

## MINUTES

### FINANCE SUBCOMMITTEE MEETING

September 26, 2017 6:00 PM Superintendent's Conference Room, Minuteman High School

Present: Carrie Flood, Dave Horton, Jim Gammill, Kevin Mahoney, Michelle Shepard, Elizabeth Rozan

#### **1. Call to Order: Open Session**

Chair Carrie Flood called the meeting to order at 6:04 PM, welcoming new member Jim Gammill. The items were reordered, with the Warrant Review held until the end of the meeting.

#### **2. Approval of Past Minutes: 5.30.17**

The following vote was taken on the past minutes, invoking the "rule of necessity", due to the Chair's having been absent, and changes in Subcommittee membership.

Moved (Flood) and seconded (Horton)

To approve the past minutes of 5.30.17, as presented

Vote: Unanimous

#### **3. Debt Issuance for School Building Project**

Kevin reviewed the debt service schedule (Attachment A) on the \$36M bond approved by the School Committee on 9.19.17 and issued today. He explained that in addition to this bond, there will be a second bond sale for \$45M in FY 19, and a 3<sup>rd</sup> for approximately \$20 M at the completion of the project. He explained that the first payment would be deferred for 2 years, until occupancy of the building and the capital fee benefit is worked out. He explained that the capital fee could not be in effect until we are in the new building, and noted the importance of DESE's calculation and implementation, as Minuteman is the model. He also noted that he is considering ways to work with the funds in terms of the budget and assessments. The need for flexibility was raised, as was the suggestion of a formula that would provide certainty, stability, and predictability, with a reasonable capital fee/pupil over time.

#### **4. Financial Reporting – School Building Project**

Kevin referred to a School Building Project Budget Report (9.26.17) (Attachment B), developed from a template provided by Skanska. He explained this could be used as an informational dashboard to give a big picture view of cost categories with the budgeted, committed, and expended amounts, remaining balances and completion percentages. The level of oversight from School Building Committee, Finance Subcommittee, School Committee, Fiscal Services, and MSBA was discussed as potentially reassuring to the public.

#### **5. Finance Subcommittee Goal Setting**

Kevin explained that in the past, revolving accounts, policies, and per pupil costs were items taken up as focal points for the year by the Finance Subcommittee. Given the good footing with the Audit Report and the S&P Bond Rating Report, he asked for a discussion on possible goals for this year. Contract status for Legal and Auditor services was discussed. Carrie noted that

realistically, the Subcommittee supports Kevin in his effort to manage the finances for the organization, so items on his horizon would be important to consider. She noted that the earlier discussion on the capital fee calculation was one item for consideration as a goal. Jim raised his interest in ensuring that a template for intermunicipal agreements (IMAs) be in place, noting that the towns that left may regret leaving as they sort through the process of providing vocational education options for their students. He suggested they may be willing to pay for access to the school, without being involved in a full voting membership. Who was responsible for pursuing an agreement was raised, as was the fact that the School Committee voted to approve two IMAs in 2014, during the Regional Agreement discussions. The avoidance of any sort of “special status” was stressed. Jim suggested that the campus development ideas should also be a goal. He referenced the documents he reviewed after the Executive Session, and his desire for a deeper discussion on the process and ideas presented, as vocational education is “hot” right now. It was pointed out that further discussion of this item was not appropriate, as an Executive Session was not scheduled for this agenda. It was also noted that the Superintendent plans to further discuss this item with the School Committee at upcoming meetings in Executive Session. Carrie suggested “Possible Executive Session” for this purpose be added to future Finance Subcommittee meeting agendas as well. It was summarized that capital fee calculation, IMAs, and campus development may be areas for focused discussion by the Finance Subcommittee this year.

#### **6. FY19 Budget – Discussion**

Kevin presented the draft Budget Process Calendar for Fiscal Year 2019 (9.26.17 v. 1) (Attachment C) as informational, and noted his interest in holding the public Budget Hearing after the Governor’s budget is released. Additionally, he noted that after aligning this calendar with the scheduled meeting calendar, he now thinks the February School Committee meeting, which includes the Budget Hearing, would be better moved up a week to February 6, to better align with the Town Meeting schedule. Dave Horton, as School Committee Chair, suggested he bring this up at the next Officers Meeting. Kevin reviewed the drivers he anticipates for the FY 19 Budget development, and emphasized the importance of clearly communicating the standard assessment and the debt related assessment as two separate issues.

#### **7. Warrant Review**

Michelle Shepard provided verbal response on questions submitted related to the Warrant. The Warrants, listed as Attachment D, were signed.

#### **8. Adjournment**

It was determined that the start time of future meetings would be 6:00 PM. There being no further business, the meeting was adjourned at 7:40 PM.

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Elizabeth Rozan, Recorder

#### **ATTACHMENTS**

- A. Debt Service Schedule for \$36 M bond issued 9.26.17
- B. School Building Project Budget Report 9.26.17
- C. Budget Process Calendar for Fiscal Year 2019 9.26.17 v. 1
- D. List of Warrants Signed by Fin. Subc. 9.26.17

DEBT SERVICE SCHEDULE

Minuteman Regional Vocational-Technical School District, Massachusetts

ISSUE PURPOSE ..... School Building Construction (outside the debt limit)  
 ISSUE AMOUNT ..... \$ 36,000,000.00 FINANCIAL ADVISOR ..... UniBank Fiscal Advisory Services  
 ISSUE DATE ..... 09/26/17 PAYING AGENT ..... U.S. Bank National  
 ISSUE TYPE ..... General Obligation Bond REGISTRAR ..... The Depository Trust  
 EXEMPT ..... No LEGAL OPINION ..... Locke Lord  
 BANK QUALIFIED ..... No PURCHASER ..... Bank of America Merrill Lynch  
 STATE QUALIFIED ..... No INSURER ..... (none)  
 SELF-SUPPORTING ..... No CUSIP NUMBER ..... 604543

<u>Date</u>	<u>Principal Balance</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal &amp; Interest</u>	<u>Coupon Rate</u>	<u>Call Price</u>	<u>Cusip Number</u>
09/26/17	36,000,000.00				%	%	
03/15/18	36,000,000.00	0.00	568,840.50	568,840.50			
09/15/18	35,995,000.00	5,000.00	605,865.62	610,865.62	5.0000	NA	BB3
03/15/19	35,995,000.00	0.00	605,740.63	605,740.63			
09/15/19	35,990,000.00	5,000.00	605,740.62	610,740.62	5.0000	NA	BC1
03/15/20	35,990,000.00	0.00	605,615.63	605,615.63			
09/15/20	35,170,000.00	820,000.00	605,615.62	1,425,615.62	5.0000	NA	BD9
03/15/21	35,170,000.00	0.00	585,115.63	585,115.63			
09/15/21	34,310,000.00	860,000.00	585,115.62	1,445,115.62	5.0000	NA	BE7
03/15/22	34,310,000.00	0.00	563,615.63	563,615.63			
09/15/22	33,410,000.00	900,000.00	563,615.62	1,463,615.62	5.0000	NA	BF4
03/15/23	33,410,000.00	0.00	541,115.63	541,115.63			
09/15/23	32,575,000.00	835,000.00	541,115.62	1,376,115.62	5.0000	NA	BG2
03/15/24	32,575,000.00	0.00	520,240.63	520,240.63			
09/15/24	31,695,000.00	880,000.00	520,240.62	1,400,240.62	5.0000	NA	BH0
03/15/25	31,695,000.00	0.00	498,240.63	498,240.63			
09/15/25	30,780,000.00	915,000.00	498,240.62	1,413,240.62	5.0000	NA	BJ6
03/15/26	30,780,000.00	0.00	475,365.63	475,365.63			
09/15/26	29,810,000.00	970,000.00	475,365.62	1,445,365.62	4.0000	100.0000	BK3
03/15/27	29,810,000.00	0.00	455,965.63	455,965.63			
09/15/27	28,805,000.00	1,005,000.00	455,965.62	1,460,965.62	2.0000	100.0000	BL1
03/15/28	28,805,000.00	0.00	445,915.63	445,915.63			
09/15/28	27,775,000.00	1,030,000.00	445,915.62	1,475,915.62	3.0000	100.0000	BM9
03/15/29	27,775,000.00	0.00	430,465.63	430,465.63			
09/15/29	25,710,000.00	2,065,000.00	430,465.62	2,495,465.62	3.0000	100.0000	BN7
03/15/30	25,710,000.00	0.00	399,490.63	399,490.63			
09/15/30	23,610,000.00	2,100,000.00	399,490.62	2,499,490.62	3.0000	100.0000	BP2
03/15/31	23,610,000.00	0.00	367,990.63	367,990.63			
09/15/31	21,720,000.00	1,890,000.00	367,990.62	2,257,990.62	3.0000	100.0000	BQ0
03/15/32	21,720,000.00	0.00	339,640.63	339,640.63			
09/15/32	19,950,000.00	1,770,000.00	339,640.62	2,109,640.62	3.0000	100.0000	BR8
03/15/33	19,950,000.00	0.00	313,090.63	313,090.63			
09/15/33	18,670,000.00	1,280,000.00	313,090.62	1,593,090.62	3.0000	100.0000	BS6
03/15/34	18,670,000.00	0.00	293,890.63	293,890.63			
09/15/34	17,380,000.00	1,290,000.00	293,890.62	1,583,890.62	3.0000	100.0000	BT4
03/15/35	17,380,000.00	0.00	274,540.63	274,540.63			
09/15/35	16,080,000.00	1,300,000.00	274,540.62	1,574,540.62	3.0000	100.0000	BU1
03/15/36	16,080,000.00	0.00	255,040.63	255,040.63			
09/15/36	14,715,000.00	1,365,000.00	255,040.62	1,620,040.62	3.0000	100.0000	BV9
03/15/37	14,715,000.00	0.00	234,565.63	234,565.63			
09/15/37	13,345,000.00	1,370,000.00	234,565.62	1,604,565.62	3.0000	100.0000	BW7
03/15/38	13,345,000.00	0.00	214,015.63	214,015.63			
09/15/38	11,945,000.00	1,400,000.00	214,015.62	1,614,015.62	3.0000	100.0000	BX5
03/15/39	11,945,000.00	0.00	193,015.63	193,015.63			
09/15/39	10,600,000.00	1,345,000.00	193,015.62	1,538,015.62	3.1250	100.0000	BY3
03/15/40	10,600,000.00	0.00	172,000.00	172,000.00			
09/15/40	9,245,000.00	1,355,000.00	172,000.00	1,527,000.00	3.1250	100.0000	CA4
03/15/41	9,245,000.00	0.00	150,828.13	150,828.13			
09/15/41	7,875,000.00	1,370,000.00	150,828.12	1,520,828.12	3.1250	100.0000	CA4
03/15/42	7,875,000.00	0.00	129,421.88	129,421.88			

09/15/42	6,495,000.00	1,380,000.00	129,421.87	1,509,421.87	3.2500	100.0000	CC0
03/15/43	6,495,000.00	0.00	106,996.88	106,996.88			
09/15/43	5,110,000.00	1,385,000.00	106,996.87	1,491,996.87	3.2500	100.0000	CC0
03/15/44	5,110,000.00	0.00	84,490.63	84,490.63			
09/15/44	3,720,000.00	1,390,000.00	84,490.62	1,474,490.62	3.2500	100.0000	CE6
03/15/45	3,720,000.00	0.00	61,903.13	61,903.13			
09/15/45	2,325,000.00	1,395,000.00	61,903.12	1,456,903.12	3.2500	100.0000	CE6
03/15/46	2,325,000.00	0.00	39,234.38	39,234.38			
09/15/46	950,000.00	1,375,000.00	39,234.37	1,414,234.37	3.3750	100.0000	CG1
03/15/47	950,000.00	0.00	16,031.25	16,031.25			
09/15/47	0.00	<u>950,000.00</u>	<u>16,031.25</u>	<u>966,031.25</u>	3.3750	100.0000	CG1
Total		36,000,000.00	19,921,874.88	55,921,874.88			
		=====	=====	=====			
Average Life					17.240556	years	

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Minuteman Regional High School  
School Building Project

**Budget Report  
9/26/2017**

DESCRIPTION	BUDGET	COMMITTED	EXPENDED	BALANCE REMAINING	% COMPLETE
Feasibility Study	\$724,000	\$724,000	\$724,000	\$0	100%
Owner's Project Manager	\$3,922,983	\$3,922,983	\$594,991	\$3,327,992	15%
Architecture and Engineering	\$10,920,000	\$10,920,000	\$6,177,175	\$4,742,825	57%
CM @ Risk Preconstruction Services	\$420,000	\$250,000	\$200,000	\$220,000	48%
Construction Budget	\$119,200,892	\$40,839,647	\$2,395,556	\$116,805,336	2%
Misc. Project Costs	\$2,035,396	\$304,132	\$304,132	\$1,731,264	15%
Furnishings and Equipment	\$1,507,200		\$0	\$1,507,200	0%
Owner's Construction Contingency	\$5,000,000		\$0	\$5,000,000	0%
Owner's Soft Cost Contingency	\$1,192,009		\$0	\$1,192,009	0%
<b>Total Project Budget</b>	<b>\$144,922,480</b>	<b>\$56,960,762</b>	<b>\$10,395,854</b>	<b>\$134,526,626</b>	<b>7.2%</b>



BUDGET PROCESS CALENDAR FOR FISCAL YEAR 2019

<b>October, 2017</b>	Budget packet information is sent to each department/lead teacher and administrator for their operating accounts.
October/November	Executive Team provides input on budgetary needs for programs and capital equipment requests.
October 31	All FY 19 Budget submissions are due from department/lead teacher and administrators.
October 31	Obtain October 1, 2016 enrollment figures for assessment purposes for revenue projections.
<b>November</b>	All budget requests are compiled and reviewed by the Superintendent and Assistant Superintendent of Finance, along with revenue projections and assessment projections, based on October 1 enrollment figures.
<b>December</b>	Review and update preliminary budget; prepare preliminary member town assessment figures.
December 7	Executive Team present to Finance Subcommittee. (Thursday 6:30 pm, Paul Revere Room.)
December 12	School Committee Meeting: Audit Report to School Committee (6:00 PM)
December 19	Budget Overview Review (1 of 2) by Finance Subcommittee
<b>January, 2018</b>	Provide estimated preliminary assessment figures to member towns for their town's budget preparation.
January 9	Budget Overview Review (2 of 2) by Finance Subcommittee
January 30	Finance Subcommittee reviews Superintendent's Draft FY 19 Budget Proposal and PPT Presentation.
<b>February</b>	Prepare Final Budget for Public Hearing.
February 13 (snow date February 15)	School Committee Meeting: Public Hearing on FY 19 Budget

9.26.17 v. 1

**WARRANT REVIEW  
FY17 VOUCHERS**

**8 22 17**

**ACCOUNTS PAYABLE-BILLS**

**DATE                      VOUCHER #                      TYPE                      TOTAL**

7/26/2017	1361	A/P	\$30,430.64
7/11/2017	1360	A/P	\$28,698.77
7/5/2017	1359	A/P	\$143,446.18
6/29/2017	1358	A/P	\$23,329.10
6/29/2017	1357	A/P	\$160,284.37
6/27/2017	1347	A/P	\$437,881.18
6/23/2017	1345	A/P	\$205,828.76
6/20/2017	1344	A/P	\$773,686.82
6/19/2017	1343	A/P	\$215,771.22
6/16/2017	1342	A/P	\$28,500.00
6/14/2017	1341	A/P	\$45,196.89
6/7/2017	1331	A/P	\$7,700.10
6/5/2017	1330	A/P	\$14,872.98
6/1/2017	1329	A/P	\$10,491.80
6/1/2017	1328	A/P	\$75.00
5/31/2017	1327	A/P	\$1,925.00
5/31/2017	1322	A/P	\$4,767.50
5/26/2017	1320	A/P	\$166,833.61
5/26/2017	1319	A/P	\$1,000.00
5/26/2017	1318	A/P	\$19,750.00

**TOTAL FY17**

**\$2,320,469.92**

**FY18 Vouchers**

8/21/2017	1033	A/P	\$940,807.39
8/17/2017	1032	A/P	\$228,143.26
8/17/2017	1031	A/P	\$15,802.76
8/14/2017	1030	A/P	\$93,984.42
8/9/2017	1023	A/P	\$925,542.86
8/7/2017	1021	A/P	\$2,000.00
8/2/2017	1020	A/P	\$139,106.43
7/26/2017	1019	A/P	\$1,294.84
7/26/2017	1012	A/P	\$151,294.84
7/25/2017	1010	A/P	\$187,035.50
7/6/2017	1000	A/P	\$781,863.78

**TOTAL FY18**

**\$3,466,876.08**

**WARRANT REVIEW****8 22 17****PAYROLL**

<b>DATE</b>	<b>VOUCHER #</b>	<b>TYPE</b>	<b>TOTAL</b>
8/15/2017		PR	\$80,090.09
8/15/2017		PR	\$101,584.99
8/10/2017		PR	\$226,137.82
7/31/2017		PR	\$475,829.31
7/31/2017		PR	\$82,018.49
7/27/2017		PR	\$229,145.24
7/14/2017		PR	\$91,577.85
7/14/2017		PR	\$82,746.78
7/13/2017		PR	\$192,968.58
6/30/2017		PR	\$266,709.42
6/30/2017		PR	\$97,939.24
6/29/2017		PR	\$232,872.04
6/15/2017		PR	\$150,638.06
6/15/2017		PR	\$95,944.92
6/15/2017		PR	\$303,489.16
6/1/2017		PR	\$80,828.22
6/1/2017		PR	\$237,858.99
5/30/2017		PR	\$410,496.67
5/30/2017		PR	\$89,003.01
5/18/2017		PR	\$221,742.35
5/1/2017		PR	\$88,534.23
4/20/2017		PR	\$243,479.67
			\$4,081,635.13