

**JOINT MEETING  
HWRSD School Committee  
Hamilton & Wenham FINCOM & BOS  
Buker Elementary School Multi-Purpose Room  
Tuesday, December 4, 2018 7:00 PM**

***HWRSD Committee***

Michelle Bailey  
Stacey Metternick, Secretary  
Gene Lee, Vice Chair  
David Polito, Chair  
Jeanise Bertrand  
Peter Wolczik, Assistant Secretary

***Hamilton FINCOM***

Phillip Stearns  
John Pruellage  
David Wagner  
Darcy Dale

***Wenham FINCOM***

David Molitano  
Carrie Jelsma  
Alex Begin

***Also Present:***

Michael Harvey, Superintendent, HWRSD  
Joseph Domelowicz, Town Manager, Hamilton  
Peter Lombardi, Town Administrator, Wenham  
Shawn Farrell, Hamilton Board of Selectmen (not participating/no quorum)  
Scott Maddern, Hamilton Board of Selectmen (not participating/no quorum)  
Catherine Harrison, Wenham Board of Selectmen (not participating/no quorum)  
Patricia Moore, Finance Director/Treasurer/Collector, Town of Wenham  
Catherine Tinsey & Mahala Lettvin, Recording Secretaries

**1. Call to Order**

David Polito calls the Hamilton-Wenham School District Committee meeting to order at 7:12pm.  
Phillip Stearns calls the Hamilton Finance and Advisory Committee meeting to order at 7:12pm.  
Alex Begin calls the Wenham Finance and Advisory Committee meeting to order at 7:12pm.

**2. Overview from the Town of Wenham regarding the Town's FY20 budget parameters, budget drivers, pressing issues, fiscal challenges and opportunities.**

Peter Lombardi, Wenham Town Administrator, presents the Wenham Budget Forecast (Preliminary FY20 Budget):

- Overview of FY19 Budget;
- FY20 Budget Drivers: Major Expense Increases;
- HWRSD Enrollment Trends;
- Additional Budget Impact due to Enrollment Shifts;
- FY20 Budget Forecast: Revenue Assumptions;
  - Discussion: modification to the senior circuit availability to take effect FY20;

- Use of Free Cash and Excess & Deficiency;
  - Discussion: historically the town has used free cash to balance their budget. Over the past few years, beginning in 2015, both Free Cash and Education Stabilization funds have been used as a revenue source. For this coming fiscal year, policy dictates that the town is to reserve a minimum of \$1 million, and thus the town's operating budget will be funded at about \$700,000.00;
- FY20 Budget Forecast Implications;
- Expenditure Projection;
- Challenges to Delivering a Balanced Budget:
  - Peter Lombardi points to challenges, specifically FY18 Free Cash certified at \$982,000.00 and health insurance premiums projected to increase by 8%;
- FY20 Budget Building Process;
  - Wenham returned to standard process/schedule and asked department heads to prepare level services budget;
  - BOS will consider initial FY20 Departmental requests over the next month, and has a series of policy decisions regarding ability to fund capital needs;
  - Once HWRSD establishes budget requests and if an operating override appears likely, BOS will need to determine next steps.

### **3. Overview from the town of Hamilton regarding the Town's FY 20 budget parameters, budget drivers, pressing issues, fiscal challenges and opportunities**

Jospeh Domelowicz Jr., Hamilton Town Manager, reviews the Town of Hamilton's FY20 Budget Preview:

- FY20 Budget Guidance & Drivers;
  - Discussion regarding recycling costs, as recycling is not currently being picked up;
- FY20 Budget Projections;
- Historical Expense Increases;
- Town of Hamilton Requests of HWRSD: Education is a crucial aspect in our community, however, Mr. Domelowicz points to the other pillars necessary for a community to function. With this in mind, Town of Hamilton is requesting actions and information from HWRSD including:
  - Request voters approve OPEB budget;
  - Request voters to approve specific capital items (do not assume existing debt roll off as run rate expenses);
  - Planning, including:
    - 3-5 year operating and capital budgets within context of declining enrollment;
    - Views on capital stabilization;
    - Views on facilities master plan with declining enrollment;
    - Also requests updates collective bargaining, special needs initiative, school resource officer that has already been funded, potential for shared services;
- Budget Process Moving Forward
  - Joint BOS, FINCOM, and HWRSD meeting scheduled 02/05/2019.

### **4. Overview from HWRSD Leadership regarding vision, plans, pressing issues, budget parameters for FY20, and beyond.**

Jeffrey Sands could not make it this evening. Dr. Harvey presents FY20 Operating Budget: *Cost categories expected to have the greatest impact on Annual Increase:*

- Salary costs
  - Including COLAs, STEP, and Salary Scale Movements

- Dr. Harvey explains complexity in planning for staff who are retiring, moving up on pay scale, etc.
  - Assumptions for Union Contract not yet settled;
- Healthcare costs;
- Out-of-District Placement Tuitions
  - Dr. Harvey explains there are a lot of students attending, as well as the tuition of students attending elsewhere;
- OPEB Recommendation.

FY20 Budget recommendation presentation to the School Committee will be Wednesday, 12/19/18.

FY20 Budget - Enrollment Shift (enrollment data sent to towns on 10/26/18).

FY20 Budget: Calendar (draft) Department of Revenue has deadlines in place, HWRSD has been consistent about timely application. Dr. Harvey invites all members to attend this and be heard in the process.

**5. Next Steps: budget development schedules and potential follow-up meeting later in cycle**

David Wanger inquires about per pupil costs. Discussion surrounding the purpose and usefulness of this information; standards, DESE methods and dissemination. David Wagner stresses the importance of his request given the decreasing enrollment and higher salaries for teachers. Further discussion about the information being requested, metrics, comparative issues, additional problems in relying on data, etc.

Michelle Bailey points out the District’s efforts to raise revenue, highlighting that HWRSD accepted middle school choice students this year. General update on school choice program.

Alex Begin points out that the towns and townspeople are often asking for information like cost per pupil, and suggest that it might be worth developing system to best provide this. Discussion regarding relevance of information, complexities, comparative data, statewide averages, other districts, etc. Gene Lee explains the complexities in comparing cost per pupil data. In order for HWRSD to provide the information requested, many variables need to be considered (level services could include various sports, special ed services, LEP, etc.). PPE data is useful for locating trends, but becomes challenging to qualify every element.

Alex Begin and Josph Domelowicz Jr. reiterate the importance of the information and ask for HWRSD Committee Members’ opinions and guidance to best approach and understand this information.

David Polito reviews the 2017 DESE data on cost per pupil:

State average:	\$16,014 state average
HW:	\$17,600
Ipswich:	\$17,100
Manchester/Essex:	\$17,400

David Wagner requests HWRSD balance the desirability of a fine education system, population, and the numerous concerns and priorities of the towns. Further discussion regarding demographics of towns, out-of-district placements, programs to save money, etc.

Discussion regarding the recently implemented program in HWRSD to meet the needs of students who would otherwise be placed out-of-district. This allowed 9 students to remain in district this year - a significant savings compared to the costs of out-of-district placements. Towns are in support of these initiatives and proper investments in programs like these will help everyone. Request of HWRSD to provide more detailed updates and explanations regarding the hiring of teachers, savings associated, projected costs, and future steps.

Update: Cutler School Statement of Interest. Meeting and tour of Cutler occurred 10/12/2018 and the District has not yet heard back.

## **6. Vote to Adjourn**

**I MOVE TO ADJOURN THE HAMILTON-WENHAM REGIONAL SCHOOL COMMITTEE MEETING AT 8:25 PM.**

**MOTION by Gene Lee; SECONDED by Jeanise Bertrand.  
Unanimously approved by 6 members present.**

*Wenham FINCOM motions and meeting adjourns at 8:25pm.  
Hamilton FINCOM motions and meeting adjourns at 8:25pm.*

### **Exhibits:**

- Town of Wenham Board of Selectmen and Finance & Advisory Committee Agenda
- Wenham Budget Forecast
- Town of Hamilton FY20 Budget Preview
- Hamilton Wenham Regional School District Packet
- FY2020 Budget Preparation & Town Meeting Schedule [Budget Development Phase] 12.04.2018

*Respectfully submitted by Mahala Lettvin this 7th day of January, 2019.*