

MINUTES – FINANCE SUBCOMMITTEE OF Wayland School Committee
January 23, 2015

A meeting of the Finance Subcommittee of the Wayland School Committee was held on Friday, January 23, 2015, at 11:00 A.M. in the Small Conference Room on the Second Floor of the Wayland Town Building.

Present:

Donna Bouchard
Barb Fletcher

Also:

Susan Bottan
Business Administrator
Cheryl Fertig
Director of The Children's Way
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.

The Children's Way agenda topic was taken first in order to take advantage of the Director's attendance.

2. **Revolving Accounts and Grants:**

(a) *Review Projections from The Children's Way and Discuss Next Steps:*

The Subcommittee discussed possible ways to increase revenue and control costs, which included raising tuition, revising revenue estimates, analyzing potential savings from substitutes and professional development costs, considering extending the timeline for paying prior year OPEB obligations, re-evaluating the cost allocation agreement (e.g. allocation of WSCP Director, Account Coordinator and Custodians), determining responsibility for equipment repairs (e.g. HVAC and heating unit), and fundraising. Susan noted that for every 1% increase in tuitions, an additional \$8,800 would be raised. Cheryl noted that, prior to this year, tuition had not been raised for 3 years, partly due to the surplus in the revolving account and the fiscal climate. She commented that other pre-school programs impose incremental increases each year. A question was asked about how the enrollment of students who require special education services impacts the number of classrooms staffed.

The Subcommittee agreed that the following areas would be evaluated in more detail:

- Enrollment of students who require special education services
- Raising revenue through tuition increases
- Reducing costs in the areas of substitute and professional development costs, cost allocation of non-personnel expenses, and OPEB parity payments
- Removing the reserve

Cheryl also requested a statement be made by the School Committee that The Children's Way is a viable program and that we are working to make it more sustainable, in order to clarify for the public and staff the position of the School Committee.

(b) *Receive and Review Information and Analysis related to FY16 Operating Budget:*

It was noted that John Senchyshyn had provided to the School Committee headcount information for healthcare expenses in 2008 and 2014 for school employees. Donna will reach out to John and Paul Stein with her follow up questions.

(c) *Review Assessment Reports Completed by Edvocate for the Sudbury, Newton and Dover/Sherborn Food Service Programs and Discuss Possible Custodial Services Assessment by Edvocate:*

Susan reported on her conversation with John Ledwig at Edvocate. He mentioned that Edvocate would

MINUTES – FINANCE SUBCOMMITTEE OF Wayland School Committee
January 23, 2015

be available to conduct a review of Wayland's custodial services, mirroring the kind discussed for the Food Service Program. It would be based on metrics and industry norms and would consider the social services of the programs (e.g. contact with the community). Such an assessment may take up to 4 months. The Subcommittee agreed that this assessment should include personnel only, custodians as well as the maintenance employees.

The Subcommittee agreed that Edvocate should provide to the School Committee the list of services offered and a ballpark time and cost estimate. The Subcommittee agreed with Susan that this type of assessment by a third party with expertise who could provide benchmarking and choices to consider would be helpful to have. The threshold of \$35,000 for an RFP was also discussed.

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

Susan confirmed with Brian Keveny that the fringe benefit payments can be encumbered through MUNIS. Susan will report back to the Subcommittee at its next meeting on her discussion with the DOR regarding whether the encumbered funds count toward cash on hand on the date of Town Meeting and whether the Food Service program is required to have a balance at the time of Town Meeting.

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

Susan provided to the Subcommittee a draft of the DOR worksheet for the indirect costs associated with the BASE program. The Subcommittee agreed that Susan should have a conversation with the Director of the Wayland School Community Programs about the reasonableness of the underlying assumptions. Susan will then layer on the BASE projections for future years and include the impact fee increases may have on the projections.

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

The Subcommittee requested that the following information be provided about certain fee-based accounts, such as The Wayland School Community Program accounts: a "true" balance projected for year end, more detailed information for the building use account and a list of line items that could be impacted by the use of surplus funds.

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

Susan provided a spreadsheet that showed various ways to calculate FTE counts for the purpose of determining OPEB payments for the BASE program. The Subcommittee agreed with Susan that a more appropriate way to determine a program's share of the OPEB obligation should be based on headcount rather than FTE. Susan will speak with John Senchyshyn about this approach.

The Subcommittee also felt that, given the Hockey program is a separate 501(c)3 organization, we cannot charge OPEB to that account. Similarly, there are no benefits eligible employees with the Pegasus program and, therefore, the Subcommittee believes OPEB payments cannot be charged to that account, especially since it is a seasonal program.

(h) *Continue to Review Draft Fee-Based Fund Policy:*

Barb provided Donna with a copy of the draft Fee-Based Fund Policy with her comments as discussed at a prior School Committee meeting. The Subcommittee will review this draft at its next meeting.

3. **Consent Agenda**

Approval of the December 12, 2014 and January 9, 2015 Finance Subcommittee Minutes will be deferred until the next meeting.

4. **Future Agenda Topics**

In addition to a continued discussion of the assumptions underlying a multi-year projection model and topics discussed at this meeting that need further discussion, the Subcommittee agreed to review the

MINUTES – FINANCE SUBCOMMITTEE OF Wayland School Committee
January 23, 2015

status of capital projects at a future meeting.

5. **Comments from the Public:**

Carol Martin asked for the name of the Director of The Children's Way.

6. **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 12:40 p.m.

Respectfully submitted,



Barb Fletcher
Wayland School Committee

Corresponding Documentation:

1. Agenda
2. Advocate Reports for Sudbury, Newton and Dover/Sherborn
3. Draft DOR Worksheet for Indirect Costs for the BASE program
4. Spreadsheet with Calculation of FTE Count for the BASE program
5. Draft Policy for Fee-Based Funds

REVISED 3/13/15