



# HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

Buker Elementary School  
Multi-Purpose Room

Thursday, February 6, 2014

7:00 PM

Amended

1. **Call to Order** 7:00
2. **Pledge of Allegiance**
3. **Citizens' Concerns** 7:05
4. **Chair's Report** 7:30
  - A. Meeting with Joint Finance Committees 2.12.14 (tent.)
  - B. Proposal from Wenham Town Clerk on SC nomination procedures
  - C. Discussion of SC size on 2.13.14
5. **Superintendent's Report** 7:45
  - A. Boston Globe Scholastic Art Awards
6. **Consent Agenda** 7:50
  - a. Minutes of January 30, 2014 Meeting Exhibit A
7. **Committee Reports** 8:00
  - a. Audit
  - b. Facilities
  - c. Negotiations
  - d. Policy
  - e. Warrant
  - f. Student Rep.
  - g. Other
8. **Old Business** 8:15
  - a. 2<sup>nd</sup> Reading of Policies
    - i. Consultant Exhibit C
    - ii. Developing Education Specification Exhibit D
    - iii. Safety Program Exhibit E
    - iv. Staff Accident Reports Exhibit F
    - v. Facilities Planning Exhibit G
9. **New Business** 8:45
  - a. Presentation by Jeff Sands on Current FY14 projection
  - b. Opportunity for Public Comment on FY15 Budget
  - c. Discussion and possible motion regarding the use of certified excess and deficiency funds
  - d. Discussion of regarding specific items in FY15 Budget, including maintenance
10. **Vote to Adjourn** 9:30

Knowledge • Responsibility • Respect • Excellence

The District does not discriminate in its programs, activities or employment practices based on race, color, national origin, religion, gender, sexual orientation, age or disability.

The Hamilton-Wenham Regional School District School Fine Arts Department is proud to announce that our students have received four gold keys, eight silver keys and twelve honorable mentions in the Boston Globe Scholastic Art Awards 2014. The Scholastic Art Awards are a national awards program sponsored by The Alliance For Young Artists and Writers and Scholastic Educational Magazines, Inc. Locally the Boston Globe Scholastic Art Awards are presented by the School of the Museum of Fine Arts, Boston.

At Hamilton-Wenham Regional High School Katie Boyd, Hannah Kwon, Callie Mastrianni and Emily Nelson received Gold Keys, the highest honor. Fiona Collins, Matt Gillis, Zach Grimshaw, Tony Pham, Madison Poore, and Colby Poulin received Silver Keys. Katie Boyd, Fiona Collins, Hannah Farnham, Matt Gillis, Trevor Jones, Erin Moloney, Tony Pham, Colby Poulin, Jonathan Prescott and Chase Schaub all received Honorable Mentions. Katie Boyd was also awarded an Honorable Mention for her Art Portfolio.

At Miles River Middle School Jack Delorenzo and Ben Leach received Honorable Mentions. Congratulations to all award winners!

Images of the award winning artwork can be found at <http://hwfinearts.blogspot.com/>

**Friday, March 7 - Sunday, March 30, 2014**

*GOLD KEY EXHIBITION*

This year's exhibition honoring all Gold Key winning work will be held at Boston City Hall in Government Plaza. Visiting hours will be Monday through Friday, 9:00am – 5:00pm.

**Hamilton-Wenham Regional School District Committee**

**Jan. 30, 2014**

**Minutes**

**CALL TO ORDER:** Bill Wilson 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  
Minutes of January 30, 2014 erroneously stated that he opened the meeting.

**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

HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT  
WENHAM, MA

EXHIBIT C

CONSULTANTS

Consultants and other appropriate resource personnel may be used to augment the District's personnel when needed and recommended by the Superintendent of Schools, and consistent with the School Committee approved budget. When appropriate, consultants and resource personnel should be CORI checked.

Policy Review: 1<sup>st</sup> Reading: January 16, 2014  
2<sup>nd</sup> Reading

Policy Adopted:

Vote:

Chairperson, HWRSD School Committee: Roger Kuebel  
(Original Signature on file in the Superintendent's Office)

HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT  
WENHAM, MA

EXHIBIT D

DEVELOPING EDUCATIONAL SPECIFICATIONS

The Superintendent will direct the preparation of educational specifications to apply when planning, renovating, outfitting, and building school facilities.

The Superintendent shall recommend the educational specifications to the School Committee for its approval before transmission to the Facilities Working Group. Such educational specifications will include at least the following:

1. Description of the students to be housed based on demographic projections,
2. The types of educational activities,
3. The description of furniture and equipment needed, and
4. The relationships among areas of plant and site.

Policy Review: 1<sup>st</sup> Reading: January 16, 2014  
2<sup>nd</sup> Reading

Policy Adopted:

Vote:

Chairperson, HWRSD School Committee: Roger Kuebel  
(Original Signature on file in the Superintendent's Office)

HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT  
WENHAM, MA

EXHIBIT E

SAFETY PROGRAM

The District is entrusted with providing a safe and healthy learning environment and will take into account a wide range of possible threats and hazards that may impact the school community.

Within a reasonable time period, the District will comply with safety requirements established by governmental authorities and expect that its staff will adhere to recommended safety practices.

The Superintendent will have overall responsibility for the safety program of the District. The Superintendent will ensure that appropriate staff members are kept informed of current state and local requirements relating to fire prevention, civil defense, sanitation, public health, and occupational safety.

The practice of safety will also be considered a facet of the instructional program of the schools. Instruction will be provided in accident prevention as well as fire prevention; emergency procedures; and bus safety.

LEGAL REF.: M.G.L. 71:55C

Policy Review: 1<sup>st</sup> Reading: January 16, 2014  
2<sup>nd</sup> Reading

Policy Adopted:

Vote:

Chairperson, HWRSD School Committee: Roger Kuebel  
(Original Signature on file in the Superintendent's Office)

HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT  
WENHAM, MA

EXHIBIT F

STAFF ACCIDENT REPORTS

The School Committee expects the Superintendent to have a procedure in place that informs staff members of their rights and obligations should an accident or injury occur during working hours.

PLEASE NOTE:

All school personnel who receive any kind of injury on the school premises are required to file a written report of said accident within 24 hours. Forms for this purpose are available at the office of each Principal. Failure to follow this procedure may jeopardize eligibility for Workmen's Compensation. Specific instructions for documenting and filing a workman's compensation claim are located in the Nursing Department Policy and Procedure Manual found in each nursing office and front office of a school.

Policy Review: 1<sup>st</sup> Reading: January 16, 2014  
2<sup>nd</sup> Reading

Policy Adopted:

Vote:

Chairperson, HWRSD School Committee: Roger Kuebel  
(Original Signature on file in the Superintendent's Office)

HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT  
WENHAM, MA

EXHIBIT G

FACILITIES PLANNING

The Facilities Working Group has the following responsibilities:

1. To study and make recommendations to the School Committee with respect to school building needs including systematic and preventative maintenance.
2. To review thoroughly with the Superintendent and the School Committee the educational requirements in relation to school buildings.
3. To review previous studies and recommend additional studies as needed to the School Committee.

LEGAL REFS:

M.G.L. 71:16; and 16A; 71:68; 71:70

Chapter 208 of the acts of 2004, "An Act Relative to School Building Assistance" (July 26, 2004)

Chapter 30A

Board of Education 603 CMR, 38:00 and 603 CMR 26:07

MASC

Policy Review: 1<sup>st</sup> Reading: January 16, 2014  
2<sup>nd</sup> Reading

Policy Adopted:

Vote:

Chairperson, HWRSD School Committee: Roger Kuebel  
(Original Signature on file in the Superintendent's Office)

EXHIBIT H



# HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

*FY14 Forecast  
School Committee Meeting  
February 6, 2014*

Prepared by:

Jeffrey D. Sands, Assistant Superintendent for Finance & Administration

Vincent Leone, District Accountant



# FY14 Forecast – Actuals as of 12/31/13

## Overview & *Key Assumptions*

- Salary Costs
  - Incorporates Actual Costs through 12/31/13 plus all known encumbrances.
  - Includes forecasted values for all Costs not automatically encumbered through June 30, 2014 including; long term substitutes (current and projected), daily substitutes, overtime, etc.
- Operating Costs
  - Incorporates Actual Costs through 12/31/13 plus all known encumbrances.
  - Assumes Healthcare Costs will end the year \$900,000 favorable to Budget.
  - Includes estimated values for all Costs not automatically encumbered through June 30, 2014 including; school discretionary spending; transportation, out-of-district tuition, maintenance, technology, etc.

Our Q2 Forecast projects that we will end the Fiscal Year ~\$900,000 favorable to Budget. The forecasted variance is entirely attributable to savings projected in our Healthcare Accounts.



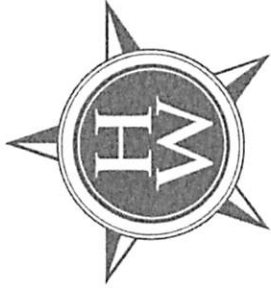
# FY14 Q2 Forecast – Actuals as of 12/31/13

Annual Forecast as of December 31, 2013  
50% of Fiscal Year  
43% of School Year

By School	FY13 Budget	FY13 Actual	FY14 Appr. Budget	FY14 Adj. Budget	FY14 YE Projection	FY14 Over/Under
Buker	\$2,419,801	\$2,221,203	\$2,305,257	\$2,223,668	\$2,184,640	\$39,028
Cutler	\$2,410,738	\$2,356,207	\$2,421,813	\$2,503,402	\$2,527,020	(\$23,618)
Winthrop	\$2,709,917	\$2,787,223	\$2,853,110	\$2,876,304	\$2,958,270	(\$81,966)
MRMS	\$4,176,508	\$4,057,510	\$4,081,583	\$3,996,878	\$3,944,934	\$51,944
HWRHS	\$6,272,847	\$5,491,672	\$5,954,263	\$5,939,138	\$5,699,324	\$239,813
Athletics	\$255,160	\$218,756	\$301,856	\$301,856	\$303,770	(\$1,914)
Special Ed	\$2,735,183	\$2,317,943	\$2,575,724	\$2,575,724	\$2,727,580	(\$151,856)
Central Office	\$2,304,113	\$2,295,293	\$2,296,395	\$2,296,395	\$2,178,018	\$118,377
Fringe Benefits	\$4,189,001	\$4,053,857	\$4,498,518	\$4,498,518	\$3,617,263	\$881,255
Maintenance	\$739,733	\$811,109	\$474,833	\$474,833	\$544,312	(\$69,479)
Technology	\$671,565	\$569,634	\$530,434	\$607,070	\$707,956	(\$100,886)
<b>Total:</b>	<b>\$28,884,564</b>	<b>\$27,180,406</b>	<b>\$28,293,786</b>	<b>\$28,293,786</b>	<b>\$27,393,088</b>	<b>\$900,698</b>

By DESE Category	FY13 Budget	FY13 Actual	FY14 Appr. Budget	FY14 Adj. Budget	FY14 YE Projection	FY14 Over/Under
Administration	\$1,111,485	\$983,982	\$1,093,916	\$1,093,916	\$968,258	\$125,658
Capital, Operations	\$1,952,633	\$2,030,889	\$1,725,331	\$1,725,331	\$1,782,760	(\$57,429)
Guidance, Counsel	\$1,120,825	\$946,480	\$1,050,590	\$1,050,590	\$1,071,764	(\$21,174)
Inst. Materials	\$899,007	\$836,642	\$724,033	\$724,033	\$794,058	(\$70,025)
Instructional Leaders	\$1,936,711	\$2,048,309	\$2,174,825	\$2,287,461	\$2,333,222	(\$45,761)
Insurance, Retirement	\$4,247,124	\$4,118,427	\$4,569,318	\$4,569,318	\$3,699,325	\$869,993
Other Teaching Services	\$2,528,302	\$2,365,514	\$2,520,340	\$2,520,340	\$2,415,772	\$104,567
Prof. Dev.	\$213,566	\$174,894	\$130,899	\$130,899	\$130,903	(\$4)
Pupil Services	\$1,551,673	\$1,492,722	\$1,615,120	\$1,615,120	\$1,651,722	(\$36,603)
Teachers	\$11,912,912	\$10,781,781	\$11,179,124	\$11,066,488	\$10,914,878	\$151,610
Tuitions	\$1,410,325	\$1,400,766	\$1,510,290	\$1,510,290	\$1,630,425	(\$120,135)
<b>Grand Total</b>	<b>\$28,884,564</b>	<b>\$27,180,406</b>	<b>\$28,293,786</b>	<b>\$28,293,786</b>	<b>\$27,393,088</b>	<b>\$900,698</b>

EXHIBIT I



HAMILTON-WENHAM  
REGIONAL SCHOOL DISTRICT

*FY15 Budget Discussion*  
*School Committee Meeting*  
*February 6, 2014*

Prepared by:

Dr. Michael Harvey, Superintendent of Schools

Jeffrey D. Sands, Assistant Superintendent for Finance & Administration



# FY15 Budget

## *Superintendent's Recommendation*

What is the Recommendation for FY15?

Level Service PLUS an investment in Priority Overlays

What Does "Level Service" Mean?

*Level Service is a continuation of the current programs and staffing of the District.*

Our Level Service Budget Recommendation translates into an increase in our Net Operating Expenditures of \$485,000 or 1.8% as compared to FY14 Forecast.



# FY15 Budget

## *Superintendent's Recommendation*

What is included in the Priority Overlay Recommendation?

We are recommending that additional funding be approved to cover the costs associated with the following:

- Full Day Kindergarten (\$260,000)
- High School 1 to 1 iPad Implementation (\$75,000)
- Classroom Technology Upgrades (\$100,000)
- Facilities & Maintenance Projects (\$100,000)
- New Maintenance Staff & Equipment (\$190,000)

Recommended Priority Overlay funding represents an increase in our Net Operating Expenditures of \$725,000 or 2.8% as compared to FY14 Forecast.

Any other Priority Initiatives, including COLA Adjustments, must be funded using existing Budgeted dollars.



# FY15 Budget

## *Superintendent's Recommendation*

A Recommended increase of \$485,000 (or 1.8%) in our Level Service Budget PLUS an investment in Priority Overlays of \$725,000 (or 2.8%) represents an overall increase in our Net Operating Expenditures of \$1,210,000 or 4.6% as compared to FY14 Forecast.

	FY14 BUD	FY14 FORE	FY15 BUD	FY16 FORE	FY15B vs FY14F	
Gross Operating Expenses	\$ 28,293,786	\$ 27,393,786	\$ 28,420,062	\$ 29,180,062	\$ 1,026,275	3.7%
Expense Offsets	\$ 1,171,200	\$ 1,171,200	\$ 987,200	\$ 987,200	\$ (184,000)	-15.7%
Net Operating Expenses	\$ 27,122,586	\$ 26,222,586	\$ 27,432,862	\$ 28,192,862	\$ 1,210,275	4.6%
Debt Service Expense	\$ 1,841,735	\$ 1,841,735	\$ 1,970,392	\$ 1,970,392	\$ 128,657	7.0%
<b>TOTAL EXPENDITURES</b>	<b>\$ 28,964,321</b>	<b>\$ 28,064,321</b>	<b>\$ 29,403,254</b>	<b>\$ 30,163,254</b>	<b>\$ 1,338,932</b>	<b>4.8%</b>



# FY15 Budget Cost Savings Review

In order to fund other Priority Initiatives, including COLA Adjustments, our Recommended Budget assumes that we will use existing FY15 Budgeted dollars.

As a result, we are in the process of conducting an in-depth review of existing Staff, Programs and Controllable Costs, including:

- School Choice
- MRMS Teaming Model
- 6 – 12 Curriculum & Instruction Model
- Special Education
- Administrative Support
- Healthcare Costs



# FY15 Budget

## *Timeline & Next Steps*

### Completed:

- December 5, 2013: Superintendent's Recommended Budget Presentation
- December 19, 2013: Overlay Budget Presentations
- December 20, 2013: Distribute Preliminary Budget Book to School Committee
- January 6, 2014: Continuation of Budget Overlay Discussions
- January 9, 2014: RHS Class Size Review & Overlay Discussions
- January 9, 2014: School Committee Adopts Tentative FY15 Budget
- January 13, 2014: Mailed Tentative FY15 Budget to Towns
- January 13, 2014: Advertised FY15 Budget Public Hearing for 1/23/14
- January 16, 2014: Continuation of FY15 Budget Targets and Overlay Discussions
- January 23, 2014: Public Hearing on School Choice
- January 23, 2014: Public Hearing on School Committee FY15 Budget
- January 30, 2014: Continuation of FY15 Budget Targets and Overlay Discussions
- February 3, 2014: Distributed Updated Budget Book to School Committee and Towns

### Scheduled:

- February 6, 2014: Continuation of FY15 Budget Targets, Overlays, and E&D Discussions
- February 13, 2014: School Committee votes to Adopt FY15 Budget
- April 5, 2014: Hamilton and Wenham Annual Town Meetings



# Excess & Deficiency Discussion

2/6/2014

FY15 Budget MASTER 020614



# FY15 Budget

## Scenario Planning: 2 Year Outlook (Current)

	FY14 BUD	FY14 FORE	FY15 BUD	FY16 FORE	FY15B vs FY14F		FY15B vs FY14B		FY16F vs FY15B	
Gross Operating Expenses	\$ 28,293,786	\$ 27,393,786	\$ 28,420,062	\$ 29,180,062	\$ 1,026,275	3.7%	\$ 126,275	0.4%	\$ 760,000	2.7%
Expense Offsets	\$ 1,171,200	\$ 1,171,200	\$ 987,200	\$ 987,200	\$ (184,000)	-15.7%	\$ (184,000)	-15.7%	\$ -	0.0%
Net Operating Expenses	\$ 27,122,586	\$ 26,222,586	\$ 27,432,862	\$ 28,192,862	\$ 1,210,275	4.6%	\$ 310,275	1.1%	\$ 760,000	2.8%
Debt Service Expense	\$ 1,841,735	\$ 1,841,735	\$ 1,970,392	\$ 1,970,392	\$ 128,657	7.0%	\$ 128,657	7.0%	\$ -	0.0%
<b>TOTAL EXPENDITURES</b>	<b>\$ 28,964,321</b>	<b>\$ 28,064,321</b>	<b>\$ 29,403,254</b>	<b>\$ 30,163,254</b>	<b>\$ 1,338,932</b>	<b>4.8%</b>	<b>\$ 438,932</b>	<b>1.5%</b>	<b>\$ 760,000</b>	<b>2.6%</b>

Total Funding Sources										
	FY 14 BUD	FY 14 FORE	FY15 BUD	FY16 FORE	FY15B vs FY14F CHG		FY15 vs FY14 CHG		FY16 vs FY15 CHG	
<i>Revenues</i>										
Chapter 70-Base Aid	\$ 3,370,416	\$ 3,370,416	\$ 3,413,341	\$ 3,413,341	\$ 42,925	1.3%	\$ 42,925	1.3%	\$ -	0.0%
MSBA Debt Service Reimb	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
State Transportation Reimb	\$ 251,000	\$ 251,000	\$ 290,000	\$ 290,000	\$ 39,000	15.5%	\$ 39,000	15.5%	\$ -	0.0%
Medicaid Reimbursement	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Interest Income	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 4,842,481</b>	<b>\$ 4,842,481</b>	<b>\$ 4,924,406</b>	<b>\$ 4,924,406</b>	<b>\$ 81,925</b>	<b>1.7%</b>	<b>\$ 81,925</b>	<b>1.7%</b>	<b>\$ -</b>	<b>0.0%</b>
<i>Transfers In From Other Funds</i>										
Excess and Deficiency (1)	\$ 596,000	\$ 596,000	\$ 1,519,443	\$ -	\$ 923,443	154.9%	\$ 923,443	154.9%	\$ (1,519,443)	-100.0%
<b>Total Transfers</b>	<b>\$ 596,000</b>	<b>\$ 596,000</b>	<b>\$ 1,519,443</b>	<b>\$ -</b>	<b>\$ 923,443</b>	<b>154.9%</b>	<b>\$ 923,443</b>	<b>154.9%</b>	<b>\$ (1,519,443)</b>	<b>-100.0%</b>
<b>Total Funding Sources</b>	<b>\$ 5,438,481</b>	<b>\$ 5,438,481</b>	<b>\$ 6,443,849</b>	<b>\$ 4,924,406</b>	<b>\$ 1,005,368</b>	<b>18.5%</b>	<b>\$ 1,005,368</b>	<b>18.5%</b>	<b>\$ (1,519,443)</b>	<b>-23.6%</b>
<b>Total Expenditures</b>	<b>\$ 28,964,321</b>	<b>\$ 28,064,321</b>	<b>\$ 29,403,254</b>	<b>\$ 30,163,254</b>	<b>\$ 1,338,932</b>	<b>4.8%</b>	<b>\$ 438,932</b>	<b>1.5%</b>	<b>\$ 760,000</b>	<b>2.6%</b>
<b>Less Total Funding Sources</b>	<b>\$ 5,438,481</b>	<b>\$ 5,438,481</b>	<b>\$ 6,443,849</b>	<b>\$ 4,924,406</b>	<b>\$ 1,005,368</b>	<b>18.5%</b>	<b>\$ 1,005,368</b>	<b>18.5%</b>	<b>\$ (1,519,443)</b>	<b>-23.6%</b>
<b>NET TARGET/ASSESSMENT</b>	<b>\$ 23,525,840</b>	<b>\$ 22,625,840</b>	<b>\$ 22,959,405</b>	<b>\$ 25,238,848</b>	<b>\$ 333,564</b>	<b>1.5%</b>	<b>\$ (566,436)</b>	<b>-2.4%</b>	<b>\$ 2,279,443</b>	<b>9.9%</b>

(1) FY13 E&D Certified at \$1.519M. Assumes \$0 applied to FY14F and \$1.519M applied to FY15B. Assumes FY14 E&D to be Certified at ~\$900K or equal to SC Policy therefore \$0 applied to FY16B.

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FY15 Budget MASTER 020614



# FY15 Budget

## Scenario Planning: 2 Year Outlook (Towns)

	FY14 BUD	FY14 FORE	FY15 BUD	FY16 FORE	FY15B vs FY14F		FY15B vs FY14B		FY16F vs FY15B	
Gross Operating Expenses	\$ 28,293,786	\$ 27,393,786	\$ 28,420,062	\$ 29,180,062	\$ 1,026,275	3.7%	\$ 126,275	0.4%	\$ 760,000	2.7%
Expense Offsets	\$ 1,171,200	\$ 1,171,200	\$ 987,200	\$ 987,200	\$ (184,000)	-15.7%	\$ (184,000)	-15.7%	\$ -	0.0%
Net Operating Expenses	\$ 27,122,586	\$ 26,222,586	\$ 27,432,862	\$ 28,192,862	\$ 1,210,275	4.6%	\$ 310,275	1.1%	\$ 760,000	2.8%
Debt Service Expense	\$ 1,841,735	\$ 1,841,735	\$ 1,970,392	\$ 1,970,392	\$ 128,657	7.0%	\$ 128,657	7.0%	\$ -	0.0%
<b>TOTAL EXPENDITURES</b>	<b>\$ 28,964,321</b>	<b>\$ 28,064,321</b>	<b>\$ 29,403,254</b>	<b>\$ 30,163,254</b>	<b>\$ 1,338,932</b>	<b>4.8%</b>	<b>\$ 438,932</b>	<b>1.5%</b>	<b>\$ 760,000</b>	<b>2.6%</b>
<b>Total Funding Sources</b>										
	FY 14 BUD	FY 14 FORE	FY15 BUD	FY16 FORE	FY15B vs FY14F CHG		FY15 vs FY14 CHG		FY16 vs FY15 CHG	
<i>Revenues</i>										
Chapter 70-Base Aid	\$ 3,370,416	\$ 3,370,416	\$ 3,413,341	\$ 3,413,341	\$ 42,925	1.3%	\$ 42,925	1.3%	\$ -	0.0%
MSBA Debt Service Reimb	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
State Transportation Reimb	\$ 251,000	\$ 251,000	\$ 290,000	\$ 290,000	\$ 39,000	15.5%	\$ 39,000	15.5%	\$ -	0.0%
Medicaid Reimbursement	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Interest Income	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 4,842,481</b>	<b>\$ 4,842,481</b>	<b>\$ 4,924,406</b>	<b>\$ 4,924,406</b>	<b>\$ 81,925</b>	<b>1.7%</b>	<b>\$ 81,925</b>	<b>1.7%</b>	<b>\$ -</b>	<b>0.0%</b>
<i>Transfers In From Other Funds</i>										
Excess and Deficiency (1)	\$ 596,000	\$ 1,796,000	\$ 319,443	\$ -	\$ (1,476,557)	-82.2%	\$ (276,557)	-46.4%	\$ (319,443)	-100.0%
<b>Total Transfers</b>	<b>\$ 596,000</b>	<b>\$ 1,796,000</b>	<b>\$ 319,443</b>	<b>\$ -</b>	<b>\$ (1,476,557)</b>	<b>-82.2%</b>	<b>\$ (276,557)</b>	<b>-46.4%</b>	<b>\$ (319,443)</b>	<b>-100.0%</b>
<b>Total Funding Sources</b>	<b>\$ 5,438,481</b>	<b>\$ 6,638,481</b>	<b>\$ 5,243,849</b>	<b>\$ 4,924,406</b>	<b>\$ (1,394,632)</b>	<b>-21.0%</b>	<b>\$ (194,632)</b>	<b>-3.6%</b>	<b>\$ (319,443)</b>	<b>-6.1%</b>
<b>Total Expenditures</b>	<b>\$ 28,964,321</b>	<b>\$ 28,064,321</b>	<b>\$ 29,403,254</b>	<b>\$ 30,163,254</b>	<b>\$ 1,338,932</b>	<b>4.8%</b>	<b>\$ 438,932</b>	<b>1.5%</b>	<b>\$ 760,000</b>	<b>2.6%</b>
<b>Less Total Funding Sources</b>	<b>\$ 5,438,481</b>	<b>\$ 6,638,481</b>	<b>\$ 5,243,849</b>	<b>\$ 4,924,406</b>	<b>\$ (1,394,632)</b>	<b>-21.0%</b>	<b>\$ (194,632)</b>	<b>-3.6%</b>	<b>\$ (319,443)</b>	<b>-6.1%</b>
<b>NET TARGET/ASSESSMENT</b>	<b>\$ 23,525,840</b>	<b>\$ 21,425,840</b>	<b>\$ 24,159,405</b>	<b>\$ 25,238,848</b>	<b>\$ 2,733,564</b>	<b>12.8%</b>	<b>\$ 633,564</b>	<b>2.7%</b>	<b>\$ 1,079,443</b>	<b>4.5%</b>

(1) FY13 E&D Certified at \$1.519M. Assumes \$1.2M applied to FY14F and \$319K applied to FY15B. Assumes FY14 E&D to be Certified at ~\$900K or equal to SC Policy therefore \$0 applied to FY16B.

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FY15 Budget MASTER 020614



# FY15 Budget

## Scenario Planning: 2 Year Outlook (SC Policy)

	FY14 BUD	FY14 FORE	FY15 BUD	FY16 FORE	FY15B vs FY14F		FY15B vs FY14B		FY16F vs FY15B		
Gross Operating Expenses	\$ 28,293,786	\$ 27,393,786	\$ 28,420,062	\$ 29,180,062	\$ 1,026,275	3.7%	\$ 126,275	0.4%	\$ 760,000	2.7%	
Expense Offsets	\$ 1,171,200	\$ 1,171,200	\$ 987,200	\$ 987,200	\$ (184,000)	-15.7%	\$ (184,000)	-15.7%	\$ -	0.0%	
Net Operating Expenses	\$ 27,122,586	\$ 26,222,586	\$ 27,432,862	\$ 28,192,862	\$ 1,210,275	4.6%	\$ 310,275	1.1%	\$ 760,000	2.8%	
Debt Service Expense	\$ 1,841,735	\$ 1,841,735	\$ 1,970,392	\$ 1,970,392	\$ 128,657	7.0%	\$ 128,657	7.0%	\$ -	0.0%	
TOTAL EXPENDITURES	\$ 28,964,321	\$ 28,064,321	\$ 29,403,254	\$ 30,163,254	\$ 1,338,932	4.8%	\$ 438,932	1.5%	\$ 760,000	2.6%	
Total Funding Sources											
	FY 14 BUD	FY 14 FORE	FY15 BUD	FY16 FORE	FY15B vs FY14F CHG		FY15 vs FY14 CHG		FY16 vs FY15 CHG		
Revenues											
Chapter 70-Base Aid	\$ 3,370,416	\$ 3,370,416	\$ 3,413,341	\$ 3,413,341	\$ 42,925	1.3%	\$ 42,925	1.3%	\$ -	0.0%	
MSBA Debt Service Reimb	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	
State Transportation Reimb	\$ 251,000	\$ 251,000	\$ 290,000	\$ 290,000	\$ 39,000	15.5%	\$ 39,000	15.5%	\$ -	0.0%	
Medicaid Reimbursement	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	
Interest Income	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	
Total Revenues	\$ 4,842,481	\$ 4,842,481	\$ 4,924,406	\$ 4,924,406	\$ 81,925	1.7%	\$ 81,925	1.7%	\$ -	0.0%	
Transfers In From Other Funds											
Excess and Deficiency (1)	\$ 596,000	\$ 596,000	\$ 619,443	\$ 900,000	\$ 23,443	3.9%	\$ 23,443	3.9%	\$ 280,557	45.3%	
Total Transfers	\$ 596,000	\$ 596,000	\$ 619,443	\$ 900,000	\$ 23,443	3.9%	\$ 23,443	3.9%	\$ 280,557	45.3%	
Total Funding Sources	\$ 5,438,481	\$ 5,438,481	\$ 5,543,849	\$ 5,824,406	\$ 105,368	1.9%	\$ 105,368	1.9%	\$ 280,557	5.1%	
Total Expenditures	\$ 28,964,321	\$ 28,064,321	\$ 29,403,254	\$ 30,163,254	\$ 1,338,932	4.8%	\$ 438,932	1.5%	\$ 760,000	2.6%	
Less Total Funding Sources	\$ 5,438,481	\$ 5,438,481	\$ 5,543,849	\$ 5,824,406	\$ 105,368	1.9%	\$ 105,368	1.9%	\$ 280,557	5.1%	
NET TARGET/ASSESSMENT	\$ 23,525,840	\$ 22,625,840	\$ 23,859,405	\$ 24,338,848	\$ 1,233,564	5.5%	\$ 333,564	1.4%	\$ 479,443	2.0%	

(1) FY13 E&D Certified at \$1.519M. Assumes \$0 applied to FY14F and \$619K applied to FY15B (\$ above Policy). Assumes FY14 E&D to be Certified at ~\$900K. Assumes \$900K applied to FY16B (\$ above Policy)

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# School Committee Policy

## **D4021 - RESERVE FUNDS**

The School Committee's objective is to maintain adequate reserves to ensure operational stability in the school district. Under normal circumstances the School Committee will target an E&D balance of 3% in developing its annual budget. These funds may be used to maintain a positive cash flow in an effort to avoid temporary borrowing, be available for unanticipated revenue short falls, and may be used to fund non-recurring or unforeseen expenditures that arise during the year.

If the E&D balance, as certified by the DOR, exceeds 3%, the School Committee will first determine if any of the excess is required for future needs. And any amount of excess that is not shall be returned to the towns as soon as practical. Consistent with state law this % will not exceed 5% of the current year's General Fund expenditures.