

Finance Subcommittee Meeting Minutes

Tuesday January 5, 2016 6:30 PM Superintendent's Conference Room, Minuteman High School

Present: Carrie Flood, Dave Horton, Jack Weis, Sue Sheffler, Kevin Mahoney, Elizabeth Rozan

1. Call to Order: Open Session

The Chair called the meeting to order at 6:35 PM.

2. Warrant Review

There were no warrants to review.

3. Approval of Past Minutes 12.10.15

Clarifying amendments were offered on the minutes. They were accepted, and the following vote was taken:

Moved (Horton) and seconded (Sheffler)

To approve past minutes of 12.10.15 as amended

Vote: Unanimous

4. Review of 2nd Quarter Actual Report

As a follow-up to last meeting, Kevin presented a review of the 2nd Quarter Actual Report. He described that he was using this information to anticipate expenses and to assess spending patterns, and demonstrated this by reviewing a few of the function codes, such as tech related, legal counsel, substitutes, athletic services, and utility services. With regard to Account 7200, he described the current issue necessitating an emergency generator for sewerage pumping that is shared with Cranberry Hill and the National Park. He noted the actions and conversations he has been having with both organizations, as well as the engineers, the Town of Lexington, and Eversource in attempts to resolve the problem, and noted that there may be a need for a capital expense to establish a dedicated power source. Additionally, the roadway repairs were discussed, specifically whether, in light of the building project, any of them could be postponed, or done with less expenditure. Underground heating oil tank removal, roof repairs, and engineering services for the ball fields were also discussed. In response to specific questions, Kevin clarified details on the substitute, other instructional services, and rental/lease funds accounts, and noted that he anticipates a \$536K projected balance at fiscal year end.

5. Review of Draft Preliminary Budget FY 17 v. 3.0

Kevin then reviewed v. 3.0 of the FY 17 Estimated Revenue Plan. He pointed out the change in the Regional Transportation Reimbursement, up 14.23% from FY 16, and that this is based on a 60% reimbursement rate. He also pointed out the increase in the Certified E&D, at \$825,000. He reviewed how the E&D is calculated, and pointed out that he is reasonably comfortable that it can be committed and supported, as he viewed this as a modest reserve. It was pointed out that this is actually the towns' money, and that the towns should not be overassessed. Working towards using E&D as an annual give-back to the towns was noted as a measure that builds trust.

With regard to the Assessments, v.3.0, Kevin pointed out that that the increase this year is less than .5%.

Appreciation was extended to Kevin for including the FY 14 Actual and FY 15 Actual columns in the FY 17 Budget Summary by Function Code spreadsheet. Jack raised a number of questions on specific line items that showed significant percentage changes. Legal services, teaching services, professional development, pupil transportation, maintenance of equipment, health insurance, and road renovations were discussed. Additional discussion centered around the impact of the anticipated building project approval on Fund 7200 (Acq & Improve of Build) and Fund 8190 (Interest Bonds).

Kevin stressed his interest in having a source of funds to pay interest on the bond and after discussion, it was agreed that he would adjust the \$540,500 from Fund 7200, so that \$500K was moved to Fund 8190 for interest, and \$40,550 would remain in Fund 7200 for capital. He pointed out that if there was a need for additional capital expenditure over the amount in Fund 7200, the Stabilization Fund could be used.

With the adjustment noted above in Funds 7200 and 8190, the following vote was taken:

Moved (Horton) and seconded (Sheffler)
To recommend FY17 Budget as presented and adjusted as noted above, for
consideration by the School Committee at the January 19, 2016 Public Hearing.
Vote: Unanimous

The Finance Subcommittee members commended Kevin for the nice work on this defensible budget, and for the logic, reasoning, and patience that went into the development. They pointed out that he can emphasize that the Finance Subcommittee's full support at the January 19 meeting. Kevin, in turn, extended appreciation for all the suggestions and feedback from Finance Subcommittee members.

6. Adjournment

The meeting was adjourned at 7:55 PM.

Elizabeth Rozan, Recorder