

Hamilton-Wenham Regional School District Committee

Jan. 30, 2014

Minutes

CALL TO ORDER: Roger Kuebel opened the meeting at 7:33 p.m. in the Center Building.

PRESENT: Jeanise Bertrand, Bill Dery, Deb Evans, Roger Kuebel (chair) (arrived 9:50), Barbara Lawrence, Sheila MacDonald, Larry Swartz, Bill Wilson (vice-chair)

ALSO PRESENT: Dr. Michael Harvey, Superintendent; Dr. Celeste Bowler, Assistant Superintendent for Learning; Jeff Sands, Assistant Superintendent for Finance & Administration

ABSENT: Sean Condon

CITIZENS' CONCERNS: None

CONSENT AGENDA: B. Wilson requested a correction to the draft minutes of Jan. 30, which erroneously stated that he opened the meeting.
Minutes of January 30, 2014

DEB EVANS MADE A MOTION THAT THE HW REGIONAL SCHOOL COMMITTEE VOTE TO APPROVE ALL OF THE REMAINING ITEMS ON THE CONSENT AGENDA WITH THE ONE AMENDMENT THAT ROGER KUEBEL OPENED THE MEETING. SHEILA MACDONALD SECONDED THE MOTION. THE MOTION PASSED 7-0-0-2.

COMMITTEE REPORTS:

Audit J. Sands said the district's auditors Powers & Sullivan would meet with administrators the week after this meeting to review the FY13 end-of-year report.

Facilities Dr. Harvey reported that the Massachusetts School Building Authority has accepted proposed projects at Winthrop and Buker into the facilities repair program; roughly \$1.2 million (about 44 percent) of the projected costs will be borne by the state. Bid documents are to be issued soon.

Negotiations This subcommittee was to brief the full Committee in executive session after the regular meeting. D. Evans noted that 2 February meetings have been scheduled.

Policy None

Warrant None

Student Rep.

None

Other

Dr. Harvey projected that the report of the master plan committee would be ready in six weeks. In February the committee is to circulate reports on demographics, and on visioning sessions; meetings to gather feedback are to take place in early March.

OLD BUSINESS:

Report on meeting with BOS & Fin Com Chairs

Dr. Harvey reported that both Towns' boards of selectmen (BOS) and finance committees want HWRSD to return \$1.2 million of excess funds to the Towns immediately, and commit to applying another \$300,000 in excess funds to reduce the FY15 assessments. They also ask that the district increase its budget no more than 4% in FY15, compared to FY14. Hamilton Selectman Marc Johnson Wenham Selectman Ken Whittaker, addressing the Committee from the floor, elaborated on Dr. Harvey's summary report, and thanked the Committee for taking budget issues seriously and discussing them transparently. K. Whittaker said the Wenham BOS supports full-day kindergarten in principle, but with the tax rate approaching the top 10 in the state, does not want the district not to increase programs, but rather to focus on holding programs level with equal or decreased spending, and on addressing root problems and inefficiencies that he said are factors in the district's high per pupil cost.

Discuss & make tentative decision on items to add to or remove from budget

J. Sands distributed photocopies of PowerPoint slides with revised program recommendations and budget scenarios. (The slides are appended to these minutes.) He the rationale for reducing the budget in some categories, compared to the FY15 tentative budget presented earlier. [Rationales are summarized below in brackets.] These proposed changes would reduce by \$351,000 (compared to earlier drafts of the FY15 budget) the cost of a "level services budget" that would maintain current staffing and programming in FY15.

- \$124,000 reduction in staff healthcare budget [per healthcare consultant's updated recommendation]
- \$172,000 reduction (total) in three teacher retirement-related line items [tentative budget was drafted without knowledge of number of teachers who would retire in FY14; administration now knows the number is 4]
- \$25,000 reduction in administrative staffing budget [because full-time equivalent positions were overstated in original draft]
- \$14,000 decrease in regional retirement board appropriation [by paying early in the year to obtain discount]
- \$9,000 decrease in technology costs [the same software was budgeted in multiple accounts]
- \$7,000 decrease in budget for securing insurance rate guarantee [lower rate was negotiated]

Discussion followed about whether administrators have found and eliminated all budget duplications and errors.

J. Sands then explained Dr. Harvey's recommendation that the Committee also include \$535,000 in the FY15 budget (\$76,000 less than the \$611,000 he had proposed earlier) to institute full-day kindergarten for all students (eliminating the current system in which families pay tuition for full-day classes), a "1 to 1" technology program in two high school grades, and facilities and maintenance projects and technology upgrades. This revised "priority overlay" budget sets the budget for full-day kindergarten at \$260,000, not the originally proposed \$336,000 [because administrators found their initial estimates of kindergarten revenue were too high, which skewed the calculation of the net cost of providing full-day services to all students at no charge to families].

He presented adjusted net target budget lines (slide 3 of the appended budget document) and the revised net operating budget with expense offsets (slide 4), and a revised 2-year outlook (slide 5) that projects an increase in the assessments to the Towns for FY15 slightly below the 4% limit requested by the Towns' boards.

Presentation by Jeff Sands on current FY14 Projection

Finally, he explained two scenarios (appended) for use of excess funds, and how the budget and Towns' assessments would play out in FY16 in each scenario. His presentation and discussion that followed touched on topics including state stipulations about local districts' use of excess funds; why the Committee did not return excess funds to the Towns in fall 2013; various timetables for using such funds to offset Town expenses, to "smooth" increases in tax rates; that the excess and deficiency account (E&D) is an accounting mechanism, not an actual separate fund; and the projection that at the close of FY14 there will be \$900,000 in excess funds from the current year's budget.

Discussion and make tentative decision on use of FY14 excess and certified E&D

He detailed the FY15 technology budget proposal, in response to a R. Kuebel's request at an earlier meeting. (The information sheet he distributed is appended to these minutes.)

He detailed the FY15 maintenance budget proposal (also appended). In extensive discussion the Committee discussed whether to expand maintenance staff, which currently consists of one director who hires contractors to execute much of the maintenance work; if so, how many to hire, and on what timeline; how many vehicles they would need; and how such hiring might relate to a joint public works department with the town, which is in the planning stages but may take months or years to take effect.

R. Kuebel arrived at 9:50 p.m. during this discussion and chaired the remainder of the meeting; at his request J. Sands and others recapped for him the discussion prior to his arrival.

B. Dery contested some costs and details J. Sands had presented. K. Whittaker indicated openness to a budget increase slightly above 4% in order to bring maintenance staff on board to maintain buildings recently repaired at considerable expense. The Committee made no official decision about how many maintenance hires to budget for, but in a straw poll, a majority of the members present supported hiring two maintenance workers at the start of FY15 and a third worker halfway through that fiscal year, and leasing 3 vehicles.

In discussion, Committee members commented on other topics including the lack of discussion at this meeting of educational issues, and the absence in the updated budget of funding to upgrade school security. Dr. Harvey and J. Sands recommended assessing school security; Dr. Harvey said the police department's recommendations may go further than he would consider reasonable in some ways.

VOTE TO ADJOURN TO EXECUTIVE SESSION:

BILL WILSON MADE A MOTION THAT THE HW REGIONAL SCHOOL COMMITTEE VOTE TO ADJOURN TO EXECUTIVE SESSION TO UPDATE THE FULL SCHOOL COMMITTEE ON NEGOTIATIONS AND NOT TO RETURN TO OPEN SESSION. A ROLL CALL VOTE WAS TAKEN:

Jeanise Bertrand Y	Deb Evans Y	Sheila MacDonald Y
Sean Condon A	Roger Kuebel Y	Larry Swartz Y
Bill Dery N	Barbara Lawrence Y	Bill Wilson Y

THE MOTION PASSED 7-1-0-1.

The regular meeting ended at 10:32 p.m. and the Committee adjourned to executive session.

DOCUMENTS AND EXHIBITS USED AT THIS MEETING:

FY15 Budget Discussion PowerPoint slides, January 30, 2014 (5 slides)
FY15 Budget Scenario Planning: 2 Year Outlook (Towns) (1 slide)
HWRSD FY15 Recommended Budget 1/3/14—Technology Districtwide Summary (1 page)
HWRSD FY15 Recommended Budget 1/3/14—Maintenance Districtwide Summary (5 pages)

Respectfully submitted,
Ann Sierks Smith, School Committee recording secretary