

MINUTES – FINANCE SUBCOMMITTEE OF Wayland School Committee
November 14, 2014

A meeting of the Finance Subcommittee of the Wayland School Committee was held on Friday, November 14, 2014, at 9:00 A.M. in the School Committee Room of the Wayland Town Building.

Present:

Donna Bouchard
Barb Fletcher

Also:

Susan Bottan
Business Administrator
Ben Keefe
Public Facilities Director
Brian Keveny
Town Finance Director
Carol Martin
Finance Committee's Liaison for the Schools
Lea Anderson
Former Chair of the High School Building Committee
Cliff Lewis
Chair of the OPEB Committee

The meeting was convened at 9:00 a.m. and announced that the meeting was being recorded on WayCam.

1. **Comments & Written Statements from the Public:**

There were no public comments or written statements.

2. **Regular Matters:**

(a) *Review Proposed Payment to Shawmut for Replacement of High School Pavers:*

Lea reported on the background of the replacement of the pavers at the High School. Testing showed bad pours of concrete in certain areas, which was considered a latent defect. Eric Sheffles, a former member of the High School Building Committee (HSBC), reached out to Shawmut regarding the replacement of the related pavers. Shawmut replaced the related pavers and issued an invoice for approximately \$48,000. David Saindon, the former Owner's Project Manager for the High School building project, recommended that Wayland pay the portion of the invoice related to the replacement of pavers that was outside the original scope of the replacement project, for an amount equal to \$8,527. Wayland did use salt on the new pavers, which should not have happened. Therefore, Wayland has some responsibility in the funding of the replacement of these pavers. The Finance Subcommittee agreed to bring this recommendation to the School Committee for approval.

(b) *Receive Update with regard to Landscaping at the High School*

Lea reported that she, John Moynihan, and Barb walked the grounds on two separate occasions with Kathy Schrieber, a community member and landscape architect. Kathy suggested changes be made to the landscaping to preserve certain of the landscaping and to reduce the annual maintenance costs. The Finance Subcommittee recommended that the bills associated with the parking lot be segregated from the rest of the area since the fees from the parking lot can be used to offset these costs. It was also noted that any changes to the FY16 budget need to be provided by December 5th.

(c) *Discuss with Public Facilities Director Possible Options for Conducting an Assessment of the Elementary School Buildings:*

Ben Keefe, the new Public Facilities Director, provided his opinion with regard to an assessment of the elementary schools. Structurally, he doesn't believe anything is wrong with the buildings. From the walk throughs he conducted and confirmed by the MSBA study completed in 2009/10, he considers the buildings to be sound. They are safe and adequate but could be better. With regard to the capital requests for FY16, he agreed to review the CIPs that the School Committee presented to the Finance

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Committee and will determine which ones should move forward.

Susan reported on the Finance Committee meeting that she and Donna attended. She noted that the Chair of the Finance Committee indicated that the Finance Committee will review capital again in February and that the School Committee should closely review the narratives of the CIPs since they will be included in the Town warrant for the community's information.

Carol noted that the 5 year capital plan is used by the Finance Committee as a planning tool. The effective use of this tool can be difficult if changes are constantly being made. They understand when emergencies occur at the last minute but not other changes. She reported that the Finance Committee plans to vote the draft capital budget on December 15th. Therefore, it's important that the Finance Committee understand which capital requests should move forward by December 1st.

Ben also provided an update with regard to the Claypit Hill Windows and Door Project. He noted that John Moynihan initially arrived at an estimate of \$1.1million for this project based on his experience with other buildings projects in Wayland and based on the advice of a consultant. The architectural team for this project then provided another estimate, indicating that the original amount may not be sufficient to complete the project. Therefore, John Moynihan recommended the School Committee submit a capital request for additional funding for FY16 as a placeholder. Ben suggested moving the start of this project to the summer of 2016. He confirmed with the MSBA that we could move the start date of the project and still receive state funding. By moving out the date of the project, it will give us more time to refine the proposal, will allow us to structure the contract so the project could move forward with a reduced scope of work should the additional funding request not receive Town Meeting approval and may allow us to receive better pricing given that we will be at the beginning of the 2016 construction cycle. Wayland is now scheduled to go before the MSBA Board in February 2015. Ben believes we will have MSBA approval by the time we go before Town Meeting. The Finance Subcommittee agreed that Ben should give the architect a preliminary indication that the start date of the project will be the summer of 2016, subject to confirmation by the School Committee at its meeting Monday night.

(d) *Discuss with Public Facilities Director Scope of Work and other Pertinent Documents related to Cost/Benefit Analysis of Outsourcing Custodial Services:*

Ben noted in his prior experience that an RFP could only be issued if funding was anticipated. He did review the RFP drafted by Susan and Pat Morris and found it to be a workable document. He believes that more research should be conducted, such as collecting contracts and pricing from comparable communities, before moving forward with an RFP.

Susan and Ben agreed to work together to understand Wayland's current costs for providing custodial services in house, costs of comparable communities who outsource these services, and the pros and cons of providing these services in house or outsourcing these services. It was agreed that this information could be gathered by February 2015. In the meantime, the FY16 Budget would be developed with the current service delivery structure in place since outsourcing would only be pursued if cost savings could be achieved. If any change would be made it would only impact the FY16 Budget in a positive way.

(e) *Continue to Discuss OPEB Memorandum of Understanding:*

As an item not reasonably anticipated by the Chair, Cliff Lewis provided the Finance Subcommittee with additional information to provide further clarification as to how OPEB charges are calculated in order for Wayland to meet its obligations. The Finance Subcommittee agreed to put this topic on the agenda for its next meeting.

(f) *Review FY15 Staff Deployment Report:*

Susan provided the Finance Subcommittee with the FY15 Staff Deployment Report, which will be used in the development of the FY16 Budget. Any questions should be submitted to Brad Crozier.

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(g) *Discuss Preliminary FY16 Operating Needs, including Format and Type of Information to Include in Budget Document:*

Susan reported on the work done to date to develop a budget for FY16 that is within the Finance Committee's guideline. Paul Stein, Brad Crozier and Susan have held six budget meetings to date. Paul plans to provide a preliminary update at the December 1st School Committee meeting. The enrollment and staff deployment reports are being considered in developing this budget. The Finance Subcommittee members should submit any budget information that they would like to see as part of the budget document to Susan as soon as possible.

(h) *Review Cost Structure for Food Service Program, including Payment of FY14 and FY15 Fringe Benefits, Receive Update regarding FY14 Fringe Benefits Transfers Made by Revolving Accounts and Discuss Process for Assessing Appropriate Fringe Benefit Costs to Certain Fee-Based Funds:*

Susan and Brian Keveny, the Town Finance Director, provided a report to the Finance Subcommittee of the situation regarding the Food Service Program. At the end of FY14, the balances were not available to make the full transfer of the fringe benefit payments for the Food Service and The Children's Way programs. Therefore, the fringe benefit transfer was not made for the Food Service program and a partial transfer was made for The Children's Way program. Refer to memo provided by Susan for further details.

The Finance Subcommittee discussed possible options going forward to prevent this situation from happening again, including documenting the process for transfers and having the actual expenses charged directly to the revolving accounts

Susan reported that she met with Cheryl Judd, the Food Service Director, regarding the FY15 and FY16 operating results. It appears that there may be a deficit this year (FY15) but the Food Service Department will work hard to reduce costs and increase revenue in order to meet all of their obligations. It is anticipated that the FY14 and FY15 fringe benefit transfer payments will be made during the current fiscal year.

The Finance Subcommittee agreed to explore, for FY16, charging the fringe benefit payments directly to the revolving accounts on a periodic basis throughout the year rather than in one single transfer at the end of the year. Since FY15 has already begun, Brian Keveny suggested that the method of transfer remain the same for the current fiscal year. The Subcommittee also requested that a monthly cash flow report be provided for the Food Service Program in order to track the operating performance throughout the year. Last, it was agreed that a philosophical discussion take place with the School Committee as to whether the Food Service program should continue to be considered a self supporting program.

Susan left meeting at 11AM.

(i) *Review Revised Draft Policy for Fee-Based Funds:*

Barb highlighted the changes that had been made to the draft policy, reflecting the suggestions made at the last School Committee meeting. These changes included defining when the surplus would be measured. It was agreed that the revised draft policy would be brought back to the Finance Subcommittee when Susan was present.

(j) *Continue to Discuss Possible Uses of Surplus Funds for Certain Fee-Based Funds:*

The Finance Subcommittee agreed to put this topic on a future agenda when the backup information for the DESE Indirect Cost calculation was available.

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

Barb provided the Finance Subcommittee with a spreadsheet that categorized the various revolving accounts and how the OPEB charges would be handled, if applicable (e.g. OPEB expenses charged directly to the accounts, not applicable because no benefits eligible personnel work for the program etc.).

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(I) *Review Follow Up Information from Prior Finance Subcommittee Meetings:*

Administration Feedback on FY16 Capital Request for Phone Upgrade at the Elementary and Middle Schools

Barb agreed to follow up with Paul Stein to understand the need for an upgrade of the phone system at the elementary and middle schools.

The Finance Subcommittee is waiting for information for all of the other follow up items.

3. **Discuss Process for Taking of Minutes for Finance Subcommittee Meeting**

Donna reported difficulty in drafting minutes for the Finance Subcommittee meetings in a timely manner. Therefore, it was agreed that the School Committee should consider this topic at a future meeting.

4. **Consent Agenda**

The Consent Agenda was passed over.

5. **Future Agenda Topics**

The Subcommittee agreed to include the OPEB Memorandum of Understanding on its next agenda.

6. **Comments from the Public:**

Cliff Lewis wanted to make sure that sufficient time was allocated to the OPEB Memorandum of Understanding discussion at the next Finance Subcommittee meeting. He also suggested a solution for reconciling the fringe benefits transfer issue, which entailed having the General Fund issue an invoice to various departments for the amount of the benefits payment as well as a separate invoice for the difference between the budgeted amount and the actual amount the following fiscal year.

Lea Anderson commented that she is worried that the Finance Subcommittee is micromanaging and, therefore, is concerned about the stamina of the Superintendent and of the Administrators.

Cliff Lewis offered another suggestion of allowing the Administration to research and come back with a solution when an issue arises rather than trying to solve the problem at the table.

Maura Feldman encouraged the Subcommittee to move forward, not to continually rehash issues, and to have the philosophical discussions that were suggested earlier in the meeting.

7. **Adjournment:**

Upon a motion duly made by Donna Bouchard, seconded by Barb Fletcher, the School Committee voted unanimously (2-0) to adjourn the Regular Session at 11:25 p.m.

Respectfully submitted,



Barb Fletcher

Wayland School Committee

Corresponding Documentation:

1. Agenda
2. Memo from Susan Botta re: Information for October 24, 2014 Finance Subcommittee Meeting
3. Memo from David Saindon re: Wayland High School Sidewalk Repair
4. OPEB Analysis for Revolving Accounts and Grants
5. Draft Policy for Fee-Based Funds
6. Additional Information provided by Cliff Lewis re: OPEB Calculation
7. FY15 Staff Deployment Report
8. Memo from Susan Botta re: Food Service Program