

APPROVED 11/25/08

Hamilton Wenham Blue Ribbon Committee

November 12, 2008

Minutes

CALLED TO ORDER: L. Kane, Chairman called a duly posted meeting of the Hamilton Wenham Blue Ribbon Committee to order at 7:00 p.m. The meeting was held in the Wenham Selectmen's Chambers.

PRESENT: David Reid, Lynnette Fallon, Margo Druschel, Bob Bullivant, Betty Dunbar, Lisa Kane, Donald Gallant and Susan Mehlin.

ALSO PRESENT: Marinel McGrath, Superintendent, and other observers

ABSENT: None

STATEMENTS OF GUESTS: None

NEW BUSINESS: L. Kane confirmed that Committee members had received copies of the agenda for this meeting and the proposed minutes of the meeting on October 28, 2008.

1. Discussion of School District Benchmarking Data. The Committee discussed developing a list of school districts that are reasonable peers to the Hamilton Wenham Regional School District. Committee members made suggestions of various districts and a list of 14 peers was agreed to as follows:

Acton Boxborough
Bedford
Dover Sherborn
Ipswich
Lincoln Sudbury
Lynnfield
Manchester Essex
Masconomet (Boxford, Middleton, Topsfield)
Newburyport
North Reading
Norwell
Pentucket (Groveland, West Newbury, Merrimack)
Swampscott
Triton (Newbury, Salisbury, Rowley)

The Committee discussed the use of a consultant to provide municipal benchmarking. D. Gallant noted that North Reading had used an independent consultant to compare the town and school district of North Reading to peers. L. Kane undertook to see if a copy of the consultant's report was publicly available. D. Reid and D. Gallant agreed to make contact with the consultant to understand the terms of such a project.

The Committee also agreed that they should continue to use the information available from the Massachusetts Department of Education website or other public sources. D. Reid agreed to provide more detailed information on spending by these 14 peer districts in comparison to HWRSD at the next Committee meeting.

The Committee discussed the need to understand SPED obligations, processes and spending. M. McGrath offered to determine whether Alison Collins, Student Services Director for the district, could make a presentation to the Committee at the next meeting.

2. School District Finances Tutorial. At this point, Paul Szymanski, the Assistant Superintendent of the HWRSD, made a presentation reviewing the components of the FY 2009 district budget and key drivers. Mr. Szymanski explained the state-required accounting for school expenses and provided a copy of a narrative description of the expenses recorded in each account.

Mr. Szymanski also explained the regulations on procurement practices for school districts, noting that the state established three levels of procurement practices depending on the size of the purchase. For purchases of less than \$5,000, the district must engage "good standard purchasing practices." For purchases between \$5,000 and \$25,000, the district must obtain at least 3 competitive bids. For purchases in excess of \$25,000, the district must either conduct a public bidding process or issue a public Request for Proposal. The district is obligated to take the lowest cost bid or lowest cost response to the RFP. He noted that there is a state purchasing list where the state has already complied with bidding or RFP requirements, so that the district may select to purchase from the listed vendors on the state negotiated terms. Finally, Mr. Szymanski noted that commodity purchases were sometimes done through collaboratives or cooperatives with other municipal buyers.

Mr. Szymanski explained that budgets are developed using market estimates and assumptions agreed upon by the two towns. A committee member asked about legal expenses and Mr. Szymanski responded that these are mostly related to special education issues, reporting that lawyers are not used by HWRSD in union negotiations except in the case of the teachers union. Mr. Szymanski reported that the HWRSD has contracts with four unions (teachers, nurses, custodial and office personnel) and individual contracts with administrators.

Mr. Szymanski explained the source of reserve funds and the ability to use those funds for operating expenses. He stated that the HWRSD currently has between \$300,000 to \$400,000 in reserves. These reserves represent revenue received by the district in excess of the expenses in prior years. These reserves may be used for operating expenses after the conclusion of the audit for the year generating the reserve funds. Reserve funds have historically been used to cover expenses for special education requirements which are not known at the time the budget was developed.

The Committee and Mr. Szymanski discussed the current health insurance program offered by the district from Harvard Pilgrim and the 60% (district) and 40% (employee) cost sharing required. It was observed that the health insurance offered by The Group Insurance Commission, a quasi-independent state agency, would provide for higher deductibles and copays than the Harvard Pilgrim program. Participation in the GIC program is an option for the district, but would require union contract approval.

Mr Szymanski responded to numerous questions from Committee members. At the conclusion of the discussion, the Committee thanked him for his report and cooperation.

3. Discussion of Blue Ribbon Committee Mission, Goals, Processes and Procedures. L. Kane noted that the steering committee expected the Blue Ribbon Committee to provide a report on the Committee's progress. After discussion, it was determined to invite the steering committee to the Blue Ribbon Committee meeting scheduled for December 16, 2008.

At this point, audience member and School Committee member A. McCloughan asked whether the Committee had established parameters that would define their success. After discussion, in which many Committee members offered their views, the consensus of the Committee was that:

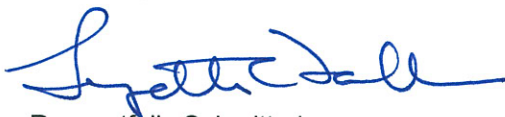
- The Committee has an interim goal of understanding where the HWRSD is today in regard to school costs and quality in comparison to the peer group chosen at this meeting; and
- The Committee has a long term goal to “develop and pursue to recommendation meaningful ideas to increase revenue and /or reduce the rate of growth in the cost of delivering a quality education to the children in the Hamilton Wenham School System,” as set forth by the steering committee.

4. Future meeting topics, information/data needs and study areas. L. Kane noted that the Committee had discussed several plans for future meetings and information needs.

5. Review and Discussion of Department of Revenue Technical Assistance Bulletin “Monitoring Regional School Finances.” L. Kane suggested that the discussion of whether this bulletin described the mission of the Blue Ribbon Committee might be delayed to a future meeting. L. Fallon expressed the opinion that the matter could be disposed of quickly. She noted that the description of the committee in this DOR technical bulletin more appropriately described the Budget Process Committee which had been in place for several years. She reported that the Budget Process Committee oversees the process of developing and communicating the HWRSD annual school budget. It is comprised of a selectman representative from each town, both towns’ administrators, both towns’ finance directors, citizen representatives from each town, representatives from each town’s finance committee, and representatives from school administration and the school committee. L. Fallon noted that the DOR bulletin confirmed the importance of the Budget Process Committee to good oversight of the budget process in a regional district. She noted that it was important for all Committee members to understand the various other committees and programs involved in the district budget process.

6. Approval of Minutes. L. Fallon reported on a change to the draft minutes of the regular meeting held on October 28, 2008 to address a correction identified by D. Gallant. L. Kane made a motion that the Hamilton Wenham Blue Ribbon Committee vote to approve the minutes for the regular meeting held on October 28, 2008, as modified. L. Fallon seconded the motion. The motion passed unanimously (8-0-0).

ADJOURNMENT: L. Kane made a motion that the Hamilton Wenham Blue Ribbon Committee vote to adjourn at 9:30 pm. D. Reid seconded the motion. The motion passed unanimously (8-0-0).



Respectfully Submitted,
Lynnette C. Fallon
Hamilton Wenham Blue Ribbon Committee Secretary