

MINUTES – FINANCE SUBCOMMITTEE of Wayland School Committee

February 6, 2015

A meeting of the Finance Subcommittee of the Wayland School Committee was held on Friday, February 6, 2015 in the small conference room across from the School Committee Room at the Wayland Town Building.

Present:

Donna Bouchard
Barb Fletcher

Also present:

Susan Botta – WPS School Business Administrator
Carol Martin – Finance Committee Member and Finance Committee Liaison to the School Committee
Pat Keefe – Director of Wayland School Community Programs
Clifford Lewis – Chair, OPEB Advisory Committee

The meeting was convened at 11:10am 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. Revolving Accounts and Grants

(a) Continue to Discuss Process for Charging Fringe Benefits to Revolving Accounts, including Possibly Encumbering Funds through MUNIS

Susan updated the Subcommittee about her discussion with the attorney (Bureau of Municipal Finance) at the MA Department of Revenue (MA DOR). The attorney concurred with the Wayland Finance Director's opinion that if the funds in the Food Services account related to the FY'14 repayment of fringe benefits are encumbered, the MA DOR will count the funds as cash on hand on the day of the town meeting vote. Susan will check with Brian to understand the purpose of the vote at town meeting.

January's revenues, in terms of cash flow related to the Food Services fund and the outstanding fringe benefit payment, were also discussed. Carol Martin noted she would update the Finance Committee that the \$210,935 repayment would be returned to Free Cash at the close of FY'15 from Food Services.

(b) Continue to Review DOR Worksheet related to Indirect Costs for Certain Fee-Based Funds

Pat Keefe joined the Subcommittee meeting and spoke about BASE, and specifically how the employees' time was calculated to arrive at the costs associated with the DOR cost allocation worksheet. A discussion about how approximately \$30,000 could be charged annually to BASE, that was not charged in prior years (based on the cost calculation formula in the DOR worksheet), ensued. The question of whether this sum could be back-charged for prior years, back to FY'08 for example (OPEB from FY'08 to FY'12 has been back-charged to all revolving funds) was met with a discussion about differing philosophies and the legality of recovering back-charges, resulting in no conclusion.

The Subcommittee discussed indirect costs related to the revolving funds for Building Use, Instrumental Music, Pegasus and Global Language. It was decided that Susan would look at the direct and indirect costs related to Enrichment and that the Tutoring fund was too small to assess any additional costs.

(c) Review Revolving Account Balances and Continue to Discuss Possible Uses of Surplus Funds for Certain Fee-Based Funds

A discussion about the balances in these funds ensued and Pat Keefe proposed several ideas to the Subcommittee about what could be done with years' worth of surplus funds associated with BASE. Ideas presented that might benefit the program and the community included improvement of the playgrounds, protective material on the floor of the playgrounds, lighting in the parking lots, a playground suitable for 3-12 year-olds at the Middle School and retractable awnings for the Pegasus summer program. Pat to provide costs for these recommendations.

The Subcommittee moved to agenda topic 2 (e) and then returned to the discussion of 2 (c).

It was further noted that The Children's Way was never assessed a cost for water usage, the High School Parking fund was not charged directly for costs related to plowing (DPW gives the schools a number at the end of the plowing season for transfer), and the Instrumental Music surplus was carried forward but should have been fully expended against the operating budget in FY'14.

Barb noted that she is not in favor of using these one-time surplus funds to offset the FY'16 school budget.

(d) Continue to Review Draft Fee-Based Fund Policy

Donna had not looked at the newly proposed language for this policy yet so this topic was passed over.

(e) Continue to Discuss Ongoing and Prior Year OPEB Charges to Certain Fee-Based Funds, including Review of Draft Town Warrant Article

This topic was taken out of order after 2 (c). Clifford Lewis joined the Subcommittee. Cliff noted that the best way to calculate FTE's as they relate to the assessment of OPEB liability is to use the percent of hours that a staff member works for a particular program. The programs include: BASE, The Children's Way, Full-Day Kindergarten, Food Services, Building Use, Enrichment and Pegasus. Athletics, Transportation and Instrumental Music will not be considered since the full cost related to these programs is not recovered through user fees. High School Parking will not be considered since the position is .4 FTE (non-benefits eligible).

Cliff reviewed how OPEB is calculated for each employee (the annual "per head" calculation) as well as the "parity contribution" (for OPEB charges incurred between FY'08 and FY'12). Barb would like to understand if the Food Services OPEB parity contribution is agreeable with the School Committee and the topic will be added to next Monday night's agenda, along with the Memo of Understanding with the OPEB Advisory Committee, related to OPEB parity payments for Food Services and The Children's Way. Meantime, Cliff will get the new numbers for OPEB from the actuary.

The Subcommittee returned to agenda topic 2 (c) after this discussion.

(f) Discuss Timing of Approval for Fee-Based Program Pricing/Tuitions, including the Food Service, The Children's Way and BASE programs

Comparable fee data is being compiled for Monday night's School Committee meeting. Cheryl Fertig is ready for a discussion about next year's tuition at The Children's Way.

3. Fiscal Year 2016 Financial Information

(a) Continue to Discuss and Review Information and Analysis related to FY16 Operating Budget

Barb asked for the Food Services and Custodial Services analysis related to the FY'16 budget. A discussion about Edvocate and their approach ensued. It was noted that Edvocate would consult with

all stakeholders, to include interviews with parents and students at all schools. Susan also noted that other Edvocate clients were pleased with the work done for them by Edvocate, and that John Ledwick, their senior consultant, was noted to be very thorough. The Subcommittee will bring the engagement idea to the School Committee and recommend approval.

For the custodial study, the Subcommittee will put the matter on the next agenda and speak with Ben Keefe and Pat Morris about the idea.

(b) Continue to Discuss Assumptions Underlying Multi-Year Projection Model

Susan discussed creating a multi-year projection model to forecast the school budget using a model from Newton that was given to her by Paul Stein, Superintendent of Schools, as well as models from Weston and Lexington. Nothing further was discussed.

4. Consent Agenda

(a) Approval of December 12, 2014, January 9, 2015 and January 24, 2015 Finance Subcommittee Minutes

This agenda topic was passed over and moved to the next Subcommittee agenda.

5. Future Agenda Topics

No future agenda topics were discussed by the Subcommittee

6. Comments from the Public

Carol Martin noted that she hoped school capital projects could be wrapped up and closed out soon, so any balances could be considered by the Finance Committee for possible reappropriation by town meeting to fund future projects.

7. Adjournment:

Upon a motion duly made by Barb Fletcher, seconded by Donna Bouchard, the subcommittee voted unanimously (2-0) to adjourn at 1:20pm.

Respectfully submitted,

Donna Bouchard
Wayland School Committee

Corresponding Documentation:

1. Agenda
2. Food Service Cash Flow Analysis
3. DOR Worksheet for BASE
4. Finance Subcommittee Minutes 1-9-15
5. Finance Subcommittee Minutes 1-24-15

