

Finance Subcommittee
Minutes- September 6, 2017
approved: October 4, 2017

Members Present: B. Perkins, Chairman, J. O'Brien, G. Hathaway, M. Teixeira
T. St. Pierre, W. Marquis

Others in Attendance: Wm. Lupini, Superintendent-Director
M. Znamierowski, Business Manager
K. McMahon, District Treasurer
H. Riccio, Director of Career & Technical Education
B. Morgan, Principal

1. Call to Order

Mr. Perkins, Chairman, called the meeting to order at 5:30 pm.

2. Approval of Meeting Minutes

Motion made by Mr. Perkins to approve the minutes, seconded and all in favor to approve the tentative minutes of the Finance Subcommittee meeting of June 7, 2017 as presented. The motion was carried unanimously.

3. Financial Statements

Administrative Recommendation:

The District's financial statements as of June 30 were presented by Mrs. Znamierowski. The motion was made by Ms. Teixeira to approve the financial statements for April 30, 2017, May 31, 2017 and June 30, 2017. If approved, the statements will be placed on file for audit. Mr. St. Pierre seconded the motion. The motion was carried unanimously.

4. Fiscal Year 2018 Certification Letter

The Fiscal Year 2018 Certification letter, Final Budget Summary and Community Assessments was reviewed. Mrs. Znamierowski stated that this information is from the community assessments sent in July regarding their reduction of assessment from the MSBA and additional funds received. A letter was sent today to member communities.

5. Fiscal Year 2017 End of Year Closing

Administrative Recommendation:

Mrs. Znamierowski stated that FY 2017 ended on a positive note at approximately 1.3 million dollars. Inventory in Culinary and discrepancies in

students accounts will cause minor adjustments in E+D. There were minor discrepancies in the Fiscal Year 2017 end of year closing. The first closing entry should be \$1,252,466.86 and appropriation budget of \$1, 565,585.16. That is closing out all revenues and expenditures; all rolled into E&D account. When all these entries are completed it will bring E&D to approximately 1.3 million. That is the total of the close out is \$1,341,448.97. Dr. Lupini stated \$900,000 was budgeted for E&D. The actual maximum is \$17,000 more than was budgeted. Ms. Teixeira stated assessments were reduced and at maximum of E&D account.

- a.** Ms. Teixeira made the motion to approve to close anticipated receipts of \$1,531,978.88 and appropriation budget of \$1,509,216.95 to unreserved fund balance account #1-3151. Mr. St. Pierre seconded the motion. The motion was carried unanimously.
- b.** Mr. Marquis made the motion to Reverse \$274,996.85 FY 2065 (Mrs. Znamierowski stated this was a type-o and should read 2016) reserved for encumbrances account #1-3106 to unreserved fund balance account #1-3151. Ms. Teixeira seconded the motion. No further discussion. The motion was carried unanimously.
- c.** The reserve \$453,344.25 to account 1-3106, reserved for encumbrances, for outstanding purchase orders and invoices as of June 30, 2016 from unreserved fund balance account #1-3151 were brought to discussion. Mrs. Znamierowski stated those are purchase orders and invoices that were not paid on final warrant by July 15. Any unspent money rolls back into E&D. The motion to approve was made by Mr. St. Pierre and seconded by Ms. Teixeira with no further discussion. The motion was carried unanimously.

Mrs. Znamierowski stated the District no longer participates in school choice. This money is to decrease the deficit in that account. This year the deficit is \$101,582.51. Ms Teixeira questioned why is the District in a deficit? Dr. Lupini explained how the process works. Discussion between the members about how the mechanics work for school choice students and foundation enrollment.

- d.** The motion was made to transfer \$101,582.51 form unreserved fund balance, account #1-3151 to School Choice, account #2-09-3151 to eliminate the deficit in the school choice revolving fund by Mr. St. Pierre and seconded by Mr. Marquis with no further discussion. The motion was carried unanimously.

Mrs. Znamierowski asked if anyone had any further questions about statements. Mrs. Znamierowski stated there were three items in the negative in the budget. These three items were associated to union contracts and teacher and AFSCME salaries. Things change after money is estimated

and budgeted. Discussion followed regarding the budget and when contracts are finalized. Dr. Lupini discussed what is normal and what the budget depends on, that this is not abnormal.

6. *Captain Planet Foundation, Inc. Grant*

Administrative Recommendation:

Mrs. Znamierowski presented information regarding the Captain Planet grant and the wind powered windmill. A grant received for \$2,500 initiated by Mr. Crofts. Natural Resource Management Instructor. Mr. Marquis questioned if Captain Planet was a local organization.

Mr. St. Pierre made the motion to accept the Captain Planet Foundation, Inc. Grant in the amount of \$2,500. The purpose of this grant is to educate students about the effects that dissolved oxygen has on improving water quality. Construction and installation of a wind-powered aerator windmill will provide students with the knowledge and skills which can be used in future educational or employment opportunities. The motion was seconded by Mr. O'Brien.

There was further discussion. Ms. Teixeira questioned if the \$2,500 covered construction and installation. What is the cost after installation? Will the District own it after? Dr. Riccio explained how the windmill would fit into the curriculum. Mr. Perkins questioned if there are associated costs. Mr. Marquis questioned the size of the unit and was told it is 6' below variance. Dr. Riccio explained that it is not a large unit. Mr. Marquis stated that Captain Planet Foundation is based in Atlanta, Georgia. Ms. Teixeira questioned the grant and who would take it down the next year if the grant did not continue. Dr. Riccio stated that it is used for multiple programs and will be used in the Instructional Technology program and is a learning tool not for power. It will teach sustainability skills. Mr. Marquis stated \$2,500 is the maximum grant. The motion was carried unanimously.

7. *Career Technical Education Instructional Supplies and Equipment*

Administrative Recommendation:

Dr. Lupini stated adjustments needed to be made to the Perkins Grant. Dr. Riccio was able to identify other needs to support some additional purchases to support other programs. Mr. St. Pierre made the motion to consider approval to purchase Career and Technical Education instructional supplies and equipment beyond the FY 2018 budget in the amount of \$6,600 from the shop revolving fund. Mr. Hathaway seconded the motion. There was no further discussion. The motion was carried unanimously.

8. *Non Union Employees Salaries Adjustments*

Administrative Recommendation:

Dr. Lupini stated that these are two groups that salary adjustments were not addressed in the FY 2018. Paraprofessionals will receive a 1.5% increase at a cost of approximately \$5,700 along with individual contracts, clerical and team facilitators increasing 1.5% for a cost of approximately \$4,400. The District is

recommending the increases which will settle all contracts. Mr. St. Pierre made the motion to accept Paraprofessional Salary Increase (FY 2018) 1.5% (\$5,659) and Individually Contracted Employees Increase (FY 2018) (other than administrators) 1.5% (\$4,382) (The above items will be presented to the Personnel Subcommittee at their September 14, 2017 meeting for approval)

9. Culinary Arts -Receipts Audit Recommendation Findings

Mrs. Znamierowski was pleased to report that the findings of the Culinary Arts Receipts Audit was in the positive and did not identify any significant losses. Daily reconciliations were documented and verified with little variances. Moving forward in a positive way to keep an eye on them. Dr. Lupini stated that Mrs. Znamierowski had controls in place that are working. The auditors recommended that an audit be conducted during a one month period. A \$500 receipt was missed during the one month period when the audit was conducted; which caused concern. Ms. Teixeira questioned what Departments were included in the audit? Mrs. Znamierowski stated: Culinary Arts, Athletics and School Lunch. Mrs. Znamierowski reported that all recommendations have been implemented and are in compliance. Waiting for athletic receipts after first football game. Dr. Lupini stated that policy issues have all been addressed. Implementation of a new software system will soon be in place. Ms. Teixeira questioned if the vending machines were part of the audit and requested accountability and controls. Dr. Lupini said most vending machines included in the food service audit and left the two in the athletic department. There was no motion.

10. Acceptance of Donations

Administrative Recommendation:

Dr. Lupini reported that controls have been put in place by Dr. Riccio. Dr. Riccio shared her concerns of the number of vehicles taken in and compared data with other technical schools and the amount of vehicles donated. Some vehicles were transported from the old school to the new school. Dr. Riccio is creating a forum for donations of all goods and services to go to each CTE Director for viability of educational value. The District will not accept vehicles over ten years of age. Mr. O'Brien stated that the Topsfield Demo Derby gets \$500 per donated car in Salem. Dr. Riccio stated that most cars are dismantled for parts in a collision perspective and fill a dumpster with parts based on pounds per dollar.

Dr. Lupini stated that donated livestock will follow the same process; making sure that every animal donated has an educational purpose. A site and veterinarian visit is conducted to insure the animal's well being. Mr. St. Pierre made the motion to accept all four donations:

The donation of \$600.00 from CAPS Auto Wrecking Corporation for the disposal of six (6) vehicles. These vehicles were donated to the Automotive Technology and Collision Repair Programs for educational purposes and are no longer of value for that purpose. A donation of a 1995 Nissan Maxima from Mr.

Richard Walsh of Peabody, Massachusetts to the Automotive Technology Program. A donation of a 2001 Hyundai Sonata from Ms. Joyce Anne Yiakas of Peabody, Massachusetts to the Automotive Technology Program. The donation of two horses from Ms. Robin Peterson of Back Bay Farms of Ipswich, Massachusetts to the Equine Program. Mr. Hathaway seconded the motion.

Ms. Teixeira questioned the ages of two vehicles being over the ten years. Dr. Riccio stated the website now includes a descriptor of accepted vehicles based on age and condition. There was no further discussion. The motion was carried unanimously.

11. Outside Projects

Administrative Recommendation:

Dr. Lupini stated that agenda item A in Lynnfield was withdrawn with no explanation.

That leaves the second building project that requires approval by the Finance Subcommittee as the project is over \$5,000. Mr. St. Pierre made the motion to accept the approval for an Application for Building Program for Habitat for Humanity North Shore for construction of a home at 270 Asbury Street, Hamilton, Massachusetts. The motion was seconded by Mr. Hathaway. Ms. Teixeira questioned when the project would start and if the other Habitat project was finished. Dr. Lupini stated school has only been in session for four days. Dr. Riccio stated that the first two weeks of vocational schools is devoted to recapping safety and skills. The District is required by law to retest the students regardless of age. The motion was accepted unanimously.

12. Sick Leave Buyback (Eliminated Administrative Roles)

Administrative Recommendation:

Dr. Lupini brought forward that two administrators positions that were eliminated. Their former contract that stated they received buyback if they resigned from the District. The amended contract states they receive buyback upon retirement. These administrative positions were eliminated and by the contract language are not entitled to the buyback. Mr. St. Pierre made the motion to accept to approve a sick leave buyback for Mary Alice Murdoch in the amount of \$3,208.50 and to approve a sick leave buy back for Ronald Vercellone in the amount of \$12,495. Mr. O'Brien brought up discussion that the buyback should not be paid. Ms. Teixeira questioned the contract and if these former employees requested the buyback. Dr. Lupini noted that one year prior they had contracts that said they received the benefit for any reason when they left the District. These administrators signed new contracts that stated they only received this benefit if they retired. Dr. Lupini reminded members that these positions were eliminated, but had the opportunity to apply for other positions within the District. Ms. Teixeira stated it is setting a bad precedent and these administrators both had notice and would not support the motion. Mr. Hathaway questioned the motivation for accumulating so many sick days? Mr. O'Brien stated sick days are for people who are sick not

vacation time. Ms. Teixeira asked if they could bring sick time with them to their new position and was told no.

Ms. Teixeira requested a Roll Call vote:

Roll Call

Mr. Perkins-NO

Mr. O'Brien-NO

Mr. Hathaway-YES

Ms. Teixeira-NO

Mr. St. Pierre-YES

Mr. Maquis-NO

Ms. Teixeira reported that the vote failed.

Dr. Lupini stated that the recommendation for buyback would not advance to the School Committee. The vote was not to recommend this item to the School Committee.

13. Discussion items that were not reasonably anticipated by the Chairperson (M.G.L., Chapter 30A, Section 18-25)

The listing of matters is those reasonably anticipated by the Chair in accordance with M.G.L., Chapter 30A, Section 18-25, which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

Mr. St. Pierre brought up the recommendation to find a funding source for a new sign. Ms. Teixeira questioned how to decide on the type of sign? Mr. St. Pierre brought up that a sign was included with the original building plans. Mr. Marquis recommended a company in Danvers. Best practice and maximum price were discussed. Names of companies and people who could recommend were discussed. Ms. Teixeira brought up that the school is two years old without a sign. Mr. St. Pierre stated there needs to be a basic design in advance .

14. Adjourn

Mr. Perkins made the motion to adjourn. Mr. Marquis seconded the motion. The motion was accepted unanimously.

The Meeting was adjourned at 6:35 pm.

Approved 10.4.17