

MINUTES – FINANCE SUBCOMMITTEE of Wayland School Committee

December 12, 2014

A meeting of the Finance Subcommittee of the Wayland School Committee was held on Friday, December 12, 2014 at 11:00am in the School Committee Room of the Wayland Town Building.

Present:

Donna Bouchard

Barb Fletcher

Also present:

Susan Bottan – WPS School Business Administrator

Ben Keefe – Public Buildings Director

Carol Martin – Finance Committee, Finance Committee liaison to the School Committee

Cheryl Judd – Director of Food Services

Cliff Lewis – OPEB Advisory Committee

Kent George – OPEB Advisory Committee

The meeting was convened at 11:15am and it was announced that the meeting was being recorded by WayCam.

1. Comments & Written Statements from the Public:

There was no public comment.

2. Fiscal Year 2016 Financial Information:

(a) Discuss with Facilities Director Proposed FY16 Capital Requests:

Ben Keefe and Carol Martin joined the subcommittee for the discussion. The Finance Committee planned to vote on the capital budget on Monday, December 15th. Ben passed out documents outlining supplemental and ongoing funding.

A discussion about the various capital items in the budget included moving the Loker door and window replacement to FY'17, additional funds needed for the Claypit Hill window and door replacement and the most prudent communication device (phone system) for the schools (VOIP or another device). Barb will review the technology capital request with Leisha Simon in terms of the plan to lease or purchase the phone system.

The subcommittee then addressed the plan for the expansion of the nurse's office at Happy Hollow School and the additional cost based on what was already appropriated. The total cost will now be \$295,000 and the CIP form will be updated.

Ben Keefe noted that the 5-year capital plan was a good starting point and may need to be updated. He will advise once he becomes more familiar with the facilities.

The replacement of playground equipment as part of a capital plan was also discussed. Ben proposed putting together a "useful life" plan.

The Middle School window replacement was discussed in terms of whether the current cost estimate

is accurate or conservative. Ben Keefe believes there will be excess funds once the work is completed.

Barb will review the CIP's and bring them to the School Committee on Monday night, December 15th, for approval. Barb will also send a copy of the new CIP's to Carol Martin.

(b) Provide Brief Overview of Utilities Expenses for FY15 and FY16

Ben Keefe reviewed the large increases in the cost of electricity and gas utilities. The variance from FY'15 to FY'16 will be reflected in the school budget now that Wayland signed a new 2-year contract. Ben passed out a spreadsheet containing data related to the increase in the cost for these utilities. It was noted that the savings from the ESCO project and possible solar projects should help mitigate increases in the future.

3. Revolving Accounts and Grants:

(a) Review Cost Structure for Food Service Program, including Monthly Cash Flow Analysis and Equipment Repair List

Susan Bottan passed out reports detailing the cash flow and cost structure for Food Services. A list of equipment repair and replacement was distributed to the subcommittee. The list primarily detailed repairs to equipment versus new purchases. There was a discussion about the need to project the lifespan of the equipment (replacement plan).

The subcommittee also discussed the cost of cafeteria equipment and referenced a recap noting that \$254,544 in equipment repair and replacement had all been charged to the revolving fund. The Town's data analyst prepared a report noting that in some towns, large capital purchases were town-funded, while smaller purchases were charged to the revolving fund.

The subcommittee also reviewed the contracts of cities and towns that presently outsourced food services and how capital costs were addressed. The subcommittee agreed to review the short-term versus long term cost structure regarding what costs were suitable to charge to the revolving fund.

A discussion about the repayment to taxpayers of the FY'14 health insurance cost (\$210,935) resulted in the need to check with John Senchyshyn and Brian Keveny about how to ensure enough money was in the fund of the day of the vote at town meeting to assess this cost to Food Services, and whether monthly payment for health insurance could be made or not as a result. The repayment to taxpayers was therefore tabled until the next finance subcommittee meeting (12/18/14).

(b) Review Revised Draft Policy for Fee-Based Funds

Barb reported that she will review the draft policy with Jim Toomey, school counsel, to understand if the policy is acceptable before it's reviewed by the subcommittee.

(c) Continue to Discuss Possible Uses of Surplus Funds for Certain Fee-Based Funds

The subcommittee discussed the possible use for fee-based funds. Susan is determining additional indirect costs based on administrative, technological and facility-related expenses. She will check the usage of online versus check payment for these funds. Susan will test the DOR cost methodology for

directs and indirects on the BASE revolving fund and update the subcommittee.

(d) Continued Discussion of Memorandum of Understanding as Proposed by OPEB Advisory Committee related to Funding of OPEB Investment Account by Certain School Programs (Full Day Kindergarten, BASE, Pegasus and The Children's Way)

This agenda topic was taken out of order, ahead of (b) and (c) above, since Cliff Lewis and Kent George of the OPEB Advisory Committee arrived to review the proposed OPEB Memorandum of Understanding (MOU). Concern was expressed about whether or not all revolving funds should remain "self-sustaining" or received a subsidy to cover their parity OPEB payments.

Food Services was unable to repay \$278,880 to taxpayers in full. The Children's Way was unable to repay \$276,148 to taxpayers in full. This OPEB liability related to Food Services and The Children's Way was incurred between FY'08 and FY'12 and the OPEB Advisory Committee is recommending that these revolving funds pay \$25,000 annually, in addition to their regular annual OPEB assessments, until the funds fully repay the taxpayers for this obligation.

Cliff Lewis noted that the Town made a commitment to provide our current employees with this benefit and the payments would need to be made to honor the commitment. Barb suggested that the MOU be brought before the School Committee for a "philosophical discussion." No further action was taken.

(e) Continue to Discuss Process for Identifying OPEB Eligible Staff Paid through School Revolving Accounts and Grants

This agenda topic was also taken out of order, ahead of (b) and (c) above. Susan Bottan noted that the schools were in the process of determining all FTE information related to OPEB-eligible employees and would provide them with a report as soon as it was completed.

4. Review of Draft FY14 Management Letter and Management Responses

Susan reported that findings #3 and #4 related to the schools, and she attended the Audit Committee meeting to address the findings. Finding #3 involved the high balances in the revolving funds, which will be addressed after a policy is put in place and Finding #4 involved the need for a quarterly review of sick leave compensation. The Audit Committee was satisfied with the plan to address these findings.

5. Consent Agenda

(a) Approval of September 12, 2014, October 2, 2014, October 24, 2014 and November 14, 2014 Finance Subcommittee Minutes

(b) Approval of Accounts Payables & Payroll Warrants

Barb made a motion to approve the consent agenda, with the September 12, 2014, October 2, 2014 and October 24, 2014 minutes as amended and the November 14, 2014 minutes as written and the motion was approved.

6. Future Agenda Topics:

The future agenda topics were addressed throughout the meeting. See minutes for all topics.

7. Comments from the Public:

There was no comment from the public.

8. Adjournment:

Upon a motion duly made by Barb Fletcher, seconded by Donna Bouchard, the subcommittee voted unanimously (2-0) to adjourn at 1:30pm.

Respectfully submitted,

Donna Bouchard
Wayland School Committee

Corresponding Documentation:

- Agenda
- FY16 CIP Happy Hollow Renovations Revised 12-12-14
- FY16-20 Draft Capital Funding Plan
- Utility Analysis
- Food Service Cash Flow 12-1-14
- Food Service Capital Equipment Expenses 2000-2014
- OPEB Analysis for Revolving Accounts and Grants 10-24-14
- OPEB Memorandum of Understanding with the School Committee 2014-8-02 DRAFT
- Policy for Fee-Based Funds 12-12-14
- September 12, 2014 minutes
- October 2, 2014 minutes
- October 24, 2014 minutes
- November 14, 2014 minutes