

Finance Subcommittee Meeting Minutes

Tuesday November 3, 2015 6:30 PM Superintendent's Conference Room Minuteman High School

Present: Carrie Flood (left at 7:15 PM), Dave Horton, Jack Weis (arrived at 6:40 PM), Sue Sheffler (left at 8:30 PM), Sheryl Stevens-Burke (left at 7:40 PM), Kevin Mahoney, Elizabeth Rozan, Michelle Resendes

1. Call to Order: Open Session

The Chair called the meeting to order at 6:30 PM, noting her need to leave by 7:15, at which point Jack Weis would chair the meeting.

2. FY 15 Audit Report, Sheryl Stevens-Burke, Melanson Heath

Kevin introduced Sheryl Stevens-Burke, and pointed out that she would review the draft audit, which will be finalized for presentation to the full School Committee on 11.17.15. Sheryl extended appreciation to the Business Office for their help during the process of developing the financial statements. She gave a page-by-page review of the financial statements, noting the impact of GASB 68, pointed out where new detail had been included, the need to include all possible liabilities (specifically Retirement-related), the importance of the Balance Sheet. She described the inclusion of two methods of accounting, and pointed out that revenue is organized to align with the DESE Chart of Accounts. She highlighted the lengthy section of notes, and clarified areas where questions arose. A few errors were noted for correction (pg. 8 and pg. 38), and a suggestion was made about training. She also reviewed the highlights of the Management Letter, and pointed out that there has been significant improvement in financial reporting, accounting for Student Activity Funds, controls over receipts, and controls over disbursements. She commended the Business Office for their hard work towards improvements. She also clarified the scope of Melanson Heath's engagement with the District and the limits and responsibilities of a financial statement audit.

Questions focused on areas of potential need for policy with regard to managing the District's finances, what "unrestricted" means, to what extent the School Committee needs to be aware of outstanding legal issues, and the swings in grants year to year.

When Carrie left, Jack took over as Chair. When Sheryl left, Jack wanted to continue to review areas for possible policy. Sue requested that other items be completed first, so that she could leave by 8:30 PM.

3. Review of Warrants

There was a short review of Michelle's response to questions Jack had submitted regarding the Warrants, and the Warrants were signed.

4. Approval of Past Minutes (9.29.15)

A typo amendment was offered on the minutes, and the following vote was taken:

On a motion (Horton) and seconded (Sheffler)

To approve minutes of 9.29.15 as amended

Unanimous

5. Policy DN Simplification

Kevin explained the process of his simplifying Policy DN (School Properties Disposal Procedure). He clarified points in the procedure about notice, auction, and value. To address the potential for alternatives for newspaper notice, a suggested addition of the words "At a minimum..." was made and agreed to. After a discussion about whether it was important to differentiate a value point at which the School Committee took a vote, the following vote was taken:

On a motion (Horton) and seconded (Sheffler)

To accept the simplification of Policy DN as amended, and to move it through the process of 1st Reading for 11.17.15

Unanimous

6. Review of FY 16 1st Quarter Reports

Kevin reviewed the three 1st Q Reports: The Preliminary Revenue Report (with estimated receipts [Cherry Sheets]), the Expenditure Report Summary and Detailed, and the Revolving Funds. Under the Revenue Report, he reviewed staffing action being considered related to the 628 target enrollment, the minimum of capital items, surplus, ways of lowering assessments, and the self-funded health insurance with working rate vs. premium. Under the Expenditure Report, he reviewed areas of encumbrances and adjustments, and pointed out that there are no red flags. In the area of Revolving Funds, he pointed out the continued concern with low enrollment in the child care center. Possible reasons for the lower enrollment were discussed, and Kevin noted that he will be reviewing models and making some recommendations in February, 2016.

7. E & D as of 7.1.15

Kevin noted that there was nothing yet to report for this item, as he had not yet heard from the Department of Revenue (DoR).

In response to a question from Sue, Kevin gave a brief update on the status of the Per Pupil Cost Analysis, noting that he has been working on this with the Chair and the Superintendent. He explained that the data is still under review but that he anticipates a 15 page report that will compare Minuteman (highest) with Assabet (mid-range) and Nashoba (least expensive) in areas of SPED costs, teacher salaries, and transportation costs. He pointed out that preliminary results show that the geographic radius of member towns accounts for the high transportation costs. He noted that when these three factors come out of the equation, the cost is average (approximately \$8000/student). The importance of remaining objective in the financial analysis, without mixing it up with marketing, was raised, as was the importance of transparency and a review of best practices. Kevin noted that this analysis will be a future agenda item.

8. Schedule for December Finance Subcommittee Meetings

Due to the Superintendent's possible need for an additional School Committee meeting on December 1, and the Finance Subcommittee's expressed interest in having two full meetings to review the budget (scheduled for December 1 and 8), the possibility of changing the December meetings to Thursday December 3 and 10th was raised. People penciled in these new dates, which will be confirmed later.

9. Continued Discussion

Sue left the meeting, and the remaining members considered areas where there may be a need for a policy, based on the earlier audit discussion. Kevin clarified the limited influence of the School Committee on Minuteman's Retirement System, and clarified details and actions that have been taken so far to address OPEB concerns. It was agreed that two areas for possible policies are an Investment Policy that includes rating of banking institutions, and a Vacation Policy to address compensating absences.

10. Adjournment

The meeting was adjourned at 8:50 PM.