

Hanover Advisory Committee
550 Hanover Street
Hanover, MA 02339
Meeting Minutes
Wednesday, March 9, 2016
First Floor Hearing Room (televised)

Opening:

The meeting was opened at 6:01 p.m. by Chris Martin, Chairman.

Committee Attendees:

Chris Martin	Brandon Freeman
Jerry O’Hearn	Sandra Hayes
Wayne Moores	Angela Blanchard

Absent

Joan Port-Farwell
Edward Hickey
Emmanuel Dockter

Other Attendees:

Janine Smith, Director of Finance
Thomas Raab, Business Manager of Hanover Schools
Matthew Ferron, Superintendent of Hanover Schools
Deborah St. Ives, Asst. Superintendent Hanover Schools
Chief Jeffery Blanchard, Hanover Fire Dept.
Justin Reed, Day Captain-Hanover Fire Dept.

Approval of Minutes

Angela Blanchard made a motion to accept the minutes from *February 24, 2016*. This was seconded by Sandra Hayes. All were in favor and the motion passed.

Thomas Raab-Schools FY17 Proposed Budget Review

Thomas Raab gave a presentation to the Committee regarding the proposed FY17 School budget. Dr. Raab explained variables impacting the budget, history of the budget from 2012 to present, breakdown of spending, special education/circuit breaker funds and technology needs. Chris Martin inquired regarding the new employee handling town wide technology needs and what plan was in place to manage these costs. Dr. Raab stated that a long term plan for technology was being developed. Matthew Ferron stated that computer labs will no longer be used or created within the schools as portable chrome book carts are a much more efficient use of classroom space. Matthew Ferron stated the staffing changes are modest. Sandra Hayes inquired regarding the roll out of the new math program. Deborah St. Ives stated that the new math program is a success. With any new technology, there is a learning curve. The teachers are giving positive reviews and receive the tech support they need. Dr. Raab stated that the finances for the program are under budget. Chris Martin asked if there is any one thing the schools are missing at this point. Matthew Ferron said there is no one thing that is lacking which should be considered a positive thing. Online learning will be considered more in the coming years; however, the department is not ready yet to lay out a detailed plan. Chris Martin inquired about future student enrollment numbers. Dr. Raab stated that although MSPA data implies student enrollment numbers are stable, Hanover historically sees small increases each year. Angela Blanchard

praised the Hanover High School's guidance department outreach efforts regarding college bound students. Chris Martin inquired regarding the status of the Center/Sylvester School project. Dr. Raab said the project is moving at an excellent pace. The Committee thanked Dr. Raab, Mr. Ferron and Ms. St. Ives for their time. They departed at 6:48 pm.

Chief Jeffery Blanchard-Fire FY17 Proposed Budget Review

Chief Jeffery Blanchard discussed various portions of the fire department proposed budget for FY17 including salaries, overtime/vacation/sick leave, uniform costs, call back/late runs. Chris Martin inquired whether mutual aid was used often in Hanover. Chief Blanchard stated that there is not a lot of need for it in Hanover. Fortunately many Hanover firefighters live close by and can be called back. There is an increase in multiply calls at once, and a plan to address this issue will be needed. With the cost of each firefighter at roughly \$100,000, it still makes more sense to pay current employees overtime rather than hire additional staff. Sandra Hayes inquired regarding the assessment center line item. Chief Blanchard stated that it is a program to test incoming firefighters, and there is a cost associated with it. Chief Blanchard discussed the replacement schedule for fire department vehicles. A 1997 fire truck will be refurbished. Every 5 years a fire truck is replaced, keeping each truck 20 years. Every 4 years an ambulance is replaced, keeping each vehicle 12 years. Chief Blanchard discussed the command vehicles required by the department. They provide extra transportation around town in emergencies as well as save the cost of paying employees mileage for farther trip for education purposes. Chief Blanchard stated that there are two other capital requests being set aside this year. An all-terrain type vehicle to be used for emergencies within wooded areas and an emergency message board. The department is exploring other avenues to acquire these pieces of equipment to lessen the financial burden to the town. Chris Martin inquired regarding the status of the second fire station project in North Hanover. Chief Blanchard stated that a parcel of land has been selected, and the town is working to acquire it. This would cut response time to the residents in this portion of town. Plans are for a 3 bay building; however, the idea of a storage building added behind fire headquarter could possibly reduce that plan to a 2 bay building. The Committee thanked Chief Blanchard for his time, and he departed at 7:35 pm.

General Discussion

Chris Martin would like to start reviewing the proposed warrant articles at the next meeting. Janine Smith stated that she does not know when the Board of Selectman will vote on the warrant articles. Janine Smith informed the Committee that the free cash from last year was certified by the state and that the figure was less than the prior year. Due to this, the Committee should be cautious when reducing the FY17 proposed budget. Angela Blanchard stated that the proposed capital request for water treatment improvements has been increased. Chris Martin would like to invite Victor Diniak to the next meeting to discuss the change.

Next Meeting

The next scheduled meeting is on Wednesday, March 16th at 7pm.

Adjournment

Sandra Hayes made a motion to adjourn the meeting. The motion was seconded by Jerry O'Hearn. All were in favor and the meeting adjourned at 7:43 pm.

HANOVER PUBLIC SCHOOLS FY '17 BUDGET: School Department



March 9, 2016



Presentation Outline

- Budget Approval Schedule
- Identify budget development variables
- Budget History and Review of FY '16 spending
- Supporting strategic objectives
- FY '17 Budget Summary
- Technology Annual Town Meeting Article
- Special Education Funding
- Circuit Breaker Explanation
- Sustainability

FY '17 Budget Approval Schedule

Meeting purpose	Date	Scheduled budget discussion and agenda items
School Committee	Jan 20: Wednesday	FY '17 School Department Budget 1.0 presentation to School Committee
Town Manager Budget Presentation	Feb 1: Monday	Town Manager submits FY '17 budget to Board of Selectmen
School Committee	Feb 3: Wednesday	Budget 2.0 Review and Discussion
School Committee	Mar 2: Wednesday	Budget 3.0 Review and Discussion
Advisory Committee	Mar 9: Wednesday	School Department Budget Presentation
Public Hearing on the FY '17 budget	Mar 16: Wednesday	Public hearing on budget and School Committee vote on School Committee final Budget 4.0 submission



Variables Impacting Budget Development

- Time. Four months remain in the current school year
- Collective Bargaining with AFSCME Units
- Variability of state aid (Chapter 70)
- Variability of Circuit Breaker (CB) reimbursement rate
- Variability of state and federal grants
- Unknown obligations: special education tuitions and long-term absences, equipment failure, and legal costs
- Kindergarten/Preschool enrollment

Budget History FY '12-present

		Increase	Percentage
FY 2012 Actual	\$21,268,490.57		
FY 2013 Actual	\$21,892,932.16	\$624,441.59	2.94%
FY 2014 Actual (includes 230K Town Meeting Articles)	\$22,938,399.24	\$1,045,467.08	4.78%
FY 2015 Actual	\$24,083,276.59	\$1,144,877.35	4.99%
Town Meeting Article	\$491,247.54		
Grand Total	\$24,574,524.13	\$1,636,124.89	7.13%
FY 2016 Budget	\$24,920,443.00	\$837,166.41	3.48%
Town Meeting Article	\$500,000.00		
Grand Total	\$25,420,443.00	\$1,337,166.41	5.55%
FY 2017 Projected	\$25,765,115.00	\$844,672.00	3.39%
Town Meeting Article	\$450,000.00		
Grand Total	\$26,215,115.00	\$1,294,672.00	5.20%



FY '16 Spending Breakdown

Funding Sources for FY '16 (this year)	Balance on July 1, 2016	Projected FY '16 spending	Notes
FY '16 Approved Operating Budget	\$24,920,443	-\$24,920,443	Entire operating budget will be expended
FY '16 Town Article	\$500,000	-\$500,000	Expended on out-of-district tuitions
Grant/Revolving Funding	\$1,170,768	-\$1,170,768	Supports Pre K, Kindergarten, Special Ed, and Athletics
Circuit Breaker: FY '15 carry-over and FY '16 allocation	\$639,545	-\$413,000	Special Education
Totals	\$27,230,756	-\$27,004,211	Projected spending
Projected Circuit Breaker carry-over to FY 17		\$226,545	Projected carryover to support FY 17 out-of-district tuitions

Supporting Strategic Objectives

Strategic Need:	Description	Budget Impact
1. Elementary Reading Specialist	A reading teacher/specialist is necessary for RTI tier two and tier three support as well as teacher coaching in reading instruction	\$65,000 Objective 2, Initiatives 1*
2. ELL Support	10 hours per week needed to maintain compliance for FY '17.	\$13,725 Objective 3, Initiative 3*
3. Elementary Psychological/Counseling Support	Allow for increased time to provide support to students, families, and staff	\$36,000 Objective 3, Initiative 3*
4. Decrease reliance on Annual Town Meeting Article Funding for Special Education	Through strategic planning we are able to reduce the request from \$500,000 to \$450,000.	(\$67,253) Objective 3, Initiative 3*

*Hanover Public Schools Strategic Objectives
7



Supporting Strategic Objectives

Strategic Need:	Description	Budget Impact
5. Continue Strong Full Day Kindergarten Program.	Offset more of the Full Day Kindergarten Teachers salaries with Kindergarten Revolving Account Funds	(\$117,306) Objective 2, Initiative 2*
6. Technology	Increases in FY '16 allow for sustainability and some possible savings in FY '17. Hardware needs supported by \$100,000 ATM. (See next slide)	(\$25,000) Objective 3, Initiative 2* Objective 1, Initiative 3*
7. Consolidation of HR Department	Hanover Public Schools and the Town of Hanover will split the salaries 50/50.	(\$20,682) Objective 2, Initiative 1*

* Hanover Public Schools Strategic Objectives



FY '17 Budget Summary

Cost Center	FY 2016 Budget	Projected FY 2017	Projected Change
Operating Budget: Salaries	\$21,244,278	\$21,983,671	\$739,393
Operating Budget: Expenses	\$4,576,165	\$4,631,444	
SPED Town Meeting Article	(500,000)	(450,000)	
Circuit Breaker	(400,000)	(400,000)	
SubTotal	\$3,676,165	\$3,781,444	\$105,279
Total Proposed Operating Budget	\$24,920,443	\$25,765,115	\$844,672 (3.39%)



Technology

Technology 100K Annual Town Meeting Article	FY '17 Cost
3 Chromebook Carts (90 Chromebooks and 3 Charging Stations)	\$33,000
WiFi upgrades Town Hall, Center, Cedar, HMS to replace obsolete Access Points and increase internet capacity	18,000
Add 48 port switches at Town Hall and HMS to increase capacity	6,000
Add two 24 port switches at Cedar to increase capacity	4,000
Replace obsolete PCs/Monitors at Town Hall	15,000
Replace obsolete staff laptops as necessary	8,000
Memory upgrades for student iMacs K-12	12,000
PC Replacements for HVAC management workstations in school buildings	4,000
Grand Total	\$100,000



FY '16 Special Education Funding Out of District Tuitions

- **Total Budget \$1.1M**
- **Operating Budget**
 - Projected to Spend \$191,593 budgeted
- **Annual Town Meeting Article**
 - Used to Support 10 out of district tuitions
 - Projected to spend \$500,000
- **Circuit Breaker**
 - Projected to spend \$400,000

Circuit Breaker

Circuit Breaker is a state program that reimburses school districts for extraordinary Special Education expenses. Each year, we take into account anticipated Circuit Breaker funding as part of the expense budget. We build the expense budget including Special Education tuitions and then subtract anticipated Circuit Breaker funding from the total arriving at the amount of town appropriation needed. In Hanover the balance of the Special Education tuitions is funded through a combination of the Annual Town Meeting article for Special Education and the operating budget.

Circuit Breaker Explained

The following is taken from “A Primer on Financial Aspects of Special Education” published in 2008 on the DESE website,

<http://www.doe.mass.edu/finance/circuitbreaker/finance.html>.

*The state special education reimbursement program, commonly known as the circuit breaker program, was started in FY04 to provide additional state funding to districts for high-cost special education students. The threshold for eligibility is tied to four times the state average foundation budget per pupil as calculated under the chapter 70 program, with the state paying 75 percent of the costs above that threshold. (In FY ‘15, the state average foundation budget per pupil is \$10,486, so if a special education student cost a district \$50,000, the district's eligible reimbursement for that student would be $(\$50,000 - (4 * \$10,486)) * .75 = \$6,042$.) Circuit breaker reimbursements are for the district's prior year's expenses. Each summer, districts submit claim forms to ESE listing the types and amounts of special education instructional services provided to each student during the previous fiscal year. Payments are made to districts on a quarterly basis. These funds may be expended by the school committee in the year received or in the following fiscal year for any special education - related purposes, without further appropriation. As with all special revenues, the appropriating authority can and should consider the projected reimbursements for the following fiscal year when deliberating on the school district's general fund budget.*

Circuit Breaker 2012-present

State Calculations

Fiscal Year	Eligible Students Claimed	Total Eligible Expenses	Total Foundation (4X state average per pupil)	Net Claim (above and beyond Foundation)	Reimbursement % of net claim	Total Reimb	Total CB Funds Received
<i>example</i>		\$1,000,000	\$700,000	\$300,000	73%	\$219,000	
2016	18	\$1,197,814	\$754,992	\$442,822	73%	\$323,260	\$323,260
2015	17	\$1,183,519	\$662,528	\$520,991	72%	\$375,112	\$375,112
2014	17	\$1,063,980	\$627,936	\$436,044	75%	\$327,033	\$327,033
2013	22	\$920,597	\$622,656	\$297,941	74.50%	\$222,254	\$283,701
2012	26	\$1,507,485	\$950,700	\$556,785	68.71%	\$382,556	\$396,164

Revenue



Circuit Breaker Cont.

Circuit Breaker Funds Spent

2016 \$413,000 Projected – Includes 13K from FY '15 that was paid in FY '16.

2015 \$148,368

2014 \$467,882

2013 \$457,611

2012 \$83,096

Expenditures

Securing Sustainability ...

Budget Category	Projected for FY '17	Funding Source	Multi-Year Sustainability Issues
Personnel	\$21,983,671	Local Funding and Chapter 70	Sustainability and growth dependent upon: 1) revenue capacity of Hanover, 2) community value placed on education, 3) increasing levels of state aid (Ch. 70 & CB)
Operating Expenses	\$3,781,444	Local Funding and Chapter 70	Sustainability and growth dependent upon: 1) revenue capacity of Hanover, 2) community value placed on education, 3) increasing levels of state aid (Ch. 70)
SPED Tuition Funding	\$450,000	Special Town Article	This funding is required to bridge a structural gap in the operating budget needed to support non-discretionary expenses related to special education. This should be migrated into the school department operating budget
Technology: capital needs/equipment	\$100,000	Special Town Article	This funding is required to support the hardware and software needs for both school and town departments. This funding may vary annually to support all technology services
Total Grants/Revolving	\$1,298,291	Grants/Revolving	This funding is subject to volatility related to state, federal, and local economic and political conditions
Circuit Breaker	\$400,000	State Aid	Over the past three years, these funds have been sustained. Not guaranteed.



Discussion and Questions

