

**Hampshire Municipal Advisory Committee (HMAC) Meeting  
Westhampton Town Hall, Westhampton  
Wednesday, February 20, 2019, 5:30 p.m.**

**Present:**

**Chesterfield:** Trish Colson-Montgomery (Selectboard), Carole Bergeron (Finance Committee), Larry Cervell (Finance Committee), Sue Labrie (Town Administrator)

**Goshen:** Angela Otis (Selectboard, Finance Committee), Wayne Glaser (Selectboard, Capital Planning), Dawn Scaparotti (Finance Committee)

**Southampton:** John Martin (Selectboard), Francine Tishman (Selectboard), Maureen Groden (Selectboard), Ed Gibson (Town Administrator), Tammy Walunas (HR School Committee), Margaret Larson (HR School Committee), Jonathan Labrie (Finance Committee)

**Westhampton:** Maureen Dempsey (Selectboard), Peter Montague (Finance Committee), Cheryl Provost (Admin. Asst.)

**Williamsburg:** David Mathers (Selectboard), Denise Banister (Selectboard), William Sayre (Selectboard), Paul Wetzel (Finance Committee), Jacqueline Dufresne (Finance Committee), Carl Schlerman (HR School Committee), Charlene Nardi (Town Administrator)

**School Administrators:** Aaron Osborne (Superintendent), Bobbie Jones (Business Administrator), Jesse McMillan (New Hingham Principal)

Cheryl Provost called the meeting to order at 5:33 p.m. welcoming the group. Attendees introduced themselves.

**School Budget Presentation:** Bobbie Jones presented the Hampshire Regional School FY20 budget which represents a level service budget and hiring of a van driver. It was noted that the increases in assessments are a reflection of the increased costs and reductions in revenue. Bobbie Jones noted that new information figures have come in since the vote of the preliminary budget, which may reduce the budget. Hampshire County Trust Insurance premium costs are staying level; therefore, the 5% increase that was used in the creation of the budget can be reduced somewhat. Reduction estimates are about \$10,000.

The group reviewed the budget handouts and asked questions.

Discussed **Circuit Breaker revenues.** Revenue is reflective of students with eligible costs over the foundation of \$44,106, which is then reimbursed at a percentage, currently 72%. The number of eligible services (most likely tied to # of students) is projected to be down in FY20. Revenue received can be held for one year at most then must be spent. The beginning balance in Circuit Breaker for FY19 is \$41,937, which means HR must spend at least that much in FY19. It is anticipated that the ending balance in Circuit Breaker at the end of FY19 will be \$97,342; that balance will need to be spent in FY 20. All Circuit Breaker revenue is directly tied to an expenditure. (As requested, details on Circuit Breaker balances were provided Bobbie Jones following the meeting)

**School Free Cash** is generated from unspent revenues and assessments. The Regional schools may keep 5% of the total school budget in reserve, any amount in excess of the 5% must be paid

back to the towns. Free Cash certified for FY17 was \$485,911, free cash for FY18 is not certified. Bobbie Jones provided the following #'s for FY18 (\$816,326 + 863,673) – (890,000 + 195,932) is \$594,067 and FY19 (594,067 + 888,311) - (890,000-218,076) is \$374,302. Concerns were raised about Free Cash being used to balance the budget because when there are reductions in its use it then the town assessments are hit with a larger increase. It was asked why less Free Cash was being used in each budget year and whether the reduction is contributing to the increases in assessments.

**Free Cash budget amounts used in prior years:**

FY15 – \$105,944

FY16 – \$160,800

FY17 – \$165,000

FY18 – \$165,000

FY19 – \$125,000

FY20 – \$100,000

Bobbie Jones stated that Free Cash amounts used in budgets were to address capital plan items and one-time expenses. It was only in FY19 (current year) that \$25,000 was used to offset the operating budget. Therefore, that amount is being pushed to the assessments this year. Bobbie reported that in prior fiscal years they were using more Free Cash than was being received, so the school is being more careful about its use.

Officials discussed the value of using free cash to offset the budget and reduce the assessments of towns in tough years, but also acknowledged that it was just pushing the inevitable increase down the road when free cash may no longer be available. Some communities stated that they have to use free cash in order to operate and meet all of the town needs, and therefore it may be necessary for the school to do the same. Other officials were very concerned with that as an ongoing financial plan.

**Town Impact Statements:** Towns presented a handout listing each community's available new funds for FY20 and the percentage the proposed education budget increases will use of it. Town Officials all stated that educating our students is important but communities noted other needs, such as increased hauling costs, unknown Smith Vocational costs, transportation costs, need to support town employees with raises which some have held back on, infrastructure projects, and other town department needs that have been pushed off for too many years. Each community shared its specific financial situation, several noting that the current proposed budget is not affordable without an override, which they don't feel would pass. General feeling was that the budget would not pass four out of the five town meetings.

**Discussed Negotiation Considerations:** Benefits and salaries are the largest drivers of the budget. Negotiations present an opportunity to address some of those items that lead to significant increases in the budget. Suggestion to look at the 75/25 health insurance split be looked at and to consider changes in health plan design options. Another suggestion was to change eligibility requirements for employee spouses allowing, them on insurance only in the event that insurance isn't available through their own employment. Reported that there are 114 school employees on health insurance and 100 retirees. Comment was made that all budget

reductions can't be achieved "on the backs of the teachers"; however, negotiations are an opportunity to start "chipping away" at items in the contract that continue to increase the budget. It was also noted that savings achieved through plan design changes that have significant impact on subscribers may be capped or mitigated by Mass General Laws (Ch.32B, section 21?). Communities were strongly encouraged to send priorities, suggestions and comments about the teacher contract negotiations to John Martin, the Towns' representative for Hampshire Regional negotiations, by early March when negotiations are set to begin again.

**Options:** Town Officials were in general agreement that the proposed and presented school budget would most likely require overrides in several towns to fund it and would probably not achieve the four out of five town approvals required. It was recommended that the school administrators and the school committee take another look at the proposed budget for ways to make adjustments or reductions. It was suggested that transportation be looked at again; however, a suggestion of having elementary and high school students on one bus as a cost-saving measure raised concerns. Discussed the need to communicate and support legislative efforts to bring in more funds to the towns and schools. Superintendent Osborne noted the need to advocate to our legislators not only on the options for increased Chapter 70 funding, but to really focus efforts on Rural Aid, which is more likely to benefit our schools. He will provide details for towns to do that. Town Officials discussed whether it was valuable to provide suggestions, options, and give a target dollar amount to the school. It was acknowledged that the School Administrators and School Committee members are the best suited to decide what next steps are needed with the budget since having heard about the financial impact and situations towns are in. It was noted that the School Committee needs to vote a final budget by March 4, 2019, which doesn't leave a lot of time to make adjustments. Superintendent Osborne noted that the School Administration takes direction from the School Committee on how to prepare the budgets. Town Officials understood that generally the focus and passion of the School Committee members are to work towards and support the best quality education for our students; however, the ability to pass the budget must be factored in and considered. In order to have a budget at all and not letting the State dictate a budget for the region even temporarily, it is important that we work together to find a budget we can support. Therefore, it was suggested that the School Administrators go prepared to the March 4, 2019, School Committee meeting with several options. Suggestions were for Administrators to develop a level-funded budget with a list of services / programs / staff that would need to be cut and a budget in between level-funded and level-service for consideration.

**Annual HMAAC Budget meeting and Quarterly District Meetings:**

Superintendent suggested an annual budget meeting in January with all School Committee members and Town Officials to discuss the upcoming year school budgets. He also recommended additional meetings throughout the year so communities can explore opportunities to share services and reduce costs (regionalization) and collaborate on issues and projects. Quarterly was suggested. It was suggested that the Superintendent organize and coordinate the January meeting and Southampton volunteered to take the lead on organizing the other meetings.

Adjourned at 6:52 p.m.