

Hermon School Committee  
Minutes – Special Meeting  
Wednesday, April 19, 2017 – 6:00 p.m.  
Hermon Superintendent's Office  
Providing Leadership to Enhance the Aspirations of our Children

Present

Mr. Anthony Reynolds, Chairperson  
Mrs. Debora Farnham  
Mr. Ted Harris *via phone*  
Mrs. Anne Smith

Absent

Mr. Ralph Carr, Vice Chairperson

Staff: Mrs. Rhonda Byers and Mr. Brian Walsh

Guests: Mr. Howard Kroll, Town Manager and Mr. Steve Thomas, Council Chair

Item I: Mr. Reynolds, Chairperson, called the meeting to order at 6:02 p.m.

Item II: 2017-2018 Budget

The projected revenues for 2017-18 are \$12,608,105 last year's projected revenues were \$12,873,214, so right off we have a \$265,108 deficit between last year's revenues and this year's revenues. Expenditures, after they have been whittled down, are still at \$13,241,007. The total deficit between revenues and expenditures is \$633,000.

Mrs. Duran cautioned against asking the town to raise another \$633,000 because that would mean the town being asked to raise \$1.1 million more than their assessment. (The \$632,909 + \$210,894 which is the difference between what the State is recognizing for Essential Programs & Services and what they are paying, then \$476,00 local debt service.)

Mr. Thomas asked what that would do to the mill rate overall. Mr. Kroll said that it would be close to 2 mill. Mrs. Duran thought that would be 16% increase for local tax bills. Mr. Thomas asked how many students we had and Mrs. Duran stated 1,200, including tuition students. Mr. Thomas stated that would add about \$1,000 per student cost which is still \$1,000 less than the State average.

Mr. Reynolds inquired about the tax stabilization monies. Mrs. Duran stated that the proposed budget reflected \$290,000 out of reserves in it (line 14). Mrs. Duran stated that the plan was to use \$200,000 out of that per year until the middle school is paid off in three more years. One problem that did happen this year is that we did not receive the allocation from the tax rate stabilization which will not help, but would be in the carry forward funds. Mr. Kroll suggested that it is a past due that is owed, and the auditors should go back and use that as a late entry. Mrs. Duran asked if the town council was still allocating money to the tax rate stabilization. Mr. Kroll stated that yes they were for \$25,000 per year.

Mrs. Farnham inquired, and Mrs. Duran responded that the administrative money the governor had removed was not included in revenues because we do not know what will happen. If it does happen, it would be about \$160,000 and the only thing we can do there is to write a warrant article that indicates if we get that money, we could spend it on xyz. The problem is you would have to take xyz out of your budget until you get that money, if you get that money.

Mr. Kroll asked if there were repairs or capital expenses looking to purchase or looking to take care of in this budget. Mrs. Duran explained that the replacement of the heating control panel at the high school for \$69,000. We took that out of the budget because we still have it in this year's budget so we are going to get that started now and pay it out of this year's budget, which reduced the budget. She also took out the \$70,000 for roof repair out because that roof repair will be included in the construction project.

Mr. Thomas asked if we were going to use the tax stabilization dollars to help bridge the gap, the revenue figure down \$160,000 taking a very conservative approach, if those funds do come in you can use that to replenish the tax rate stabilization money. Mrs. Duran explained that the state says they will allocate x amount and the town will allocate y amount and that is supposed to equal the EPS amount. The State

says they will give us 97% of their part of that and therefore the town only has to raise 97% of our part. However, we know that EPS is a minimum number, we have asked the town to raise its allocation to 100% of our share of EPS which is line 4 of \$210,894. If you take the State share and the local share, they do not equal 100% until we add the \$210,894 more. The figure of \$160,000 is an estimate, taking the ED279, which last year they had money in there for us and this year they do not. She has added the figures they said they'd give us for K - 8 and 9 -12 then the state's share is 58% which is about \$160,000. Our warrant would have to say if we receive additional funds up to \$160,000 would go to tax rate stabilization.

Mrs. Duran stated that we have cut this budget down pretty much to the dollar when it comes to salaries and benefits.

Mr. Thomas inquired about the decrease in tuition revenue. Mrs. Duran explained that the State sets the tuition rate. This year it is \$8,092, the lowest in the State, and we only receive 2/3 of that if a tuition student attends United Technologies Center. If you reduce the regular education rate at the high school, then the tuition rate will be reduced. It is calculated on how much you spend regular education, divided by students which equal the tuition rate. The State also pays only a minimal amount for athletics.

Mrs. Farnham asked what areas were trimmed from the budget. Mrs. Duran stated that some was taken out of health insurance, which had been set at 9%, but was actually only 8.42%. We had put a bus in there twice, so that has come out. We have been advertising for a year for a Spanish instructor, which was taken out along with the insurance for that position. There were some savings between the salaries and insurances for the new guidance position, two English positions and the outgoing positions. We reduced the price for oil we had budgeted. We will pay for the handicap accessible van over the course of 5 years instead of all in one year.

The town has to pay their local allocation and they have to pay the debt service.

Mrs. Duran stated that if she understands correctly, we are going to ask for an additional \$160,000 to be transferred from reserves. We have to go to the council and ask for that transfer from reserves. Then we put it back in by having the warrant article that states what we will do with additional funds, and we are asking for what we believe to be about a 1 mill increase.

Item III: Meeting adjourned at 7:35 pm.

Respectfully submitted,  
Jody White  
Recording Secretary