

## MINUTES

### FINANCE SUBCOMMITTEE MEETING

October 24, 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 6:00 PM.

#### **2. Warrant Review**

Michelle Shepard had sent out the warrants in advance of the meeting, and had responded to questions in advance, which the Subcommittee expressed as being helpful. A request was made for the Chart of Accounts and the details on the FY 18 budget on a spread sheet. The warrants were signed. (See Attachment A.)

#### **3. Approval of Past Minutes: 9.26.17**

The following vote was taken on the past minutes:

Moved (Gammill) and seconded (Horton)

To approve the past minutes of 9.26.17, as presented

Vote: Unanimous

#### **4. Q1 Operating Results**

Kevin Mahoney reviewed the variances/comments listed in the FY 18 Budget Expenditure Report. He summarized that he is comfortable with the way the year is starting out.

#### **5. Building Project Budget Report**

Kevin Mahoney explained that this report, dated 10.12.17, provides a high level overview of the cost tracking measures for the project, and that it coincides with the MSBA tracking categories. Carrie Flood expressed appreciation for this report, noting that, as an additional oversight, it is helpful for the Finance Subcommittee to look at these reports as well. Kevin explained that the majority of the Gilbane bids will be in by Christmas, that there are limits to the FF&E reimbursements, and that an add alt list of priorities exists.

#### **6. Discussion: Capital Fee Implementation**

Kevin Mahoney reviewed the DESE letter from September 15, 2016 regarding the Capital Fee. He pointed out that he has been in discussion with officials at DESE for clarification on the parameters. He explained details on when the increment will take effect, what enrollment number will be used, and how the rate is set. He also noted that he proposed to them the idea of collecting tuition funds and applying to the next year, and that DESE had no problem with this strategy. He also explained that he and the Superintendent recently met with some Town Managers, who also thought this was a sound strategy. Dave Horton expressed the opinion that the more outreach and transparency, the better. Jim Gammill suggested that a possible goal for the financing strategy would be to maintain predictable and comparable capital changes from year to year, and that a line of credit could be helpful in this regard.

## **7. Update on FY 19 Preliminary Budget**

Kevin Mahoney distributed the FY 19 Estimated Revenue Plan v. 1 Preliminary October, 2017 (Attachment B). He emphasized that this was very preliminary, but that he is sharing it with Town Managers as a starting point. He also emphasized that the enrollment number is not certified. He pointed out that the goal is to manage and explain both the Building Cost and the Operating Cost. He explained that a debt exclusion override was voted on this debt in Arlington, Bolton, Concord, Dover, Lancaster and Stow, that the capital fee does not go into effect until the new school building is occupied (scheduled for August, 2019), and that the total assessments listed do not include assessments for the Post Graduate or Middle School programs. He explained the impact of staffing, health insurance, retirement, electricity, stabilization, tuition, and E&D. He also noted the benefits of adjusting the budget process calendar to hold the budget hearing in February allows for more solid numbers to be in place. To the question of why non-member towns were listed on the assessment sheet, Kevin explained that they still have obligations until the ESCO Lease Assessment is complete. Jim Gammill suggested the idea of looking into increasing the \$4,500/student fee associated with non-member SPED costs, pointing out that the actual costs are greater and that a higher fee would represent real money, i.e. a significant addition to revenue.

## **8. Feasibility Study: Bond Anticipation Notes Renewal**

As informational, Kevin explained the status of the bond anticipation notes for the Feasibility Study. He explained that the finances related to this will be completed by FY 19, and noted the importance of careful messaging around the components of the budget. Jim emphasized the towns' interests in having as much predictability as possible in its per student capital assessments, and again mentioned the potential role for a line of credit. Carrie affirmed that under Kevin's careful eye, the District has become fiscally responsible and more efficient.

## **9. Adjournment**

There being no further business, the meeting was adjourned at 7:10 PM.

---

Elizabeth Rozan, Recorder

## **ATTACHMENTS**

- A. List of Warrants Signed by Fin. Subc. 9.26.17
- B. FY19 Estimated Revenue Plan v. 1 Preliminary October, 2017

**WARRANT REVIEW  
FY18 VOUCHERS**

**10 24 17**

**PAYROLL**

DATE	VOUCHER #	TOTAL
10/16/2017	1098-1103	\$34,867.03
10/16/2017	1096 & 15	\$82,332.32
10/5/2017	1090-1094	\$328,165.48
10/5/2017	14 & 1088	\$220,494.09
9/29/2017	1078 & 13	\$81,218.21
9/29/2017	1079-1085	\$142,298.48
9/21/2017	12 & 1070	\$214,741.13
9/21/2017	1072-1075	\$76,398.15
9/15/2017	1062-1067	\$291,325.76
9/15/2017	11 & 1060	\$78,784.07
9/7/2017	1052-1057	\$72,786.38
9/7/2017	1050 & 10	\$220,895.30
8/30/2017	1042-1047	\$399,473.49
8/30/2017	9 & 1041	\$79,702.53
8/24/2017	1035-1039	\$73,151.83
8/24/2017	7 & 1034	\$207,327.46
	Total	<b>\$2,603,961.71</b>

**WARRANT REVIEW  
FY18 VOUCHERS**

**10-24-17**

**ACCOUNTS PAYABLE – VENDORS**

<b>DATE</b>	<b>VOUCHER#</b>	<b>TYPE</b>	<b>TOTAL</b>
10/12/2017	1097	AP	\$33,563.49
10/6/2017	1095	AP	\$132,001.05
10/3/2017	1089	AP	\$45,000.00
10/2/2017	1087	AP	\$8,580.00
9/28/2017	1086	AP	\$28,149.70
9/22/2017	1077	AP	\$2,307,165.97
9/22/2017	1076	AP	\$107,133.14
9/19/2017	1071	AP	\$75.00
9/18/2017	1069	AP	\$94,603.55
9/13/2017	1068	AP	\$98,488.89
9/12/2017	1061	AP	\$112,451.59
9/8/2017	1059	AP	\$76,883.15
9/6/2017	1058	AP	\$13,514.94
9/1/2017	1049	AP	\$120,466.06
8/29/2017	1048	AP	\$700.00
8/29/2017	1040	AP	\$282,165.80
	<b>Total</b>		<b>\$3,460,942.33</b>



# MINUTEMAN

A REVOLUTION IN LEARNING

## FY19 Estimated Revenue Plan - Version 1.0 Preliminary - October 2017

	FY18	FY19	Difference	% Chg.
Operating Budget	17,571,306	18,320,051	748,745	4.26%
Capital Equipment/Leases	752,326	1,038,117	285,791	37.99%
<b>Sub-Total</b>	<b>18,323,632</b>	<b>19,358,168</b>	<b>1,034,536</b>	<b>5.65%</b>
<b>Building Project - Debt Service (1)</b>	<b>675,847</b>	<b>2,143,406</b>	<b>1,467,559</b>	<b>217.14%</b>
<b>Non-Assessment Revenue:</b>				
CH. 70 Aid	2,037,863	2,056,488	18,625	0.91%
CH. 71 Reg. Trans. Reimb.	935,112	841,570	(93,542)	-10.00%
Prior Year Tuition	3,380,021	3,660,452	280,431	8.30%
Current Year Tuition	400,000	400,000	-	0.00%
Certified E & D	695,000	695,000	-	0.00%
Capital Fee (2)	-	-	-	0.00%
<b>Total Non-Assessment Revenue</b>	<b>7,447,996</b>	<b>7,653,510</b>	<b>205,514</b>	<b>2.76%</b>
<b>Required Member Town Assessments</b>	<b>11,551,483</b>	<b>13,848,064</b>	<b>2,296,581</b>	<b>19.88%</b>

<b>Assessment Allocation by Category:</b>				
Minimum Required Contribution	5,040,876	4,987,615	(53,261)	-1.06%
Transportation Budget	359,611	491,562	131,951	36.69%
ESCO Lease Assessment	479,703	492,757	13,054	2.72%
Capital Equipment/Leases	272,623	545,360	272,737	100.04%
Assessments over Minimum Contribution	4,722,823	5,187,364	464,541	9.84%
<b>Building Project - Debt Assessment</b>	<b>675,847</b>	<b>2,143,406</b>	<b>1,467,559</b>	<b>217.14%</b>
<b>Total Assessments (3)</b>	<b>11,551,483</b>	<b>13,848,064</b>	<b>2,296,581</b>	<b>19.88%</b>

- (1) - A debt exclusion override was voted on this debt in the following towns: Arlington, Bolton, Concord, Dover, Lancaster and Stow.
- (2) - Capital fee does not go into effect until the new school building is occupied.  
Scheduled occupancy date: August 2019.
- (3) - Total Assessments do not include assessments for the Post Graduate or Middle School programs.



**FY 2019 ASSESSMENT - VERSION 1.0**  
**October 2017**

Total Required Assessments:	
Budget Assessment	
Required Minimum Contribution	\$ 4,987,615
Operating Portion	\$ 5,187,864
Transportation	\$ 1,333,132
LESS: Reg. Trans. Reimb.	\$ [841,570]
Debt and Capital Portion	\$ 3,181,523
Total Budget Assessment	\$ 13,848,064
Special Programs Assessment <sup>1</sup>	\$ 325,478
<b>Total All Assessments</b>	<b>\$ 14,173,542</b>

Town/City	Operating Assessment										Total Debt & Capital Assessment	Total Budget Assessment	Special Programs Assessment <sup>1</sup>			Total All Assessments	FY18 FY19 Assessments	Change - FY19 over FY18
	State Required Minimum Assessment <sup>2</sup>				Choice Adjustment	Transportation & Remaining Assessment Per District Agreement				Total Operating Assessment <sup>4</sup>			Post-Graduate Assessment	Middle School				
	State Foundation Enrollment (incl. Post Grad stds.)	MM Foundation Budget @ \$18,264/Student	State-Mandated Municipal Contribution %	ESTIMATED State Required Minimum Assessment <sup>2</sup>		Total Grade 9-12 Enrollment <sup>3</sup>	Transportation & Operating Assessment Share	Transportation Assessment Share	Total Remaining Operating Assessment						Post-Grad Students <sup>3</sup>			
Acton	35	\$ 639,240	79.16%	506,013	\$ 5,000	31.00	9.27%	45,590	\$ 478,598	\$ 1,035,201	\$ 276,047	\$ 1,311,247	2	\$ 6,750	\$ -	\$ 1,317,997	\$ 1,072,928	\$ 245,069
Arlington	115	\$ 2,100,360	81.66%	1,715,086	\$ -	124.00	37.10%	182,360	\$ 1,914,391	\$ 3,811,836	\$ 1,148,971	\$ 4,960,807	1	\$ 3,375	\$ -	\$ 4,964,182	\$ 4,291,339	\$ 672,849
Belmont	23	\$ 420,072	79.40%	338,550	\$ -	26.25	7.85%	38,604	\$ 405,264	\$ 777,419	\$ 78,757	\$ 856,176	0	\$ -	\$ -	\$ 856,176	\$ 910,185	\$ [54,009]
Bolton	11	\$ 200,904	84.44%	169,838	\$ 5,000	9.75	2.92%	14,339	\$ 150,527	\$ 339,503	\$ 107,257	\$ 446,760	1	\$ 3,375	\$ 116,170	\$ 566,305	\$ 480,287	\$ 86,018
Boxborough	0	\$ -	-	\$ -	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 7,392	\$ 7,392	0	\$ -	\$ -	\$ 7,392	\$ 7,948	\$ [556]
Carlisle	0	\$ -	-	\$ -	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 7,392	\$ 7,392	0	\$ -	\$ -	\$ 7,392	\$ 7,948	\$ [556]
Concord	18	\$ 328,752	84.15%	276,633	\$ -	15.75	4.71%	23,163	\$ 243,158	\$ 542,954	\$ 203,123	\$ 746,077	1	\$ 3,375	\$ -	\$ 749,452	\$ 599,179	\$ 150,273
Dover	1	\$ 18,264	84.14%	15,367	\$ -	1.75	0.52%	2,574	\$ 27,018	\$ 44,958	\$ 54,753	\$ 99,711	0	\$ -	\$ -	\$ 99,711	\$ 63,533	\$ 36,178
Lancaster	46	\$ 840,144	71.86%	603,733	\$ 17,000	38.75	11.59%	56,987	\$ 598,247	\$ 1,275,967	\$ 337,940	\$ 1,613,908	0	\$ -	\$ 117,847	\$ 1,731,755	\$ 1,274,369	\$ 457,386
Lexington	53	\$ 967,992	82.39%	797,536	\$ -	50.00	14.96%	73,532	\$ 771,932	\$ 1,643,000	\$ 501,302	\$ 2,144,302	1	\$ 3,375	\$ -	\$ 2,147,677	\$ 1,670,351	\$ 477,326
Lincoln	0	\$ -	-	\$ -	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 11,828	\$ 11,828	0	\$ -	\$ -	\$ 11,828	\$ 12,717	\$ [889]
Needham	21	\$ 383,544	84.35%	323,520	\$ -	21.75	6.51%	31,986	\$ 335,790	\$ 691,297	\$ 241,382	\$ 932,678	1	\$ 3,375	\$ -	\$ 936,053	\$ 801,331	\$ 134,722
Stow	16	\$ 292,224	84.37%	246,539	\$ -	15.25	4.56%	22,427	\$ 235,439	\$ 504,405	\$ 152,154	\$ 656,560	1	\$ 3,375	\$ 64,461	\$ 724,396	\$ 630,999	\$ 93,397
Sudbury	0	\$ -	-	\$ -	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 32,526	\$ 32,526	0	\$ -	\$ -	\$ 32,526	\$ 34,972	\$ [2,446]
Wayland	0	\$ -	-	\$ -	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 10,349	\$ 10,349	0	\$ -	\$ -	\$ 10,349	\$ 11,128	\$ [779]
Weston	0	\$ -	-	\$ -	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 10,349	\$ 10,349	0	\$ -	\$ -	\$ 10,349	\$ 11,128	\$ [779]
<b>TOTAL</b>	<b>339</b>	<b>\$ 6,191,496</b>	<b>80.56%</b>	<b>\$ 4,987,615</b>	<b>\$ 27,000</b>	<b>334.25</b>	<b>100.00%</b>	<b>\$ 491,562</b>	<b>\$ 5,160,364</b>	<b>\$ 10,666,541</b>	<b>\$ 3,181,523</b>	<b>\$ 13,848,064</b>	<b>8</b>	<b>\$ 27,000</b>	<b>\$ 298,478</b>	<b>\$ 14,173,542</b>	<b>\$ 11,880,336</b>	<b>\$ 2,293,206</b>

**Footnotes:**

1. Special Programs Assessment provides funding for the Middle School Program to those communities that offer the program. Also includes 50% tuition costs for Post Graduate in-district students. Middle School program costs for Acton and Boxborough will be billed directly to Acton-Boxborough Regional School District.
2. The State Required Minimum Assessments are based on preliminary DESE Ch. 70 funding as per the Governor's budget - January 25, 2017.
3. All student enrollment numbers are based on most recent 4 year rolling average of enrollments as of October 1st. The minimum enrollment for capital expenses is 1 FTE students.
4. The Total Operating Assessment equals the sum of the State Required Minimum assessment, the Transportation assessment, the Choice adjustment, and the remaining allocated assessment per the District Agreement.