



**FINANCE SUBCOMMITTEE MEETING**

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

**AGENDA (Revised)**

1. Call to Order: Open Session
2. Warrant Review
3. Approval of Past Minutes: 1.5.17
4. Policy Review
  - a. Possible Revision to Current Warrant Signatures (Policy DKAB)  
[Follow-up on Required Signatures]
  - b. Draft Investment Policy (DIG)
  - c. Draft Revision to Purchasing Policy (DJ)
  - d. Draft Revision to Bidding Requirements (DJE)
5. FY 17 Budget Update
  - Possible Vote to Amend Current Year Tuition Amount in FY17 Budget
6. FY 18 Budget Update
7. Review of Financial Reports, as of 2.28.17
8. Update on IG's Request for Documentation
9. Informational: Recommendation on Legal Services Contract Extension
10. Adjournment

## DRAFT MINUTES

### FINANCE SUBCOMMITTEE MEETING

Thursday January 5, 2017 6:30 PM Superintendent's Conference Room, Minuteman High School

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

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

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

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

After Michelle reviewed details related to the responses to questions on warrants that were submitted, the Subcommittee members signed them. While doing so, Carrie inquired about how many signatures are actually needed. Kevin agreed to follow-up to clarify the statutory requirements.

#### **3. Approval of Past Minutes: 12.13.16**

The following vote was taken on the past minutes:

Moved (Horton) and seconded (Sheffler)  
To approve the past minutes of 12.1.16, as presented  
Vote: Unanimous

#### **4. Update on FY 18 Budget**

Kevin distributed materials (FY 18 Estimated Revenue Plan, FY 18 Assessment, Summary by Function Code. V. 2.5 January 5, 2017 and a sheet showing Apportionment of Debt by Member Towns (outlining debt prior to 12.10.15, 10 towns, 9 towns). He explained that this is the first budget under the reduced member towns. The proposed budget is a reduction of \$278,631, compared to FY 17, which represents a 1.4% decrease. He explained that there is a projected increase of \$605,336 in member assessments, which is up 5.5%, due primarily to decreases in Ch. 70 state aid and out-of-district student tuition revenue. He also explained that the numbers are not yet solid, as foundation enrollment, state aid, and other variables may need to be adjusted under the Governor's budget release. Kevin explained his thinking with regard to adjusting the timing of the Budget Hearing next year, to occur after the Governor's budget is released so that there would be more solid numbers, less risk, and fewer uncertainties. He also explained that with the requirement outlined in the Regional Agreement that the Hearing must be held 45 days before the first Annual Town Meeting, and with Lincoln leaving (and their Town Meeting scheduled for March), this brings Lexington to the first one held and will make this possible.

With regard to the function code descriptions, Carrie inquired about any feedback on the Executive Team's requests and the budget recommendations. Kevin agreed that there were some tough decisions, but the Team has been collaborative. Given the uncertainties in the Governor's budget, there are still adjustments to be made. He is mindful of the staffing plan for FY 20, as well as possible administrative reorganization. A question was raised about the Arlington enrollment numbers, and Sue offered to investigate. It was agreed that it will take a few years for the numbers to smooth out.

The Subcommittee then took the following vote regarding the draft budget:

Moved (Sheffler) and seconded (Horton)

To recommend that the Assistant Superintendent proceed with preparing and distributing the Draft FY 18 Budget to the full School Committee

Vote: Unanimous

#### **5. Review of Draft Policies**

Kevin noted that it was recommended that the District develop policies on debt management, cash reserves, and investment. He distributed a draft Investment Policy as informational, and noted that it is not yet ready for a vote, as it takes some time to absorb, and he needs to include the IRS detail as legal reference. He anticipates taking this up at the next meeting (March 28).

#### **6. Adjournment**

There being no further business, the meeting was adjourned at 7:50 PM.

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Elizabeth Rozan, Recorder

# LEGAL ALERT

To: All School Committee Members and Superintendents  
From: Stephen J. Finnegan Esq., MASC General Counsel  
Re: **PERTINENT AMENDMENTS TO PUBLIC RECORDS LAW EFFECTIVE JANUARY 1, 2017**  
Date: December 12, 2016

**This alert is intended to remind you that the new Public Records Law becomes effective January 1, 2017. Below you will find a brief summary of the changes to the Public Records Law prepared by the Massachusetts Secretary of State.**

① One matter that I want to highlight for you is the requirement for municipalities to designate one or more Records Access Officer(s) (RAO). The contact information for the RAOs must be conspicuously posted on the municipality's website, not later than January 1, 2017. I am informed that the Public Record regulations will not be finalized until mid-December. There is some confusion surrounding the RAO in regional school districts. This is not a particular problem for city and town school committees, in part, because the municipality is required to appoint 1 or more RAOs, which may include a designee from the school district. The term municipality is defined in existing law as a city or town see G.L. c. 4, S. 7, nineteenth. The final regulations may address the regional school district issues more definitively. However, if clarification is not forthcoming, I recommend that the current custodian of records in a regional school district (generally the superintendent) post by January 1, 2017 their contact information prominently on the district's website, if available, and include their email address and reference that public record requests to the district must be sent to the them. If the final regulations address the regional school district matter we will send an email notification to those on our list.

In the case of *Chadwick v. Duxbury* SJC-12054, decided on October 4, 2016 the SJC declined to create a union member-union privilege in a civil action.

The case of *Goodwin v. Lee Public Schools* SJC-11977 decided on August 23, 2016 involved the dismissal of the student under the Felony Suspension Statute (G.L.c. 71, S.37h1/2). The Court held that the Felony Statute required that the student be charged with a felony, which did not happen in this case and, therefore found that the suspension was unlawful. The student also sought compensation under G.L.c. 76, S. 16 which allows monetary damages in these circum-

stances. This case is not remarkable except for the Court's error in interpreting C. 71, S.84 that "no student shall be suspended for conduct which is not connected with any school sponsored activity" as a general law. It is a local option statute pursuant to G.L. c. 71, S. 86.

## SUBSTANCE ABUSE POLICY

Chapter 71, Section 96. States as follows: Each public school shall have a policy, regarding substance use prevention and the education of its students about the dangers of substance abuse. The school shall notify the parents or guardians of all students attending the school of the policy and shall post the policy on the school's website. The policy, and any standards and rules enforcing the policy, shall be prescribed by the school committee in conjunction with the superintendent or the board of trustees of a charter school.

Each school district and charter school shall file its substance use prevention and abuse education policies with the department of elementary and secondary education in a manner and form prescribed by the department. Added by: St. 2016, c. 52, S. 15, effective March 14, 2016.

## MUNICIPAL MODERNIZATION ACT

### (a) Joint Powers Agreements (20)

This section allows governmental entities to enter into a joint power agreement. In a city, these can be entered into with another governmental unit for the joint exercise of any of their common powers and duties within a designated region, except for veterans services,,, by the council with the approval of the mayor, and in a town, by the board of selectmen. **MASC worked with the legislative leadership to ensure that these agreements will not be used to require school districts to regionally or to expand superintendency unions, charters, collaboratives or virtual schools. Furthermore, any agreement involving schools must receive school committee approval. See subsection (h) below.**

(h) A regional school district, superintendency union, educational collaborative, character school or commonwealth virtual school may only be formed as provided in the applicable provisions of the General Laws, and no joint

over

powers agreement made pursuant to this section may, in substance, create such a district, union, collaborative, charter school or virtual school, irrespective of how the entity created pursuant to a joint powers agreement may be characterized or named. A joint powers agreement relating to public schools may only be entered into by the school committee, or other governing board, as applicable.

(b) Approval of Bills/Warrants (57-58)

These sections allow multi-member boards, committee, commissions heading departments, including boards of selectmen, to designate one of its members to review and approve bills or payment of warrants with a report provided at the next meeting. Currently a board or committee heading a department may delegate authority to approve payrolls to a member and a regional school committee may designate a subcommittee to approve bills and payrolls with a report to the next meeting

of the full committee. Absent a charter or special act, boards and committees must approve bills or payment warrants by majority vote at a meeting subject to the Open Meeting Law.

**I have been advised by the Department of Revenue that the approval of bills and payroll warrants in a regional school district is still governed by the provisions of G.L. c71, s.16A that states in relevant part as follows: The committee may establish a 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; provided, however, that such subcommittee shall make available to the committee at the next meeting a record of such actions of such subcommittee. This provision of law will govern warrant matters absent a charter or special act to the contrary.**

## WARRANT SIGNATURES

The School Committee may establish a warrant 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 school 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 school 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. Actual invoices, statements, and vouchers will be available for inspection by the Warrant Subcommittee.

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:*

*Minuteman Regional Vocational Technical School District*

**DRAFT  
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

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%
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*Original Adoption: New Policy Draft v.2 to Finance Subcommittee 1.5.17*

*Revision:*

*First reading:*

*Second reading:*

*Adoption:*

*Review:*

*Minuteman Regional Vocational Technical School District*

**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**

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*

*Revision:*

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Draft Revision 3.22.17 for 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 than ~~\$34,999~~ \$50,000, or as required by law, except in cases of emergency involving

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*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*

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:*

*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 3.22.17 for Finance Subcommittee 3.28.17

**BIDDING REQUIREMENTS**  
**PROCUREMENT – CONSTRUCTION CONTRACTS**

All purchases of contruction 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 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.

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

***Original Adoption:***

***Revision:***

***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***

For the procurement of construction services and contracts of \$10,000 or over but 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:*

*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*

