 of Chapter 32B of the Massachusetts General Laws.

MOTION: I move in terms of the Article.

FY16 is the second year in which the town has made a contribution to the Other Post-Employment Benefits (OPEB) trust fund through appropriation from the General Fund. The OPEB trust fund sets aside and invests money to cover the costs of retirees' non-pension benefits, mainly their health insurance benefits. The amount of contribution increased from \$100,000 last year to \$200,000 this year.

The Towns is required to conduct a biennial audit of its OPEB financial obligations and the funds it has invested to meet those obligations. As of June 30, 2014, the unfunded Actuarial Accrued Liability (AAL) is \$95,745,913, marginally more than the AAL of \$93,708,361 as of June 2012. The Town had set aside and invested \$1,632,218, so there is a net Unfunded Actuarial Liability of \$94,113,695. The new AAL is based in part on increasing the "discount rate" from 3.50 percent to 4 percent. (The "discount rate" is an estimate of the interest rate that can realistically be expected in the future for the total amount of money in the OPEB Trust Fund. That estimate varies depending on how much the Town sets aside each year in the OPEB trust fund; the more the Town sets aside, the higher discount

rate.) *This year's actuarial report also shows that if the Town were able to set aside more funds, the AAL would be \$52,626,166.*

Of the estimate as of June 2014, \$58 million (61.6 percent) was attributable to the future health insurance benefits to be paid to current employees and the remaining \$37.7 million (38.4 percent) was for benefits for current retirees, spouses, and surviving spouses.

OPEB liabilities are often set out in a 30 year pay down schedule, akin to a mortgage payment schedule. In order to pay off the OPEB liability over 30 years, the actuarial report calculates an Annual Required Contribution (ARC). If the Town continues to fund the OPEB trust fund at current levels, the discount rate would continue to be 4% and the ARC would be \$6,368,392. If the Town were to fund the OPEB trust at a higher level, the discount rate could be 7.75% and the ARC would be \$3,918,622.

ARTICLE 9. Revolving Fund Reauthorization (Finance Committee)

To see if the Town will reauthorize a revolving fund pursuant to Chapter 44, §53E1/2 of the Massachusetts General Laws for the operation of an After School Program from which the receipts shall be credited for expenditure by the LSSE department as authorized by the Department Head of the LSSE or his/her designee for supplies and services, including salaries and benefits of staffing, and related administrative costs for the program operation with a limit of \$400,000 that may be expended from said revolving fund in the fiscal year which begins on July 1, 2015.

MOTION: I move in terms of the Article.

Revolving funds are used to manage fee supported programs in the Town and in the Regional Schools. In order to continue operating, the After School Program Trust Fund needs to be reauthorized by Town Meeting. Fees from families and other revenues are deposited in the fund, and expenses including the salary and benefits of program staff area paid from the fund. This type of fund, which enables payment for employee benefits, requires annual Town Meeting authorization, pursuant to M.G.L. Chapter 44, Section 53E1/2. The fund will have an authorized expenditure limit of \$400,000, under the direction of the LSSE Director, for the purpose of providing after school programs. In FY14, total revenues and expenditures totaled \$357,407. This fiscal year, from July 1, 2014 through March 31, 2015, revenues into the fund have totaled \$112,372 and expenditures from the fund totaled \$105,532. The totals are smaller this year because in the past, the revolving fund incorporated the revenues and expenses of both the after school programs the LSSE operates directly and of two privately operated after school programs at Wildwood and Fort River Schools. This year, the private providers are financially independent, and the revolving fund covers only the LSSE programs.

ARTICLE 12. Reserve Fund (Finance Committee)

To see if the Town will raise and appropriate \$100,000 for the Reserve Fund for FY 2016.

MOTION: I move in terms of the Article.

The Reserve Fund is used by the Finance Committee to pay for extraordinary or unforeseen expenses that may occur during a fiscal year. Any unspent money remaining in the Fund after the fiscal year ends becomes Free Cash. The requested \$100,000 is the same amount that has been requested for many years.