

## MINUTES

### FINANCE SUBCOMMITTEE MEETING

Thursday March 28, 2017 6:30 PM Superintendent's Conference Room, Minuteman High School

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

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

The Chair called the meeting to order at 6:40 PM.

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

There was a short discussion on questions submitted and responses, as well as how to read the code sheets. It was agreed that a short tutorial would be included on the next agenda. The warrants were then signed. The list of warrants approved is found as Attachment A.

#### **3. Approval of Past Minutes: 1.5.17**

The following vote was taken on the past minutes:

Moved (Horton) and seconded (Sheffler)  
To approve the past minutes of 1.5.17, as presented  
Vote: Unanimous

#### **4. Policy Review**

Kevin presented 4 policies for review, based on changes in the statute or as part of the bond rating process.

1. Draft New Investment Policy (DIG)
2. Draft Revision to Purchasing Policy (DJ)
3. Draft Revision to Bidding Requirements (DJE)
4. Draft Revision to Warrant Signatures (DKAB)

Each draft was discussed and further amendments were offered. At the end of the discussion, the following vote was taken:

Moved (Horton) and seconded (Sheffler)  
To move the 4 amended policies to the Policy Task Force, as standard process for School Committee approval  
Vote: Unanimous

Policies as amended are found as Attachment B.

## **5. FY 17 Budget Update**

Kevin reviewed the Revenue Plan V 4.0 and explained the strategy for addressing the overestimate in the prior year tuition. He emphasized that there will be no impact on member towns, and in June, he will present two actions for the School Committee: to vote a \$300K transfer in FY 17 budget and to amend the FY 18 revenue plan to reflect the use of those funds in FY 18.

## **6. FY 18 Budget Update**

Kevin also explained that he is hoping to adjust the timing of the Budget Process/Budget Hearing in 2018, since there will be less restriction when Lincoln is no longer a member. He pointed out Lexington voted affirmatively on Minuteman's budget, and that there have been thoughtful discussions in Lexington, Arlington, and Concord related to such things as capital share, minimizing the effect on assessments, and 5 year cash flow plans.

## **7. Review of Financial Reports, as of 2.28.17**

Kevin reviewed the financial reports as of February 28, 2017, explaining his comments on the summary pages. With regard to the Revolving Funds, he noted some deficit in the Marketing Store. This material is scheduled for review with the full School Committee as well on April 4.

## **8. Update on IG's Request for Documentation**

Kevin reported that the IG's office requested additional documentation related to printing, professional development services provided by the consultant Tools for Schools (TFS). He noted that his office continues to cooperate with the IG to meet their deadlines and provide them with the documentation requested. While professional development is exempt from 30B requirements, they have asked for a pause on these activities until they review documentation. Kevin also noted that some of these TFS materials are copyrighted.

## **9. Informational: Recommendation on Legal Services Contract Extension**

Kevin explained that according to the contract with Murphy, Lamere, and Murphy, their 3 year contract expires June 30, 2017, and there is an option of two 1 year extensions outlined in the contract. He explained that the Officers have reviewed this, and a recommendation of a 1 year extension is scheduled for School Committee consideration on April 4. Kevin noted that legal services are also exempt from 30B requirements.

## **10. Adjournment**

There being no further business, the meeting was adjourned at 7:55 PM.

## ATTACHMENTS

A. List of Warrants Signed by Fin. Subc. 3.28.17

B. Amended Policies

1. Draft New Investment Policy (DIG)
2. Draft Revision to Purchasing Policy (DJ)
3. Draft Revision to Bidding Requirements (DJE)
4. Draft Revision to Warrant Signatures (DKAB)

A. Warrant Listings signed 3.28.17			
DATE	WARRANT #	TYPE	AMOUNT
10/31/2016		PAYROLL	\$141,276.63
10/31/2016		PAYROLL	\$87,075.94
11/3/2016		PAYROLL	\$255,760.55
11/3/2016		PAYROLL	\$339,468.02
11/15/2016		PAYROLL	\$31,923.79
11/15/2016		PAYROLL	\$100,194.31
11/17/2016		PAYROLL	\$83,535.09
11/17/2016		PAYROLL	\$221,928.84
11/30/2016		PAYROLL	\$87,986.87
12/1/2016		PAYROLL	\$219,257.21
12/1/2016		PAYROLL	\$543,354.04
12/15/2016		PAYROLL	\$219,476.62
12/15/2016		PAYROLL	\$101,478.99
12/15/2016		PAYROLL	\$89,341.26
12/29/2016		PAYROLL	\$242,454.69
12/30/2016		PAYROLL	\$89,849.40
12/30/2016		PAYROLL	\$245,673.68
1/12/2017		PAYROLL	\$211,179.87
1/17/2017		PAYROLL	\$90,037.36
1/17/2017		PAYROLL	\$357,442.18
1/26/2017		PAYROLL	\$218,279.88
1/30/2017		PAYROLL	\$86,237.97
1/30/2017		PAYROLL	\$212,395.05
2/9/2017		PAYROLL	\$223,872.93
2/9/2017		PAYROLL	\$344,798.15
2/15/2017		PAYROLL	\$27,503.87
2/15/2017		PAYROLL	\$86,515.43
2/23/2017		PAYROLL	\$248,706.74
2/23/2017		PAYROLL	\$79,271.19
2/28/2017		PAYROLL	\$43,496.12
2/28/2017		PAYROLL	\$86,227.75
3/9/2017		PAYROLL	\$233,866.86
3/9/2017		PAYROLL	\$64,357.61
3/15/2017		PAYROLL	\$86,002.70
3/15/2017		PAYROLL	\$424,703.65
3/23/2017		PAYROLL	\$221,435.40
3/23/2017		PAYROLL	\$78,865.71
3/30/2017		PAYROLL	\$86,946.53
3/30/2017		PAYROLL	\$416,950.94
	TOTAL		\$7,029,129.82

Warrant Listings signed 4.4.17			
DATE	Voucher #	TYPE	AMOUNT
	(warrant)		
12/28/2016	1154	AP	\$263,385.47
1/4/2017	1157	AP	\$6,774.68
1/10/2017	1158	AP	\$201,342.80
1/18/2017	1168	AP	\$716,571.60
1/18/2017	1169	AP	\$160,025.60
1/27/2017	1179	AP	\$17,439.73
1/27/2017	1180	AP	\$36,933.74
2/6/2017	1181	AP	\$850.00
2/14/2017	1194	AP	\$2,287.50
2/14/2017	1195	AP	\$129,700.36
2/16/2017	1196	AP	\$15,000.00
2/17/2017	1197	AP	\$130,663.52
2/21/2017	1201	AP	\$19,601.59
2/22/2017	1204	AP	\$7,685.73
2/22/2017	1205	AP	\$133.00
2/28/2017	1211	AP	\$183,014.23
3/1/2017	1212	AP	\$8,611.22
3/8/2017	1218	AP	\$170,351.58
3/13/2017	1220	AP	\$680,547.00
	TOTAL		\$2,750,919.35

DRAFT NEW POLICY v3

v2 presented to Finance Subcommittee 1.5.17; reviewed and amended as v3 by the Finance Subcommittee 3.28.17

## INVESTMENT POLICY

### **SECTION I: The Investment of General Funds, Special Revenue Funds, and Capital Projects Funds**

#### **A. Objectives**

Massachusetts General Laws, Chapter 44, section 55B requires the district treasurer to invest all public funds except those required to be kept uninvested for the purpose of immediate distribution. The district treasurer is required to maintain all funds in interest bearing form until the date a disbursement order clears through the banking system. The state law further requires that invested funds be placed at the highest possible rate of interest reasonably available, taking into account safety, liquidity and yield.

#### **B. Investment Instruments**

The District Treasurer may invest in any instrument as authorized on the Legal List issued by the Commissioner of Banking for the Commonwealth of Massachusetts.

### **SECTION II: The Investment of Bonds Proceeds, Trust Funds, Stabilization Funds, and Other Post Employment Benefit Trust Funds**

#### **A. Bond Proceeds**

Investment of Bond proceeds is governed by the same restrictions as general funds, with the additional caveat of arbitrage regulations. Listed below are the general rules and time frames for spending borrowed funds in order to avoid having to pay a rebate to the Federal government on investment income earned on the borrowed funds. All funds must be used according to the following schedules or sooner:

##### 1. CONSTRUCTION DEBT

First six months:	10%
First year:	45%
Eighteen months:	75%
Two years:	100% - allowance for 5% contingency

*Original Adoption: New Policy Draft v-2 to Finance Subcommittee 1/5/17, amended as v3 3/28/17.*

*Revision:*

*First reading:*

*Second reading:*

*Adoption:*

*Review:*

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2. CAPITAL EXPENDITURES DEBT OTHER THAN CONSTRUCTION PROJECTS

First six months: 15%  
 First year: 60%  
 Eighteen months: 100%

3. ALL OTHER MUNICIPAL PURPOSE DEBT

First six months: 100%

**B. Trust Funds**

Trust Funds may be co-mingled and invested in any instruments allowed by Legal List issued by the Banking Commissioner. Each trust fund must be accounted for separately.

**C. Stabilization Funds**

Under State law (MGL Ch. 71 Sec 16G ½), The Stabilization Fund shall not exceed five per cent of the combined equalized valuations of the member municipalities, and any interest shall be added to and become a part of the fund.

The District Treasurer may invest in any instrument as authorized on the Legal List issued by the Commissioner of Banking for the Commonwealth of Massachusetts.

**D. Other Post Employment Benefit Liability Trust Fund**

The Other Post Employment Benefit Liability Trust Fund shall be established in a separate bank account, and any interest earned on investment shall be added to and become a part of the fund. The district treasurer shall invest and reinvest the funds consistent with the prudent investor rule set forth in Chapter 203C, and Treasurer may invest in any instrument as authorized on the Legal List issued by the Commissioner of Banking for the Commonwealth of Massachusetts.

LEGAL REF.:

MGL Chapter 44, Section 55  
 MGL Chapter 44, Section 55A  
 MGL Chapter 44, Section 55B  
 MGL Chapter 71, Section 16G ½  
 MGL Chapter 203C

*Original Adoption: New Policy Draft v-2 to Finance Subcommittee 1/5/17, amended as v3 3/28/17.*

*Revision:*

*First reading:*

*Second reading:*

*Adoption:*

*Review:*

*Minuteman Regional Vocational Technical School District*

DRAFT REVISION v2  
Reviewed and amended by Finance Subcommittee 3.28.17

## PURCHASING

The Minuteman Regional School Committee declares its intention to purchase competitively, without prejudice, and to seek maximum educational value for every dollar expended.

All contracts for the procurement by the School District of supplies and services other than employee agreements with District employees and other than real estate, are subject to M.G.L. c. 30B and shall be made in accordance with the provisions of M.G.L.c. 30B as amended from time to time. Experience has shown that advertising for bids on low-value purchases results in unnecessary delays and additional costs to the District. Inflationary trends warrant periodic review to determine appropriate procedures for procurement.

~~All procurements of supplies and services shall be made using sound business practices.~~

### SUPPLIES AND SERVICES

The Assistant Superintendent of Finance, acting in the capacity of Chief Procurement Officer will carry out the necessary duties for the District relevant to the acquisition of supplies and services. The Chief Procurement Officer will be guided by the provisions of Chapter 30B of the Massachusetts General Laws, the specific directions of the District Committee, and all other applicable state laws and regulations pertinent to executing his/her duties.

Pursuant to M.G.L.c. 30B, as currently in effect, unless otherwise provided by special law, no contract for the procurement of supplies or of a service, the actual or estimated cost of which is ~~\$35,000~~ \$50,000 or more, except in cases of special emergency involving the health or safety of the people or their property and as permitted by 30B, shall be awarded unless bids or proposals for the same have been posted on the Minuteman Regional School District website, invited by advertisement in at least one newspaper of general circulation in the District, and posted on the COMMBUYS electronic procurement system administered by the Commonwealth of Massachusetts for not less than two weeks before bids are due, with such said publications to be in accordance with the applicable provisions of c. 30B, including Section 5. Such advertisements shall state the time and place for submitting and opening sealed bids ~~and/or for opening the~~ proposals in response to said advertisement, and shall reserve to the District the right to reject any or all such bids and/or proposals. ~~All such bids and proposals shall be opened in public.~~ No procurement shall be split or divided for the purpose of evading any provisions of c. 30B.

For the procurement of supplies or services ~~between the amounts of of~~ \$10,000 or over and but not more-less than ~~\$34,999~~ \$50,000, or as required by law, except in cases of emergency

*Original Adoption:*

*Revision: Amendments reviewed by Finance Subcommittee and further amended as v2 3/28/17.*

*First reading: 7/21/09; 7/7/15*

*Second reading: 9/22/09; 10/13/15*

*Adoption: 9/22/09*

*Review: Policy Task Force, Attorney, Finance Subcommittee for 7/7/15.*

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involving health or safety, the School District shall prepare a written purchase description or scope of services and solicit written ~~or oral~~ quotations from at least three vendors.

~~Additionally, the~~ On purchases and services less than \$10,000, the use of written ~~and oral~~ quotations should be solicited from vendors whenever feasible or when it can be anticipated that cost savings will result, ~~regardless of the amount of purchase~~ using sound business practices.

### REAL PROPERTY

The School District's power to acquire, sell, lease or the rental of real property is governed by M.G.L. c. 30B, Section 16 and M.G.L. c. 71, Section 16 (q) and (r), and the District shall comply with the procedures described in M.G.L. c. 30B, Section 16, including but not limited to requirements as to advertising, solicitation of proposals, and publication in the Central Register, to the extent applicable. The power to enter into leases, purchase and sales agreements, and other agreements as to acquisition of interests in real property is vested in the District School Committee rather than the Chief Procurement Officer. The District School Committee may make formal delegations of that power from time to time as and to the extent permitted by law.

In the event that there is any conflict between this Policy and any provision of c. 30B, the terms of c. 30B shall control.

LEGAL REFS: M.G.L. c. 7:22A, 7:22B, 30B

*Original Adoption:*

*Revision: Amendments reviewed by Finance Subcommittee and further amended as v2 3/28/17.*

*First reading: 7/21/09; 7/7/15*

*Second reading: 9/22/09; 10/13/15*

*Adoption: 9/22/09*

*Review: Policy Task Force, Attorney, Finance Subcommittee for 7/7/15.*

*Minuteman Regional Vocational Technical School District*

DRAFT REVISION v2

Reviewed and amended by Finance Subcommittee 3.18.17

## BIDDING REQUIREMENTS PROCUREMENT – CONSTRUCTION CONTRACTS

All purchases of construction materials and equipment and all contracts for construction or maintenance in amounts equal to or exceeding \$35,000-\$50,000 will be based upon competitive bidding under the Uniform Procurement Act, in accordance with MGL Ch. 30B and MGL Ch. 30, section 39M.

~~When bidding procedures are used, bids will be advertised appropriately.~~

Public notice for said procurements will require an advertisement of the Invitation to Bid be posted on the Minuteman Regional School District website and on the bulletin board in the Business Office, an advertisement in at least one newspaper of general circulation in the District, published in the Central Register, and posted on the COMMBUYS electronic procurement system administered by the Commonwealth of Massachusetts for not less than two weeks before bids are due. Such advertisements shall state the time and place for submitting and opening sealed bids in response to said advertisement, and shall reserve to the District the right to reject any or all such bids.

All bids will be submitted in sealed envelopes, addressed to the Assistant Superintendent of Finance and plainly marked with the name of the bid and the time of the bid opening. Bids will be opened in public at the time specified, and all bidders ~~will be~~ are invited to be present.

The Assistant Superintendent of Finance, acting as the Chief Procurement Officer of the school district, reserves the right to reject any or all bids and to accept the bid that appears to be in the best interest of the District. The Assistant Superintendent of Finance reserves the right to waive any informalities in, or reject, any or all bids or any part of any bid. Any bid may be withdrawn prior to the scheduled time for the opening of the bids. Any bid received after the time and date specified will not be considered. All bids will remain firm for a period of thirty days after opening.

Upon awarding ~~such~~ a bid equal to or exceeding ~~\$35,000~~ \$50,000, the Superintendent and/or Assistant Superintendent of Finance will inform the School Committee.

The bidder to whom an award is made ~~may~~ will be required to enter into a written contract with the District.

*Original Adoption:*

*Revision: Amendments reviewed by Finance Subcommittee and further amended as v2 3/28/17.*

*First reading: 7/21/09; 6/16/15*

*Second reading: 9/22/09; 10/13/15*

*Adoption: 9/22/09*

*Review: By Auditor, Finance Subcommittee 6/2/15, Policy Task Force 6/10/15; reviewed and amended by Finance Subcommittee 9/29/15 and recommended for 2<sup>nd</sup> Reading.*

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~~An effort will be made to procure three documented quotes for all purchases in excess of \$10,000 and less than \$34,999.99.~~

~~For the procurement of construction services and contracts of \$10,000 or over but **less not more** than \$50,000, or as required by law, except in cases of emergency involving health or safety, the School District shall prepare a written scope of work statement to solicit written quotations from at least three vendors who customarily perform such work. Public notice for said procurements will be posted on the Minuteman Regional School District website, posted on the bulletin board in the Business Office, published in the Central Register, and posted on the COMMBUYS electronic procurement system administered by the Commonwealth of Massachusetts for not less than two weeks before bids are due. Such public notice will include the scope of work statement, and shall state the time and place for submitting and opening sealed bids in response to said public notice, and shall reserve to the District the right to reject any or all such bids and/or proposals~~

~~On purchases and services less than \$10,000, the use of written quotations should be solicited from vendors whenever feasible or when it can be anticipated that cost savings will result using sound business practices.~~

~~Upon awarding a bid equal to or exceeding \$35,000, the Superintendent and/or Assistant Superintendent of Finance will inform the School Committee.~~

LEGAL REF.: M.G.L. 7:22A; 7:22B; 30B 30:39M

CROSS REF.: DJA, Purchasing Authority

*Original Adoption:*

*Revision: Amendments reviewed by Finance Subcommittee and further amended as v2 3/28/17.*

*First reading: 7/21/09; 6/16/15*

*Second reading: 9/22/09; 10/13/15*

*Adoption: 9/22/09*

*Review: By Auditor, Finance Subcommittee 6/2/15, Policy Task Force 6/10/15; reviewed and amended by Finance Subcommittee 9/29/15 and recommended for 2<sup>nd</sup> Reading.*

*Minuteman Regional Vocational Technical School District*

DRAFT REVISION 3.28.17 (Reviewed and amended by Fin. Subc.)

### WARRANT SIGNATURES

The School Committee may establish a Wwarrant Subcommittee of no less than three members for the purpose of signing payroll warrants and accounts payable warrants to allow for the release of checks.

All claims for payment from Sschool Department funds will be processed in accordance with regulations approved by the Superintendent. Payment will be authorized against invoices properly supported by approved purchase orders, with properly submitted vouchers, or in accordance with salaries and salary schedules approved by the School Committee.

As an operating procedure, the Warrant Subcommittee will, at least each month, review lists of bills for payments from Sschool Department funds. The lists will be certified as correct and approved for payment by the Warrant Subcommittee and then forwarded to the District Treasurer for processing and subsequent payment. Finance Subcommittee minutes will include a list of the warrants approved. -Actual invoices, statements, and vouchers will be available for inspection by the Warrant Subcommittee and School Committee.

The Superintendent will be responsible for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget for all items.

LEGAL REF: MGL 71:16A

*Original Adoption:*

*Revision:*

*First reading: 7/21/09*

*Second reading: 9/22/09*

*Adoption: 9/22/09*

*Review: By Assistant Superintendent for Finance; by Finance Subcommittee 3/28/17*  
*Minuteman Regional Vocational Technical School District*