

MINUTES – FINANCE SUBCOMMITTEE OF Wayland School Committee
January 9, 2015

A meeting of the Finance Subcommittee of the Wayland School Committee was held on Friday, January 9, 2015, at 11:00 A.M. in the School Committee Room of the Wayland Town Building.

Present:

Donna Bouchard
Barb Fletcher

Also:

Susan Botta
Business Administrator
John Senchyshyn
Public Facilities Director
Brian Keveny
Town Finance Director
Carol Martin
Finance Committee's Liaison for the Schools

The meeting was convened at 11:00 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. **Revolving Accounts and Grants:**

(a) *Discuss with Assistant Town Administrator/HR Director and Finance Director Process for Charging Future Fringe Benefits to Revolving Accounts:*

John Senchyshyn reported that in the last few years there have been turn-backs with regard to healthcare expenses. This year, the Town has changed the way it receives bills and has put in place a better projecting tool. John expressed his concerns with pulling the staff related to the revolving accounts from the Master File. It would cause reporting issues and a different process for the Town and School Departments.

The subcommittee expressed its interest in putting in place a better mechanism for tracking expenses throughout the year, in particular for the Food Service Program, to ensure there is an adequate balance at the time of Town Meeting and at the end of the year when the transfer of fringe benefits takes place. Another suggestion was to charge the healthcare care costs, on a periodic basis, directly against the revolving accounts. This process may result in an inadequate balance at the time of Town Meeting. Another suggestion was to track expenses using the monthly cash flow report recently instituted. The subcommittee agreed to use the monthly cash flow report to monitor expenses, to transfer the fringe benefits for FY15 in May as currently planned and to revisit this issue at the end of the fiscal year.

(b) *Review Draft Fee-Based Fund Policy, including Feedback from Legal Counsel*

Barb reported that Jim Toomey from Murphy, Hesse, Toomey and Lehane, has reviewed the draft Fee-Based Fund Policy. He did not recommend any changes to the policy, as he believes it meets the applicable legal requirements. He did provide the statutes that should be referenced in the policy. With regard to adding the qualification that a surplus in a fee-based fund be used after all long-term obligations have been paid, he suggested that we define the nature of the long-term obligations so there is no ambiguity. The subcommittee agreed to add "OPEB, Middlesex Retirement and indirect costs as defined by the Department of Early and Secondary Education or the MA Department of Revenue" as the descriptors to the term "long-term obligations". The subcommittee agreed to bring this revised policy to the School Committee at a future meeting for approval.

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

Susan presented a draft MA Department of Revenue worksheet calculating the indirect cost associated with the BASE program. Additional information needs to be gathered to complete the worksheet, which

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then will be compared against the Department of Elementary and Secondary Education's indirect cost metric of \$107 per student. Susan will enlist the help of Beth Doucette, the Town Data Analyst, to gather this information. With regard to the use of surplus funds, both Jim Toomey and the DOR recommended considering current and future capital projects rather than looking back.

For Thursday's meeting with the School Committee and the Director of The Children's Way and the Wayland School Community Programs, the subcommittee recommended that Susan share with the Directors the draft policy for Fee-Based Funds and the work completed to date on the indirect costs. The subcommittee also expressed its interest in learning the specific details from the Directors for using the surplus funds for program enhancements and their thoughts on the level of fees/tuitions.

(d) *Review FY15 Monthly Cash Flow Report for Food Service Program, including Timing of FY14 Fringe Benefit Transfer Payment:*

The subcommittee received an updated monthly cash flow report for FY15 for the Food Service Program.

The subcommittee discussed the differences between the DESE report and the internal reports for equipment related to the Food Service Program. It was noted that Geoff MacDonald's report included only capital purchases. Cheryl Judd provided a spreadsheet that reconciles the MUNIS report to the report submitted to the DESE.

With regard to the transfer of the FY14 Fringe Benefit amount, Donna offered to look into possible ways to not be required to have a balance to cover the following year's amount on the date of Town Meeting. Susan will discuss with Brian Keveny the concept of encumbering funds in MUNIS as a way to ensure that funds are used to cover fringe benefits. The subcommittee will consider this issue at its next meeting.

Cheryl provided a spreadsheet that compares the types of expenses peer communities cover through their food service programs. It was suggested that future capital equipment purchases be included in a 5-year plan, working with the Facilities Director.

(e) *Review Information Gathered from Other District Operated Food Service Programs and Outsourced Food Service Programs:*

Susan then reported on a conversation she had with Jeff Ledgewig at Edvocate, a consulting service that conducted assessments of Sudbury's food service program. She reported that Edvocate has conducted numerous assessments, including Newton, Wellesley, Sudbury and Dover-Sherborn. Such an assessment will take several weeks and cost less than \$10,000. Edvocate will meet with the School Committee to understand the goals the Committee wants for its food service program.

Susan then reported on conversations she had with other communicators. Sudbury used Edvocate as a starting point to understand their food service program. Newton continues to use Edvocate as a consultant. The subcommittee agreed to review the reports from Newton, Wellesley, Sudbury and Dover-Sherborn and discuss again at the next meeting.

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

Susan reviewed an analysis that demonstrates the complexities behind calculating FTEs when, in this case, employees are paid a stipend. Barb agreed to follow up with Cliff Lewis to understand the need for calculating FTEs, as well as the discussion regarding the other revolving accounts where the fees do not fully cover the cost of the programs (e.g. athletics, transportation, and elementary music). The subcommittee agreed to review the agreement underlying the building use account. Susan also indicated that she would like to review BASE transportation related to the 5th grade students.

(g) *Discuss Process for Identifying Expenses to be Charged against METCO Grant:*

Susan reported on the services that are paid through the grant, including the Director, 3 Coordinators, 1 support staff, 1.2 FTE teachers, supplies, mileage and transportation costs (3 buses and 1 after school

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bus). The revolving account covers one other late bus, another late bus in March and unbudgeted services. Benefit costs are included in the Town budget. Donna agreed to follow up with John Senchyshyn regarding the health care waivers. Additional information will be gathered regarding the teachers and unbudgeted services.

3. **Fiscal Year 2016 Financial Information**

(a) *Review Q2 Financial Report for FY15:*

Susan answered questions from the subcommittee about the information that was provided regarding expenses incurred to date. Susan will distribute the Q2 Financial Report for FY15 to the subcommittee as soon as it is available.

(b) *Review and Discuss Suggested Requests for Information and Analysis related to FY16 Operating Budget:*

Donna will let Ellen know when the information and analysis related to The Children's Way and the Wayland School Community Programs are available for the School Committee to review.

4. **Fiscal Year 2014 Financial Information**

(a) *Review FY14 End of Year Report Filed with DESE*

A question was asked about the difference between the number of pupils and staff reported by the DESE and the Staff Deployment Report.

(b) *Review FY14 Chapter 70 Net School Spending Compliance Report as Compared to Weston*

The subcommittee agreed to research further the costs included in the per pupil cost reported by the DESE, as well as the use of the Net School Spending information.

5. **Consent Agenda**

Approval of the December 12, 2014 Finance Subcommittee Minutes will be deferred until the next meeting.

6. **Future Agenda Topics**

Topics discussed at this meeting that need further discussion will be added to future agendas.

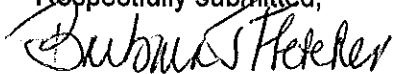
7. **Comments from the Public:**

There were no public comments or written statements.

8. **Adjournment:**

Upon a motion duly made by Barb Fletcher, seconded by Donna Bouchard, the School Committee voted unanimously (2-0) to adjourn the Regular Session at 1:50 p.m.

Respectfully submitted,



Barb Fletcher
Wayland School Committee

Corresponding Documentation:

1. Agenda
2. Draft Policy for Fee-Based Funds
3. Draft DOR Worksheet for Indirect Costs
4. Cash Flow Report for the Food Service Program
5. Food Service Department Equipment Expenses for FY 2000 to FY 2014 submitted to DESE
6. FY 2014 Equipment Expenses Details by Month from DESE report
7. FY 2014 MUNIS Food Service Program Year to Date Report
8. FY 2014 Fringe Benefit Costs charged to Food Service Programs for like-districts; Acton, Belmont, Dover/Sherborn, Lincoln, Norwood, Weston, Wayland
9. Newton, Wellesley, Sudbury and Lexington Food Service Contracts
10. FTE Calculation Sheets for Pegasus, Building Use, Enrichment, Ice Hockey, Athletics, HS Parking, Transportation

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**and Instrumental Music
11. FY16 Schedule of Appropriations**