

Sands, Jeffrey

From: Sands, Jeffrey
Sent: Friday, January 25, 2019 10:10 AM
To: Polito, David; Lee, Gene; Gertz, Kerry; Jeanise Bertrand; Wolczik, Peter; Michelle, Bailey; Stacey Metternick; Harvey, Michael
Subject: Responses #3 >FW: BUDGET WORKSHOP

All,

Please see my responses (in red) to additional questions below.

Regards,
Jeff

Assistant Superintendent of Finance & Administration
Hamilton Wenham Regional School District
5 School Street
Wenham, MA 01984
978-626-0827

From: Bailey, Michelle
Sent: Saturday, January 12, 2019 10:54 AM
To: Wolczik, Peter; Polito, David; Gertz, Kerry; Lee, Gene; Jeanise Bertrand; Stacey Metternick
Cc: Harvey, Michael; Sands, Jeffrey
Subject: Re: BUDGET WORKSHOP

What did we cut from this year into next year's budget? One (1) 5th Grade Teacher at \$58,541, \$15,500 in Maintenance Truck Leasing Costs (3 trucks to be purchased for \$1 each at lease end in FY19), and \$65,000 in "anticipated staff replacement savings" (this was a budget placeholder for additional salary savings beyond anticipated retirement savings linked to specific individuals; I'm not comfortable doing this again in FY20).

What is this year's budget keeps you up at night that we might be "under-budgeting?" I don't believe we are knowingly "under-budgeting" anything at the present time. That said, what concerns me most is Out-of-District Placement Costs (Tuition and Transportation), our OPEB Liability and the absence of a properly funded trust, and Healthcare Costs....in that order.

How much are we spending on "OPEB" type benefits in our current budget? And what is the expect growth rate? What is driving the increase number of aggregate retirees between now and 2050?

Our Actuary has estimated "pay-as-you-go" benefit costs in FY20 at \$975,651. Exhibit D Column VIII "Total Employer Payments" (page 60 in the GASB 75 Actuarial Valuation Report) provides a schedule of estimated pay-as-you-go values for the next 30 years (see link below).

Please note that with a pay-as-you-go funding approach, contributions are only made as current benefit payments become due and that the funding necessary to cover any future liabilities are not accumulated.

All Actuarial Methods and Assumptions are made in accordance with GASB Statement #75. Valuation Assumptions can be found beginning on page 13 of the GASB 75 Actuarial Valuation Report (see link below). These Assumptions can also be found on page 41 of our FY18 Audited Financial Statements for the year ended June 30, 2018.

[http://www.hwschools.net/uploaded/District/Audit_Reports_FY2018/GASB_75 - FY18.Report \(HWRSD\) - Delivered August 21 2019.pdf](http://www.hwschools.net/uploaded/District/Audit_Reports_FY2018/GASB_75_-_FY18.Report_(HWRSD)_Delivered_August_21_2019.pdf)

http://www.hwschools.net/uploaded/District/Audit_Reports_FY2018/Hamilton-Wenham_RSD_FY18_Financial_Statements.pdf

From: Wolczik, Peter
Sent: Friday, January 11, 2019 9:36:47 PM
To: Polito, David; Gertz, Kerry; Lee, Gene; Jeanise Bertrand; Bailey, Michelle; Stacey Metternick
Cc: Harvey, Michael; Sands, Jeffrey
Subject: Re: BUDGET WORKSHOP

Stacey is out of town on business and we know she asked for this meeting, so I am sure she will agree with the need for this meeting. Thank you.

Best,

PW

From: Polito, David
Sent: Friday, January 11, 2019 6:51:34 PM
To: Gertz, Kerry; Lee, Gene; Wolczik, Peter; Jeanise Bertrand; Bailey, Michelle; Stacey Metternick
Cc: Harvey, Michael; Sands, Jeffrey
Subject: BUDGET WORKSHOP

All,

I am writing to gauge interest in scheduling a Budget Workshop and if there is interest what specific items you would be interested in working on.

Adding another meeting for a workshop was brought up at our last school committee meeting and while Jeff has said he would be happy to work with the school committee on their budgets questions and needs.

So please respond if you would like a budget workshop to be scheduled and what specific items you would like to have worked on. I will treat all non-responses as you not feeling there is a need for an additional budget meeting to be added.

David

David Polito, Ed.S.
Chair
Hamilton-Wenham Regional School Committee
d.polito@hwschools.net
He/Him/His