

MINUTES

FINANCE SUBCOMMITTEE MEETING

Tuesday June 21, 2016 6:30 PM Superintendent's Conference Room, Minuteman High School

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

1. Call to Order: Open Session

The Chair called the meeting to order at 6:30 PM.

2. Warrant Review

Michelle reviewed the responses to questions that came in on the warrants. Of note was discussion related to biohazard licensing, the reduced costs on transportation presenting the potential for collaborative efforts, and the general process of warrant preparation and review. The warrants were then signed.

3. Approval of Past Minutes 5.31.16

The following vote was taken:

Moved (Horton) and seconded (Weis)
To approve past minutes of 5.31.16
Vote: Unanimous

4. Proposed FY 17 Revolving Fund Budget

Kevin explained the details of the Proposed FY 17 Revolving Fund Budget, noting the similar format as the quarterly reports, and the inclusion 2 years of data for comparison. The Subcommittee reviewed the report by section, and Kevin addressed questions as they arose. He explained areas where there was a deficit, and areas where progress has been made. The tax exempt status and the expectation of privacy re 10 Mill St. was discussed, as was the matter of steps taken to improve the cash flow in the Child Development Center. Kevin pointed out that he anticipates an issue in the Tuition Revolving area, as the number of out-of-district students will impact the FY 18 Revenue Plan. Overall, the sense was that this periodic review of the Revolving Fund Budget was a good management tool, helpful for forecasting from one year to the next, providing good description and issue awareness in advance, as well as intelligent exchange. The following vote was taken:

Moved (Sheffler) and seconded (Horton)
To recommend that the School Committee approve the proposed FY 17 Revolving Fund Budget at their July meeting.
Vote: Unanimous

5. Discussion: Potential OPEB Trust Agreement

Jack explained that he reviewed the materials that Dave had pulled together, and focused in two areas: functionality and administration. Functionally, the samples seemed to function like a dedicated savings account, and not an administrative entity. He had expressed his concern with the previous trust agreement draft which seemed to be defining an administrative entity, and the Subcommittee had agreed that was not the direction intended or desired. Administratively, the materials reviewed showed that the funds were being managed either by one person with sole responsibility, by the Retirement Board, or by a separate

trust organization. He explained his preference for management by the Retirement Board, but admittedly, he didn't have a strong understanding of how that Board worked, and if that option would be viable for Minuteman's Retirement Board.

Kevin explained the composition of the Minutemen Retirement Board, and pointed out that funds are managed by Pension Reserve Investment Management (PRIM). He explained PRIM's parameters, and noted that an initial \$250K would be needed in OPEB funds for PRIM to be involved. Kevin requested consideration of how to move forward, as he has an OPEB reserve that he would like to put somewhere while a structure can be developed. Some suggestions were made, and although no vote was taken, it was agreed that the Finance Subcommittee was recommending that he put the funds in a principal-protected investment account for now (much like a savings account), and to discuss the matter with Norm Cohen (Retirement Board member), and with the Auditors as well. It was suggested that before getting an attorney to draft anything, structural recommendations should be discussed with the full School Committee for buy-in. The Subcommittee offered thanks to Jack for his review of the material and his suggestions.

6. Feasibility Study Bond Anticipation Note Renewal – Bid Results

Kevin explained the process of Bond Anticipation Notes (BANs), and that the District has a bond anticipation note of \$180,000 due June 24th, which will be rolled over 1 year. Since the rollover is year 3 from the original issue date, a principal paydown of \$60,000 is required (1/3rd of original principal amount). He explained that this was planned for and budgeted. The renewal will be for \$120,000, and UniBank arranged the sale for Monday, with notes in his office Tuesday. He further explained that while the bid results are usually presented to the full School Committee, this was a break in past practice, due to the timing. He will report the BAN sale at the July meeting. He also noted that Unibank is a fiscal advisor, but they won the bid.

7. Adjournment

The meeting was adjourned at 8:00 PM.

Elizabeth Rozan, Recorder