

Hartland Consolidated Schools
Special meeting - Board of Education
June 27, 2011

Members present: M. Hutchinson, C. Sinelli, E. McPherson-Brown, T. Dumond
Members absent: C. Aberasturi, K. Kaszyca, B. Perkins
Admin. Present: J. Sifferman, S. Bacon, S. VanEpps, B. Cain, M. Otis, L. Mayes, K. Evenson,
L. Smither, D. Minsker, T. Sahouri
Guests: N. Spranger, M. Baynes, S. Russano, J. Eaton, S. Cone, R. Sluis, C. Kenrick,
L. DePoy

Acting President McPherson-Brown called the meeting to order at 6:35 p.m. in the Boardroom of the Hartland Educational Support Service Center. The Pledge of Allegiance was recited.

Motion by Sinelli, supported by Hutchinson that the agenda for the June 27, 2011 special meeting be approved, that policy be set aside allowing Item II.A. to be treated as an action item, and that public participation be allowed on all items. Motion carried 4-0. 6/27/11 AGENDA APPROVED

Motion by Dumond, supported by Sinelli that the minutes of the June 6, 2011 regular meeting and closed session be approved. Motion carried 4-0. 6/6/11 MINUTES APPROVED

Teachers Shari Russano and Mary Jo Baynes spoke during Call to the Public regarding the proposed budget and its possible effect on elementary scheduling. CALL TO PUBLIC

Superintendent Sifferman noted that this would be Elsie McPherson-Brown's last Board meeting as she finishes her second and final term on the Board of Education. Ms. Sifferman thanked Ms. McPherson-Brown for her unfailing loyalty and commitment to the students of Hartland Consolidated Schools beginning years before her tenure on the Board when her sons entered kindergarten in the district. She also noted McPherson-Brown's staunch activism, lobbying for our students from the local level all the way to the President of the United States. Superintendent Sifferman presented Ms. McPherson-Brown with an engraved clock honoring her eight years on the Board of Education and the meeting broke for several minutes so the Board, administration and audience could have some cake to celebrate her service. SUPT. REPORT

Ms. Sifferman introduced Scott Bacon, Assistant Superintendent for Business & Operations, who initiated the 2011/2012 Budget Hearing. Mr. Bacon began by presenting "Key Highlights" from the 2009/10, 2010/11 and 2011/12 school years. He noted that 2010/11 was broken up into two segments - conditions at the time of the budget adoption on June 30, 2010 and where we ended up on June 27, 2011. Though we began the year assuming no increase in the foundation allowance, and a loss of 55 students; through ARRA monies and an aggressive Schools of Choice campaign the district actually realized a \$216 increase per pupil and gained 52.8 new students. This allowed the district to build up its fund balance by approximately \$1.7 million to 9.63%. Mr. Bacon noted that this was crucial as the ARRA (federal stimulus) monies have dried up and for 2011/12, the district is looking at a \$470 per-pupil reduction in state aid and a retirement rate increase of 3.8 percentage points for an additional \$907,000. With the proposed \$82.00 per pupil "retirement rate assistance" and an additional \$100 per pupil from the state if the district meets four of five "incentives", and a 2.67% across-the-board salary reduction, the district will 2011/12 BUDGET HEARING

still use approximately \$2.2 million from its fund balance to achieve a balanced budget. The district will finish 2011/12 with approximately \$2.3 million in its fund balance or 4.95%. Mr. Bacon noted that the picture is even more bleak for 2012/13 and 2013/14 should everything remain the same, with the retirement rate continuing to climb (a factor beyond school districts' control) and the "incentive" monies coming out in 11/12 as they are only for one year. He also noted that had the district not been proactive several years ago when it contracted out custodial services and then settled concessionary contracts with its unions, we would be in an even more difficult position. These concessions have allowed the district to continue to offer programs & services that attract students to the district, i.e. Schools of Choice. Mr. Bacon noted that the district currently has approximately 500 Schools of Choice students and without them and the revenue they bring, offerings would look very different for all of our students. A parent asked why the teachers continue to participate in the retirement system if it is so expensive - why can't teachers plan for their own retirement? Mr. Bacon explained that neither teachers nor school districts have any control over the retirement system. School employees are automatically enrolled and begin contributing to the state program when they are hired. The increase in rates do not reflect an increase in benefits but are to keep the program going as each year there are less and less employees contributing to the plan. The very "incentives" the state asks the school districts to meet - privatizing non-instructional services, consolidating services, and its own Early Retirement Incentive - pull people out of the system so less are contributing so districts must pay more to fill the gap.

After wrapping up the General Fund, Mr. Bacon went on to present the other four funds - Athletics, Cafeteria, Debt and Capital Projects. He noted that Athletics is doing well and holding its own with only a small percentage (.7%) contribution from the district. The Cafeteria fund continues to maintain a 20% fund balance though they may need to pull from that this year as costs continue to rise, more students qualify for free & reduced lunches and, due to the difficult economic times, the district has not raised the price of lunches since 2006. The Debt fund's purpose is to pay off the various bonds and loans the district maintains including the low interest School Bond Loan Fund. Should the Board pass the motion being presented later in the meeting, this fund will be receiving a distribution from the Capital Projects fund of approximately \$964,465 due to the closure of the 2000 Bond Issue. The Capital Projects fund manages the monies from the various bond issues. With the closure of the 2000 Bond, remaining will be the 2006 and 2010 bond issues. This concluded the 2011/2012 Budget Hearing.

Ms. Hutchinson noted that it has been an honor to serve with Ms. McPherson-Brown and she appreciates her support & guidance. Ms. Sinelli concurred and also noted that Ms. McPherson-Brown was a wonderful leader with great passion. Mr. Dumond thanked Ms. McPherson-Brown for her guidance, wisdom and common sense. He also thanked Mr. Bacon and his team for all of the work they have done on the budget. Ms. McPherson-Brown thanked everyone for their kind words and noted that she believes Hartland is and has always been fiscally responsible and she thanked Mr. Bacon and his staff for the great work they do. She encouraged everyone to continue working together and thanked the community for allowing her to serve on the Board.

Motion by Sinelli, supported by Dumond that the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, authorizes all remaining funds in the "2000 Bond" Capital Projects account (est. \$964,465) to be transferred to Debt Fund #18 (Debt Fund associated with the "2000 Bond"), and that this transfer take place prior to June 30, 2011. Motion carried 4-0.

TRANSFER-
CAPITAL
PROJECTS

Motion by Hutchinson, supported by Sinelli that the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, approves budget amendments for the General Fund, Capital Projects Fund, Debt Retirement Fund, Athletic Fund and Food Service Fund as presented. Motion carried 4-0.

10/11 BUDGET
AMENDMENTS

Motion by Dumond, supported by Hutchinson that the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, approves the General Appropriations Act Resolution (2011/2012) as presented. Motion carried 4-0.

11/12 GEN. APP.
ACT RES.

Asst. Superintendent Scott VanEpps summarized the proposed changes to the 2011/12 Parent/Student Handbooks. This will come before the Board for action on July 11.

DISCUSSION:
HANDBOOKS

The meeting adjourned at 7:55 p.m.

ADJOURNMENT

Respectfully submitted,

Elsie McPherson-Brown
Secretary

Paula Waters
Recording Secretary