

HAMILTON BOARD OF SELECTMEN  
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HAMILTON FINANCE COMMITTEE  
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HAMILTON WENHAM REGIONAL SCHOOL COMMITTEE  
MINUTES OF JOINT MEETING  
January 26, 2017

Hamilton Selectmen

Members Present: Allison Jenkins, Scott Maddern (Chairman), and Bill Wilson.

FinCom Members: Darcy Dale, John Pruellage, Phil Stearns, Nick Tensen, and David Wanger

Town Manager: Russ Stevens (Acting Town Manager)

Others Present: Wenham Selectmen, Wenham Fincom, Wenham Town Administrator, and the HWRSD School Committee

This meeting was called to order at 6:07 pm by the HWRSD School Committee, Michael Lucy (Wenham Finance Committee), David Wanger (Hamilton Finance Committee), and Scott Maddern (Hamilton Board of Selectmen).

Discussion ensued regarding the Hamilton Wenham Regional Agreement. The School Committee updated the Boards as to the work completed. The HWRSD attorney had looked at and cleaned up any laws or issues with facilities' leases and would propose changing those items at Town Meeting. The apportionment formula was investigated, with consideration of population census data, number of households and total assessment values. The HWRSD also reviewed other district agreements, many of which were based on enrollment numbers.

Currently the net cost was divided between the two towns according to the apportionment formula done on a three year rolling average, but spikes in enrollment were noted as being able to cause dramatic shifts. Wenham had been hit with an enrollment shift which increased their budget by 4.9%. The HWRSD Committee was proposing going from a three year rolling average to a six year rolling average as soon as possible.

Scenarios for the three year average and six year average were presented. A six year average would smooth out costs further, which would allow for a more stable school cost. Deb Evans recalled when the shift was toward Hamilton, Wenham did not have a huge appetite to change the formula. Ms. Evans referred to the meeting with the Superintendent when Scott Maddern and Bill Wilson were present and the discussion included looking at other elements to determine apportionment. Ms. Evans said the subcommittee had reached out to each Town Clerk to determine census data. The data was not clean due to some people not including their children on the census as well as student housing where numbers were not properly reflected. Student enrollment data was clean. The census data for households would not allow the schools to project future needs because the data did not properly reflect the number of pre-school children in each home. Instead of considering population within a household, Bill Wilson suggested using just the house. The School Committee chair said problems would occur if there were illegal apartments or student populations at the colleges.

Scott Maddern asked about why no one outside of the School Committee was involved with the working group, to which the School Committee responded it was an open meeting. Allison Jenkins wanted to know what percentage of the working group was from each community. The response was there was one person from Hamilton and two from Wenham. When Bill Wilson

asked why the working group was only comprised of school committee members compared to the previous year when both Town Managers, Selectmen and FinCom members represented each Town, the School Committee chair said it was the community goal that was important. Bill Wilson said he was disappointed that only one out of three members of the agreement were coming up with a solution.

David Wanger said he and Scott Maddern had asked to participate in the working group and did not have an opportunity. Michael Lucy suggested not bringing it to Town Meeting on April 17, 2017 (Wenham) and noted that in the past, the group tried to find the null point that would make neither town prejudice. Most regional agreements were based on enrollment. Bill Wilson said the school committee was trying to make a variable based model into a fixed based model. Mr. Wilson said most regional agreements were between one and three year rolling averages, but the School Committee chair said a half dozen were in the process of changing the agreements but she didn't know how they were changing. A school committee member said in previous years, she and John McWane had been in conversations regarding the enrollment being the most reliable, equitable element to use.

Allison Jenkins agreed with enrollment as a basis for apportionment, even though it didn't take into consideration factors, such as Hamilton having four schools and Wenham having one on land that could be taxed for other uses. Ms. Jenkins continued that the land was a significant value of what Hamilton gave into the system. Deb Evans said that part of what Hamilton gave up was valid but from the communities' perspective, the school committee was elected by both Towns to serve the needs of a regional system. Ms. Evans encouraged the Towns to have that conversation outside of the current discussion otherwise the schools committee would not make progress. Ms. Jenkins stated that personally she did not agree and the school committee's responsibility was 100% for the schools. Ms. Jenkins continued that the HWRSD would get the needed amount no matter who paid for it. Ms. Jenkins recalled when discussion occurred years ago, it was swinging back for Hamilton, and now it was swinging the other way, so the HWRSD wanted to look at it. Ms. Evans agreed, but wondered how it would be hashed out.

It was agreed that the school district would get the money it needed, but the shift of enrollment from one town to another town was becoming so significant that it was putting that member town in a predicament in terms of affordability and levy limits and the district's concern was that they may get to a point in the next year or two that even a level service budget to maintain the school district may be unaffordable or unsustainable for one of our member towns. Allison Jenkins responded that she recalled that was what happened to Hamilton when they wanted to review the agreement to have it more affordable for Hamilton. A member of the school committee indicated that if the trend continued three years out, the member town might not be able to pay a level service budget, which meant going forward, the budget was not sustainable. Ms. Jenkins said that was what happened years ago when Hamilton said it was not sustainable for the Town.

According to Peter Lombardi (Wenham Town Administrator), considering the enrollment over the last three years, if current predictions continued, The Town of Wenham could not commit to a level services budget, which would add \$500,000 in FY19. Unless there was a significant change in operating expenses, there would be an override for FY19 based on the way the apportionment and the enrollment shift continued, according to Mr. Lombardi. The fewer years looked at it, the bigger the swing would be. The issue at hand was to stop the hammer coming down on either town in the future.

David Wanger said the Towns wanted a collaborative approach not only with the shared schools but with other issues. Mr. Wanger was concerned about process and as participants wanted to have Town Counsel become involved as the HWRSD and Wenham had their attorneys involved.

Mr. Wanger wanted an opportunity in a collaborative way but recalled that currently the Town was engaged in the Warrant and ballot questions and didn't have the time to become engaged.

While Mr. Wanger did not deny that the group needed to be engaged, but they could not do so before April 1, 2017. A member of the school committee announced that they didn't need to be engaged, they just needed to solve the problem and recalled that negotiations in the past evolved into asks. The school committee only wanted to focus on apportionment. Mr. Wanger pledged the Town of Hamilton's good faith in the process and their need to engage in the process adding that to isolate an issue where there may be others was an inopportune way to approach a collaborative solution.

The school committee indicated that they believed there were no other issues in the agreement that would cause either town several financial hardships in the next twelve months, David Wanger suggested getting to work after April 1, 2017 with each party having an agenda of issues. If there was an undercurrent of good faith, the group would find a way to deal with it, according to Mr. Wanger who continued that even if one were to agree with the formula, the effective date of the formula was in debate and that may stretch beyond Wenham's point of financial situation.

Mike Lucy said the real hammer was the \$32.2M for the overall budget which was not sustainable no matter how the apportionment was set. A school committee member responded that health care, heating, and electrical costs were the problem. Mr. Lucy responded that there were 2,000 students ten years ago with per pupil costs in the low teens and now there were 1,745 students with per pupil costs of \$18,000. It was suggested that it would be beneficial if Hamilton and Wenham became one town.

Deb Evans thought affordable housing was a wildcard that should be considered and would cause parties to stay at the table. Scott Maddern responded that Hamilton affordable housing would be for seniors. Ms. Evans said some affordable housing would have an impact to the schools.

Deb Evans, speaking on behalf of the school committee, noted that Hamilton and Wenham would come to the table in good faith but recalled that when everyone was at the table, nothing was accomplished. Ms. Evens stated it was a community problem and the reason why no one heard about it was because people didn't understand what the implications of not solving it would be in terms of implications to the school.

Scott Maddern said he would bring that question back to the Selectmen. Mike Lucy agreed to discuss the topic after April, but noted there would be turnovers in the FinCom in July. It was suggested that the working group might look at the problem and determine that it wound up a three year rolling average, based on enrollment, was the appropriate outcome. In the future, it could be noted that it was looked at ten years ago and looked at in 2017, so it might be determined that it was the best formula.

Scott Maddern stated the Selectmen were very deliberate that they would not enter into negotiations during the evening.

The school committed closed their meeting at 7:08 pm.

Motion made to adjourn at 7:08 by the Wenham FinCom

Seconded

Vote: Unanimous

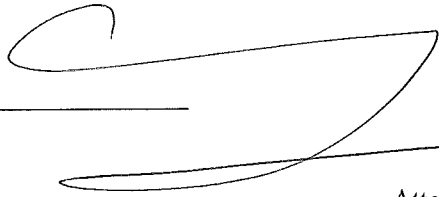
John Pruellage made motion to adjourn at 7:08 pm. for the Hamilton FinCom

Darcy Dale seconded.

Vote: Unanimous to adjourn

Bill Wilson made motion to adjourn at 7:08 pm. for the Hamilton Board of Selectmen.  
Seconded by Allison Jenkins.  
Vote: Unanimous to adjourn.

Prepared by:



2/10/17

Marcie Ricker  
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Attest

Date