

**JOINT MEETING OF THE
HAMILTON-WENHAM REGIONAL DISTRICT SCHOOL COMMITTEE,
HAMILTON AND WENHAM TOWN SELECT BOARDS,
& TOWN FINANCE COMMITTEES**

APRIL 12, 2012

MINUTES

CALL TO ORDER

A. McCloughan called the School Committee meeting to order at 7:02 p.m. at the Buker Multipurpose Room. M. Martin called the meeting of the Wenham Board of Selectmen to order at 7:03 p.m. J. Scuteri called the meeting of the Hamilton Board of Selectmen to order at 7:03 p.m. J. McWane called the meeting of the Hamilton Finance & Advisory Committee to order at 7:03 p.m. A quorum of the Wenham Finance & Advisory Committee was not yet present; C. Harrison called that Committee to order at 7:15 p.m. upon establishment of a quorum.

PRESENT:

Sean Condon, Bill Dery, Kym Donnellan, Roger Kuebel, Alexa McCloughan, Ann Minois, Jack O'Keefe, Dacia Rubel, and Larry Swartz

ABSENT:

No one.

ALSO PRESENT:

Peter Gray, Superintendent of Schools; Alan Taupier, HWRSO Director of Information Technology; Hamilton selectmen Jennifer Scuteri (chair), Dave Carey, Jeff Hubbard (until 9:21), Marc Johnson (until 7:50), and Jeff Stinson; Wenham selectmen Molly Martins (chair), John Clemenzi, and Patrick Wilson; Hamilton Finance & Advisory Committee members John McWane (chair), William Boesch, and Laurie Wilson; Wenham Finance & Advisory Committee members Catherine Harrison (chair), Anne O'Connor, and Ted Richard; Michael Lombardo, Hamilton Town Manager; Jeff Chelgren, Wenham Town Administrator; Mark Andrews, incoming Wenham Interim Town Administrator; Paula Bartlett, Wenham Finance Director

PLEDGE OF ALLEGIANCE:

The committees and audience rose for the Pledge of Allegiance.

DISCUSSION OF FY13 BUDGET:

P. Gray gave a PowerPoint presentation about the proposed FY2013 budget. (The slides are appended to these minutes.) He provided summary information about budget financials, proposed new spending and planned staffing reductions revenue projections and comparisons with recent years, changes in procedures for management of revolving funds, projected town assessments compared to those of recent years, enrollment figures since 2002, and state certification of the district Excess & Deficiency (E&D) fund. Among the points he highlighted were these:

- The proposed \$28,311,717 FY13 operating budget (including a separate \$900,000 capital budget) would increase spending 4.15% compared to

FY12; without the capital expenses the increase would be less than 1%. The increase would be offset by excess funds already in district accounts.

- The budget would reduce student user fees by 20% and add \$10,000 to the student scholarship fund.
- Six special education (SPED) staff positions are to be eliminated (3 teachers and 3 teaching assistants).
- A committee is studying class scheduling at the high school and will evaluate whether scheduling changes could reduce costs.
- State aid to the district has risen slightly in the past 2 years.
- Revolving accounts were reconciled and revised during FY12 and new procedures are in place for correct allocation going forward.
- The total of the Town assessments (share of the cost of the District budget) was fairly level in recent years. The proposed FY2013 assessment to the two Towns would total \$22,624,201.
- Total district enrollment has declined since 2003. Elementary school enrollment fell from 965 in 2003 to 821 in FY12; middle school enrollment fell from 506 to 430. High school enrollment has been steady because students from other towns have been admitted through the school choice program.
- The state Department of Revenue (DOR) has certified the balance of unspent funds as of the end of FY11 at \$1.3 million. That sum will be placed in the Excess & Deficiency account (E&D). The Committee proposes leaving \$189,917 in that account and using the rest to fund capital projects in FY13 to help balance the FY13 budget. The Committee plans to stabilize the E&D level annually at approximately 3% of the total budget, with funds from the certified end-of-year balances. The Committee expects certification of that balance much earlier in FY13 than was the case in FY12. If the end-of-year surplus exceeds the sum needed to bring E&D to 3%, the Committee would give the additional funds back to the towns in the form of a reduced assessment for FY14.

At J. Scuteri's request P. Gray then summarized information provided to participants in a packet of documents prepared in response to questions by the Town boards, and he and Committee members discussed these matters with Town officials. (The questions and materials prepared in response are appended to these minutes.) The boards and Committee discussed at some length whether the District or Towns would propose a debt exclusion to raise money for repairs and upgrades to district buildings, and if so, whether some projects that the Committee considers high-priority (ADA upgrades at Cutler school, lighting upgrades for which utility rebates are currently available, and perhaps repairs and upgrades to the high school auditorium) should proceed in the interim and be paid for with funds on hand. They discussed whether the Committee would retain in E&D or give back to the towns any funds that are currently in the proposed FY13 budget, if the Committee decided to reduce the capital budget, and how big a "give-back" would be appropriate. They discussed whether the FY13 budget, which as

proposed would be offset by one-time funds, would increase the base budget and result in a spike in Town assessments in future years.

Additional comments and discussion touched on Town officials' desire to know the Committee's goals, plan, milestones, critical capital items, and who would monitor programs and spending; the Committee's desire for feedback from Town committee members about the capital projects the Committee is considering; the pros and cons of moving forward promptly with capital improvements using funds on hand, versus bonding to spread out the cost over 20 years; and Committee members' desire for Town officials to state clearly whether they would support the Committee's capital budget request. Discussion also included a FinCom members' urging of Town officials not to micromanage particular projects or line items of the District budget; a request for a rationale for increasing the IT budget, with different information than that provided at this meeting; enrollment figures, student/teacher ratios, declining enrollment, and whether to cut staff; and the prospects for restructuring staffing in FY13 when the teacher contract is not up for negotiation. Discussion took place about who should decide what to cut if the Towns were to direct the Committee to reduce its proposed assessment, and whether the District should fill positions of staff members who resign, retire, or go on leave. Participants related anecdotal details about class sizes, and discussed the district's class size policy. Discussion touched on academic diversity and its influence on scheduling at a public high school versus a prep school; on financial issues regarding reimbursement for choice students, particularly those who receive SPED services; whether the choice program results in financial gain or loss; and the feasibility of reducing teaching staff at the elementary schools.

At the Committee's request, the two Towns' boards agreed that each Town's Board of Selectmen and Finance Committee would try to reach a consensus position on the District's budget proposal promptly, and inform the Committee of that Town's position.

L. Swartz noted that the Committee received no specific feedback about the proposed capital projects, or about P. Gray's PowerPoint presentation, which he said the Committee sought feedback about because it was a preliminary version of the presentation that would be given at Town Meetings. M. Martin said she did not understand the latter previously and would provide comments later. She acknowledged the "raw nerves" that at times during this meeting led to contentious discussion. C. Harrison noted that if the Committee learns of objections to the operating budget at its scheduled May 3 meeting it would be unable to restructure the proposal in time for presentation of a revised budget at the Wenham Town Meeting May 5; she asked Town officials to notify the Committee earlier if the boards of one of the Towns reached a consensus to ask the Committee to reduce the FY13 budget by a sum exceeding the total separate capital budget.

ADJOURNMENT:

THE SCHOOL COMMITTEE ADJOURNED BY GENERAL CONSENT.

The Wenham Board of Selectmen, Hamilton Board of Selectmen, Wenham Finance & Advisory Committee, and Hamilton Finance & Advisory Committee adjourned their meetings by general consent.

The joint meeting adjourned at 9:22 p.m.

**DOCUMENTS AND EXHIBITS
USED AT THIS MEETING:**

Packet of narrative updates and revised statistical reports in response to questions from the Hamilton and Wenham Boards of Selectmen and Finance Committees; first page, page 1 of 3 of undated memo from those committees to the School Committee with subject line "Information Request for the School Committee" (25 pages)
Hamilton-Wenham Information Technology Short Term Tactical Summary (2 pages)
PowerPoint slides, P. Gray presentation about FY2013 budget and comparative data for other years (8 pages)

Respectfully submitted,

Ann Sierks Smith, School Committee recording secretary