

Approved 1.28.15

TOWN OF WENHAM

Wenham Finance & Advisory Committee  
Meeting of Thursday, January 15, 2015  
Bessie Buker School, School Street

Pursuant to the Open Meeting Law, M.G.L. Chapter 30A, §§ 18-25 written notice posted by the Town Clerk and delivered to all Committee members, a meeting of the Wenham Finance & Advisory Committee was held on Thursday, January 15, 2015 at 6:30 PM in the Multi-Purpose Room.

**1. Call Meeting to Order**

**Wenham**

With a quorum present Mr. Lucy called the meeting of the Wenham Finance Committee to order and opened the meeting at 6:39 PM

Finance Committee present: Michael Lucy, Chair; Hilliard Ebling, Ned Flynn, Rick Quinn  
Finance Director Angel Wills

**Hamilton**

The Hamilton Finance Committee did not have a quorum at the start of the meeting.

Finance Committee Present: Rick Sprenkle, FinCom Chair, Nancy Gerardi- Walsh  
Finance Director Deborah Nippes-Mena

Public information

This meeting was recorded with permission by HWCAM

Agenda

Fiscal Year (FY) 2016 HWRSD preliminary budget

The purpose of this meeting was for the Hamilton Wenham Regional School District (HWRSD) to present the preliminary FY 16 budget to the Finance Committees and answer general questions.

There were no deliberations or votes taken at this meeting.

Present HWRSD: Michael Harvey, Superintendent; Jeff Sands, Assistant Superintendent of Finance and Administration; Bill Wilson, School Committee, Chair

Mr. Wilson gave a brief introduction saying the preliminary budget for FY16 was voted by the School Committee to be released to the Towns, as required by the district agreement, 30 days prior to the final adoption of a budget. He stated the School Committee has a series of public meetings scheduled to discuss the budget.

Dr. Harvey reiterated that this is a tentative budget and the School Committee has not had the chance to discuss in detail the proposed budget for FY16. He went on to give an overview saying this is a level service budget plus \$150,000 to fund the resources to fully implement a middle school teaming model. This is a net increase of \$923,000, which is an increase of 3.25% over the FY 2015 budget. Dr. Harvey observed the following:

- As a level service budget, there are no new positions
- Includes cost of living increases – (estimated)
- Placeholder for union contracts being negotiated (3 year contracts)
- Step and Degree changes
- Level funding of grant revenue
- Level operating costs
- Decrease in health insurance cost premiums of 4% (\$80,000)

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- Increase for transportation
- Increase for out of district tuition

Dr. Harvey spoke in length about organizing the Miles River Middle School in the best way to educate the students through the Team Model and improve the transition into the High School including:

- Team structure to work together and collaboratively on student issues, goals, curriculum
- Determine a sense of identify for the middle school
- Common Planning time
- Expanding Mandarin Chinese program into the 7<sup>th</sup> grade
- WIN (What I Need) Block
- Expanding music
- Sharing of staff between the Jr. High and High School for efficiency
- Lunches by grade level – smaller groups
- Salary for teacher and teacher assistant positions (salary /benefits) to support the number of students

Mr. Wilson noted the School Committee would look at various scenarios to reduce costs, if possible.

#### Financial Statement

The Financial Statement included the previous (FY 14 & FY15) budgets as points of reference against the proposed FY 16 budget:

#### Expenses

- Total expense increase of \$30,323,00
- The overall budget increase
- Expense offsets e.g. Circuit Breaker, school choice
- Budgeted debt service expense driven by interest on bans for current MSBA projects (Buker/ Winthrop)
- Increase of last years' budget of 3.1 % / \$919,000

#### Revenues

- Funding sources (revenue) were also level funded (Chapter 70; transportation reimbursements)
- Excess & Deficiency (E & D) Account: \$395,000 - Mr. Sands reviewed that as per the policy, 3% of the (Department of Revenue certified balance) is kept in the E & D account, the remainder of the funds are applied as a revenue sources in the next fiscal year.
- Assessment including debt service is an increase of \$524,000 or 2.1% over current year budget.
- The increase of apportionment of net assessment according to the agreement:
- Hamilton – \$103,000 (106 less students)
- Wenham -\$420,000 (5.5% increase – 37 more students)
- The change in assessment value was driven by the three-year average of enrollment as per the formula of the agreement; 1,773 students were enrolled in the HWRSD for FY16 with a cost per student at \$17,000.

There was a discussion to increase the three-year average in the formula and implement an early notification to the towns of an increase in enrollment per year. It was noted that both town's Finance Departments receive the schools report as submitted to the Department of Education in October.

Mr. Wilson said that he would support a longer average of enrollment to reduce the impact on both towns, and an early notice be given; this was also supported by Mr. Sands but it was noted this would open up the District Agreement.

Mr. Sands noted that they have been aware of decreasing enrollments over the years. The strategy discussed going forward is how to keep the cost structure in line. Enrollment is anticipated to continue to decrease over the next three years. This will be discussed in detail with the SC at the next meeting.

A discussion ensued about estimated figures used in some sections of the budgets, which could alter the actual budget from the preliminary budget. The school noted that actual figures are being substituted as they become available, and may not have been updated in all cases. A revised version will be resent to the committees.

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Mr. Sands went on to review the portion of the general operating budget.

The \$923,000 cost increase to the expenditure budget of the (\$1.16 m total expenditure budget increase) were identified as:

- Increase for COLA (Placeholder) \$360,000
- Annual teacher steps \$170,000
- Teachers intent to gain an advance degree (22 intent notices) \$90,000
- Implementation of Middle School Teaming Model
- Special education - out of district tuitions
- Transportation includes regional transportation and Special Ed transportation contracts – increase approximately \$90,000 (third year of a three year contract; there is no adjustment for fuel costs)

The reduced cost of health care was noted as a net impact decrease to the budget for a savings of \$52,000.

The Finance Committees requested estimated number of students wanting to attend the Vocational High School next year, noting the increased cost per student at \$24,000, and the reduction of enrollment for the HWRSD.

Mr. Sands went on to give an overview of the budget discussion schedule leading up to the final adoption of the budget, by the School Committee, on or around February 13, 2015.

In closing, Mr. Flynn noted in response to a ideal school to model, he called High Tech High in San Diego California and talked to the about their programs. He offered to share his notes from that conversation.

The meeting adjourned at 7:41 PM

Respectfully submitted by

Catherine Tinsley  
1.20.15