



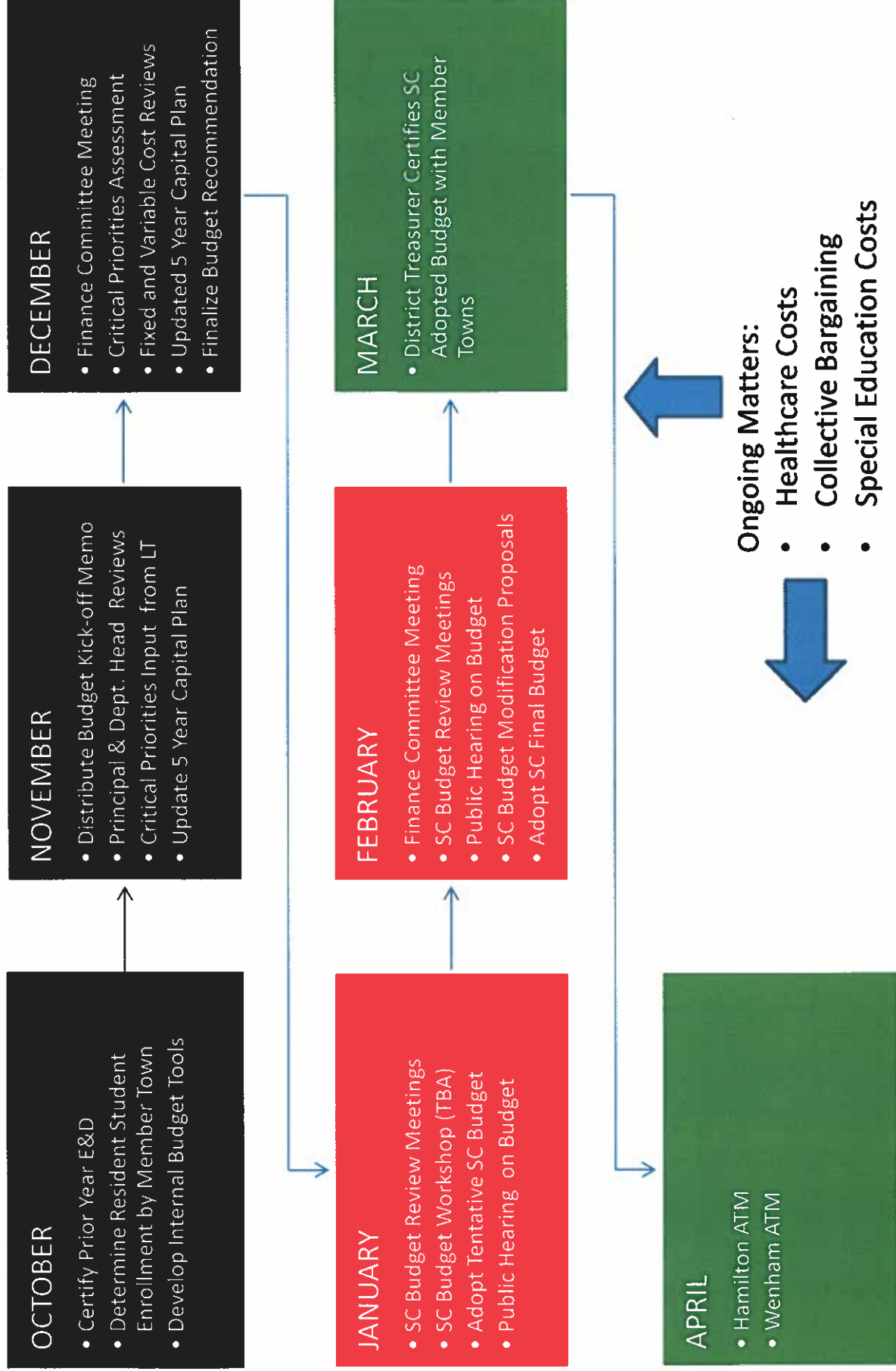
*FY20 Superintendent's Budget Recommendation
School Committee Presentation
December 19, 2018*

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HWRSD Budget Process Overview





FY20 Budget

Superintendent's Recommendation

Level Service
+
OPEB Trust Fund (OPEB)
+
School Resource Officer (SRO)

What Does “Level Service” Mean?

Level Service is a continuation of the current services, activity, and programs of the District.

For FY20, Level Service + OPEB + SRO translates into a spending increase in our Gross Operating Expenses (after Offsets) of \$1,975,703 or 6.19% versus the FY19 Budget.



FY20 Budget: Level Service

Key Assumptions

- **Salary Costs**
 - Incorporates the COLA increase reflected in the new Teachers Contract and incorporates a conservative COLA increase for all other personnel.
 - Incorporates all other contractual salary obligations (e.g. STEPs and Degree Changes).
 - Decreases our Elementary Teacher Headcount by 1.0 FTE and \$58K (Grade 5 Bubble)
 - Incorporates Retirement Staff Replacement salary savings of \$157K (5 Retirements).
 - Level funds all Grants as compared to FY19.
- **Operating Costs**
 - No new Services or Programs.
 - Capital Costs reducing to \$122K versus \$129K, \$210K, & \$312K in prior 3 years.
 - Exceptions to level funding include, most notably:
 - Healthcare Costs increasing by 7.6% or \$198K
 - Out-of-District Tuition Costs increasing by 31.2% or \$897K
 - OPEB increasing by 100% or \$250K
 - SRO increasing by 100% or \$73K
- **Debt Service Expense**
 - The HS/MS Project has been paid-off resulting in a decrease in Debt expense of \$711K.
 - Debt expense has been increased by \$153K for the Winthrop Sprinkler Project.



FY20 Budget – Primary Drivers

Level Service + OPEB + SRO: Gross Operating Expense Budget

Driver	FY20 v FY19
	\$ CHG
All Staff COLAs and STEPs - Level Service	\$ 798,280
Teacher Degree Changes	\$ 92,463
Out-of- District Tuitions	\$ 896,786
OPEB	\$ 250,000
School Resource Officer (SRO)	\$ 73,000
Essex Retirement Pension Fund Appropriation	\$ 78,350
In District Transportation	\$ 63,060
Insurance Premiums	\$ 18,049
Healthcare Costs	\$ 198,159
Net All Other Operating Expenses	\$ (75,453)
Subtotal:	\$ 2,392,695
Reduction in Elementary Classroom Teachers	\$ (58,541)
Anticipated Staff Retirement Replacement Savings	\$ (157,611)
Subtotal:	\$ (216,152)
TOTALS:	\$ 2,176,543



FY20 Budget – Expense Category Analysis

Level Service + OPEB + SRO: Gross Operating Expense Budget

Expense Category	FY20 Gross Expenses		FY19 Gross Expenses		VS PR YR	
	Tot \$	% of Tot	Tot \$	% of Tot	Chg \$	Chg %
Salaries	\$ 21,492,585	60.9%	\$ 20,817,994	62.9%	\$ 674,591	3.2%
Out-of-District Tuition	\$ 3,775,296	10.7%	\$ 2,878,510	8.7%	\$ 896,786	31.2%
Healthcare	\$ 2,811,920	8.0%	\$ 2,613,760	7.9%	\$ 198,159	7.6%
In-District Transportation	\$ 828,880	2.3%	\$ 765,820	2.3%	\$ 63,060	8.2%
Essex Retirement	\$ 986,641	2.8%	\$ 908,291	2.7%	\$ 78,350	8.6%
Utilities	\$ 563,248	1.6%	\$ 587,160	1.8%	\$ (23,912)	-4.1%
Facilities, Maintenance & Custodial (non-salary)	\$ 560,525	1.6%	\$ 576,025	1.7%	\$ (15,500)	-2.7%
Technology (non-salary)	\$ 619,751	1.8%	\$ 614,437	1.9%	\$ 5,314	0.9%
Special Education Transportation	\$ 639,669	1.8%	\$ 614,696	1.9%	\$ 24,973	4.1%
Other Fringe (Medicare, SS, Unemployment, 403B)	\$ 437,308	1.2%	\$ 419,512	1.3%	\$ 17,796	4.2%
Substitute Teachers	\$ 221,750	0.6%	\$ 221,750	0.7%	\$ -	0.0%
School Materials, Supplies & Textbooks	\$ 336,303	1.0%	\$ 445,904	1.3%	\$ (109,601)	-24.6%
Athletics (non-salary)	\$ 441,168	1.3%	\$ 415,698	1.3%	\$ 25,469	6.1%
District Insurance (Property, Liability & WC)	\$ 227,514	0.6%	\$ 209,464	0.6%	\$ 18,049	8.6%
OPEB Trust Fund	\$ 250,000	0.7%	\$ -	0.0%	\$ 250,000	#DIV/0!
School Resource Officer (SRO)	\$ 73,000	0.2%	\$ -	0.0%	\$ 73,000	#DIV/0!
All Other	\$ 1,008,851	2.9%	\$ 1,008,844	3.0%	\$ 8	0.0%
Totals:	\$ 35,274,408	100.0%	\$ 33,097,866	100.0%	\$ 2,176,543	6.6%



FY20 Budget – District Totals

Level Service + OPEB+SRO: Net Operating Expense Budget

General Fund Operating Expenses					
	FY18 BUD	FY19 BUD	FY20 BUD	Difference	
Operating Expense - Gross, before offests & Overlays	\$ 31,403,624	\$ 33,097,866	\$ 35,274,408	\$ 2,176,543	6.58%
Expense Offsets					
	FY18 BUD	FY19 BUD	FY20 BUD	Difference	
<i>Recurring Offsets</i>					
School Choice	\$ 265,000	\$ 265,000	\$ 385,000	\$ 120,000	45.3%
Preschool Tuition	\$ 72,648	\$ 72,648	\$ 72,648	\$ -	0.0%
Special Needs Tuition	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Facilities Rental	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	0.0%
Circuit Breaker Offset	\$ 864,160	\$ 864,160	\$ 945,000	\$ 80,840	9.4%
	\$ 1,203,808	\$ 1,203,808	\$ 1,404,648	\$ 200,840	16.7%
<i>One-Time Offsets</i>					
Other Revolving Accounts	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Offsets	\$ 1,203,808	\$ 1,203,808	\$ 1,404,648	\$ 200,840	16.7%
NET OPERATING BUDGET	\$ 30,199,816	\$ 31,894,058	\$ 33,869,760	\$ 1,975,703	6.19%



FY20 Budget – District Totals

Level Service + OPEB + SRO: Net Assessment Budget

Total Expenses				
	FY18 BUD	FY19 BUD	FY20 BUD	Difference
General Operating Expense (Before Offsets)	\$ 31,403,624	\$ 33,097,866	\$ 35,274,408	\$ 2,176,543
Expense Offsets	\$ 1,203,808	\$ 1,203,808	\$ 1,404,648	\$ 200,840
General Operating Expenses (After Offsets)	\$ 30,199,816	\$ 31,894,058	\$ 33,869,760	\$ 1,975,703
Debt Service Expense	\$ 2,092,860	\$ 2,115,275	\$ 398,372	\$ (1,716,903)
TOTAL EXPENDITURES	\$ 32,292,676	\$ 34,009,333	\$ 34,268,132	\$ 258,799

Total Funding Sources				
	FY18 BUD	FY19 BUD	FY20 BUD	Difference
<i>Revenues</i>				
Chapter 70-Base Aid	\$ 3,554,656	\$ 3,606,706	\$ 3,659,749	\$ 53,043
MSBA Debt Service Reimbursement	\$ 1,132,065	\$ 1,132,065	\$ -	\$ (1,132,065)
State Transportation Reimbursement	\$ 340,686	\$ 330,837	\$ 385,868	\$ 55,031
Medicaid Reimbursement	\$ 85,000	\$ 150,000	\$ 175,000	\$ 25,000
Interest Income	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Total Revenues	\$ 5,116,407	\$ 5,223,608	\$ 4,224,617	\$ (998,991)
<i>Transfers In From Other Funds</i>				
Excess and Deficiency	\$ 568,821	\$ 347,218	\$ 147,396	\$ (199,822)
Total Transfers	\$ 568,821	\$ 347,218	\$ 147,396	\$ (199,822)
Total Funding Sources	\$ 5,685,228	\$ 5,570,826	\$ 4,372,013	\$ (1,198,813)

Total Expenditures	\$ 32,292,676	\$ 34,009,333	\$ 34,268,132	\$ 258,799	0.8%
Less Total Funding Sources	\$ 5,685,228	\$ 5,570,826	\$ 4,372,013	\$ (1,198,813)	-21.5%
NET ASSESSMENT including Debt Service	\$ 26,607,448	\$ 28,438,507	\$ 29,896,119	\$ 1,457,612	5.1%

Total Town Assessments					
	FY18 BUD	FY19 BUD	FY20 BUD	Difference	
Hamilton	\$ 17,401,271	\$ 18,385,495	\$ 19,148,464	\$ 762,970	4.1%
Wenham	\$ 9,206,177	\$ 10,053,012	\$ 10,747,655	\$ 694,643	6.9%
NET ASSESSMENT including Debt Service	\$ 26,607,448	\$ 28,438,507	\$ 29,896,119	\$ 1,457,612	5.1%



Budget Topics for Next SC Meeting

on January 2, 2019

- School Resource Officer (SRO) Recommendation
- Out-of-District Placements and Tuition Costs
- OPEB Trust Fund Recommendation
- Updated Capital Improvement Project List
 - SC Capital Planning Subcommittee Recommendation(s)
- Adopt Tentative FY20 Budget



FY20 Budget: Calendar

OCTOBER 4, 2018	DISTRICT SUBMITS FY18 E&D TO MA DOR FOR CERTIFICATION
OCTOBER 26, 2018	DISTRIBUTION OF OCTOBER 2018 RESIDENT ENROLLMENT DATA TO TOWNS
NOVEMBER 1, 2018	DISTRIBUTION OF FY20 BUDGET KICK-OFF MEMO TO HWRSD BUDGET HOLDERS
NOVEMBER 1, 2018	DISTRIBUTION OF FY20 BUDGET CALENDAR
DECEMBER 4, 2018	FY20 BUDGET PLANNING MEETING #1 WITH TOWN FINANCE COMMITTEES
DECEMBER 19, 2018	FY20 BUDGET RECOMMENDATION PRESENTED TO SCHOOL COMMITTEE
DECEMBER 19, 2018	SCHOOL COMMITTEE REVIEWS FY20 BUDGET RECOMMENDATION
JANUARY 2, 2019	SCHOOL COMMITTEE REVIEWS FY20 BUDGET RECOMMENDATION
JANUARY 2, 2019	SCHOOL COMMITTEE ADOPTS TENTATIVE FY20 BUDGET
JANUARY 7, 2019	DISTRICT ADMINISTRATION ADVERTISES FY20 BUDGET PUBLIC HEARING #1
JANUARY 16, 2019	SCHOOL COMMITTEE HOLDS FY20 BUDGET PUBLIC HEARING #1
JANUARY 16, 2019	SCHOOL COMMITTEE REVIEWS FY20 BUDGET RECOMMENDATION
JANUARY 29, 2019	DISTRICT ADMINISTRATION MAILS ADOPTED TENTATIVE FY20 BUDGET TO TOWNS
JANUARY 30, 2019	SCHOOL COMMITTEE REVIEWS FY20 BUDGET RECOMMENDATION
FEBRUARY 4, 2019	DISTRICT ADMINISTRATION ADVERTISES FY20 BUDGET PUBLIC HEARING #2
FEBRUARY 5, 2019	FY20 BUDGET PLANNING MEETING #2 WITH TOWN FINANCE COMMITTEES
FEBRUARY 13, 2019	SCHOOL COMMITTEE HOLDS FY20 BUDGET PUBLIC HEARING #2
FEBRUARY 13, 2019	SCHOOL COMMITTEE REVIEWS FY20 BUDGET FINAL RECOMMENDATION
FEBRUARY 13, 2019	SCHOOL COMMITTEE ADOPTS FY20 FINAL BUDGET
MARCH 15, 2019	DISTRICT TREASURER CERTIFIES FY20 APPORTIONED AMOUNTS WITH TOWNS
APRIL 6, 2019	ANNUAL TOWN MEETINGS



Capital Improvement Project List Updated

Key Assumptions

- **Time Frame:**
 - Covers the Fiscal Years beginning with FY20 and ending with FY23.
- **Scope:**
 - Facilities & Grounds
 - Technology
 - Food Service
 - Athletics
 - Master Plan
- **Definition:**
 - Tangible Assets that cost at least \$10,000 and have a useful life of at least 5 years.
- **Funding Sources:**
 - We have recommended that four (4) capital items (\$122,186) are funded through the FY20 District's Operating Budget.
 - For the remainder of the Projects on the list, funding sources for FY20 and beyond have not been specifically identified and may include Debt Exclusions, Grants, Donations, and the District's Operating Budget.

**Hamilton Wenham Regional School District
Capital Improvement Project Summary as of December 19, 2018**

Department	Project	Location	Total Est Cost	FY20 (Op)	FY20	FY21	FY22	FY23
Fac & Grds	New Roof	HS	3,000,000	-	-	-	-	3,000,000
Fac & Grds	Building Energy Management Systems *	HS / MS	375,000	-	375,000	-	-	-
Fac & Grds	Replace Recalled Sprinkler Heads	HS / MS	37,500	-	37,500	-	-	-
Fac & Grds	Replace Classroom Sinks, Countertops & Water bubblers	Elem Schools	61,000	-	25,000	36,000	-	-
Fac & Grds	Waste Water Treatment Plant	District	80,000	20,000	-	20,000	20,000	20,000
Fac & Grds	Repair, refinish & reline Gymnasium Floors	District	60,000	-	30,000	30,000	-	-
Fac & Grds	Install Keyless Entryway Swipecard Systems *	District	67,895	-	67,895	-	-	-
Fac & Grds	Install Exterior Surveillance Cameras	District	30,000	-	30,000	-	-	-
Fac & Grds	Install Main Entry & Main Office Interior Surveillance Cameras	District	25,000	-	25,000	-	-	-
Fac & Grds	Interior Classroom & Hallway Painting	Cut	30,000	-	-	-	30,000	-
Fac & Grds	Replace 2 Classroom Carpets with Tile	Cut	10,000	-	10,000	-	-	-
Fac & Grds	Classroom Shades	Cut, Buk, HS & MS	135,000	-	135,000	-	-	-
Fac & Grds	Admin Bldg Emergency Generator *	Admin Bldg	35,000	-	35,000	-	-	-
Fac & Grds	4 Autoscrubbers	District	60,000	-	15,000	15,000	15,000	15,000
Fac & Grds	Replace flooring in HS Fitness Center	HS	15,000	-	15,000	-	-	-
Fac & Grds	Equipment for HS Fitness Center	HS	20,000	-	20,000	-	-	-
Fac & Grds	Install ADA Accessible Handicap Lifts/Ramps for school stages	Win & Buk	30,000	-	30,000	-	-	-
Fac & Grds	Project Adventure Course Upgrades	HS / MS	15,000	-	15,000	-	-	-
Fac & Grds	Replace front sidewalks at Middle School	MRMS	60,000	-	60,000	-	-	-
Fac & Grds	Replace Ceiling Tiles in Primary Wing Classrooms & Hallway	Winthrop	10,000	-	-	-	10,000	-
Fac & Grds	Repair sidewalks and curbing at Admin Bldg	Admin	15,000	-	15,000	-	-	-
Fac & Grds	Upgrade, repair and install intercom systems *	Various	26,936	-	26,936	-	-	-
Fac & Grds	Replace Sound System in gymnasium	HS / MS	20,000	-	20,000	-	-	-
Fac & Grds	40' - 50' Scissor Lift w/ Trailer	District	25,000	-	25,000	-	-	-
Fac & Grds	Buker Drainage	Buker	20,000	-	20,000	-	-	-
Fac & Grds	Replace Buker Side Entryway and Handicap Ramp	Buker	80,000	-	80,000	-	-	-
Fac & Grds	Install new ADA Accessible Ramp off Primary Wing *	Winthrop	20,000	-	20,000	-	-	-
Fac & Grds	Cutler Fire Alarm System: Replace Panel and Devices *	Cutler	37,750	-	37,750	-	-	-
Fac & Grds	Buker Fire Alarm System: Replace Panel and Devices *	Buker	31,000	-	31,000	-	-	-
Tech	iPads for Students on Scholarship and F&RL	District	70,000	17,500	-	17,500	17,500	17,500
Tech	Classroom Hardware Refresh 4 year cycle (iPads)	District	259,000	-	42,000	84,000	70,000	63,000
Tech	Classroom Hardware Refresh 7 year cycle (Laptops & Labs)	District	228,825	47,470	-	34,970	92,430	53,955
Tech	Classroom Chromebooks 4 year cycle	District	135,000	-	18,000	18,000	18,000	81,000
Tech	Upgrade Wireless Access Points including wiring	District	49,920	-	49,920	-	-	-
Tech	Replace Phone System with new VoIP System	HS / MS	47,000	-	47,000	-	-	-
Tech	Replace Backup Server / Services	District	52,000	-	52,000	-	-	-
Tech	Replace VMware Server and Licenses	District	113,000	-	113,000	-	-	-
Tech	Replace Network Area Storage Arrays	District	207,000	-	207,000	-	-	-
Tech	Replace Network IDF	District	72,000	-	72,000	-	-	-
Tech	Replace Classroom SMARTboards, Projectors, etc	District	204,688	37,216	-	65,128	65,128	-
Tech	Upgrade Auditorium Theatrical Electrical Systems	HS	75,000	-	75,000	-	-	-
Tech	Replace Auditorium Lighting Control Console	HS	17,000	-	17,000	-	-	-
Tech	Auditorium HD Projector, Projection Screen & Monitors	HS	50,000	-	-	50,000	-	-

**Hamilton Wenham Regional School District
Capital Improvement Project Summary as of December 19, 2018**

Department	Project	Location	Total Est Cost	FY20 (Op)	FY20	FY21	FY22	FY23
Food Svc	Kitchen Equipment	District	373,575	-	373,575	-	-	-
	Subtotal Operating:		6,386,089	122,186	2,304,792	370,598	338,058	3,250,455
Master Plan	Classroom Furniture (Master Plan)	District	800,000	-	800,000	-	-	-
Master Plan	Longmeadow Property*	District	4,225,000	-	-	-	-	4,225,000
Master Plan	HS/MS Library Media Center Renovation (Master Plan)	HS / MS	2,460,000	-	-	-	-	2,460,000
Master Plan	Elementary Library Media Center Renovations (Master Plan)	Elem Schools	2,841,825	-	-	-	-	2,841,825
	Subtotal Master Plan:		10,326,825	-	800,000	-	-	9,526,825
Athletics	Tennis Courts*	District	660,032	-	-	-	-	660,032
Athletics	Turf Fields: Track & Field	District	3,671,863	-	-	-	-	3,671,863
Athletics	Turf Fields: Combination Baseball Field	District	3,051,365	-	-	-	-	3,051,365
Athletics	Turf Fields: Entrance Improvements & Amenities	District	2,024,928	-	-	-	-	2,024,928
	Subtotal Athletics:		9,408,188	-	-	-	-	9,408,188
	Totals:		\$ 26,121,102	\$ 122,186	\$ 3,104,792	\$ 370,598	\$ 338,058	\$ 22,185,468

\$ 122,186 - A "green" shaded entry in FY20 denotes an expense that has been incorporated into the FY20 Operating Budget Recommendation.
 \$ 2,861,042 - An "orange" shaded entry in FY20 denotes an expense that was requested and denied at April 2018 Town Meeting as a Debt Exclusion.
 * - Denotes an expense that is either new to the list or the cost estimate has been revised and updated.
 Note - Tangible assets or projects that cost at least \$10,000 and have a useful life of at least 5 years.