

Minutes – Joint Meeting Finance Subcommittee of Wayland School Committee and Wayland School Committee
May 1, 2015

A joint meeting of the Wayland School Committee and the Finance Subcommittee was held at 11 AM in the School Committee Room of the Wayland Town Building.

Present

Barb Fletcher, Chair Finance Subcommittee
Donna Bouchard
Ellen Grieco
Jeanne Downs
Kathie Steinberg

Also

Susan Bottan
Business Administrator
Carol Martin
Finance Committee's Liaison for the Schools

The joint meeting was convened at 11:07 AM and chaired by Barb Fletcher, Chair of the Finance Subcommittee. The meeting was recorded by WayCam.

1. Comments and Written Statements from the Public

There were no public comments or written statements.

2. Revolving Account and Grants

(a) Receive Update related to the Proper Statutes Underlying the School Revolving Accounts and Discuss Next Steps:

The Committee discussed the status of the 10 revolving accounts which, in March 2013 the School Committee voted to operate under 71:71E. Town Meeting has not yet voted to approve the operation of these funds under the 71E statute as required under the statute. Prior to the March 2013 vote, these funds were operated as 71:47 funds, and this defacto arrangement could have continued to apply, albeit for the School Committee vote to operate as 71:71E funds. In the absence of town meeting approval for the 71:71E statutory reference, the School Committee discussed the potential to operate these revolving accounts under 71:47.

Susan Bottan updated the Committee on her communication with Christen Velcort, Legal Counsel @ DESE and Jay Sullivan, Executive Director of Business and Finance @ DESE. In DESE's opinion, 71:71E is the proper reference to operate these funds. In lieu of a Town Meeting no vote, they advised these funds may be considered as part of the general fund. While DESE acknowledged that 71:47 is also a proper reference they are uncomfortable issuing an opinion as to which is the appropriate statute, instead referring to the DOR as the proper regulatory body to decide which statute to assign. Susan Bottan learned through Scott McIntyre of Melanson and Heath and Jay Sullivan that 71:47 is broad enough to allow these funds to operate under, and that some districts do, in fact, operate similar funds under the 71:47 statute. DESE would not render an opinion on the practice by other towns to operate similar funds under 71:47.

11:12 a.m. Jeanne Downs arrives

Susan Bottan will reach out to MASBO colleagues to see what statutes other towns are using to operate their revolving funds.

Ellen Grieco shared an email from Mark Lanza, Town Counsel. It is his opinion that these funds can be operated through the General Fund; charge fees and pay expenses through the school budget and then use monies from the unreserved fund balance as a funding source for a transfer back to the schools. Ellen Grieco expressed significant discomfort that fees collected from these programs go to the General fund, until an authoritative government agency ruled this would be permissible.

The funds had been operating de facto under 71:47 prior to the School Committee vote in March 2013, and in light of DESE's opinion that 71:47 is also a proper reference, the Committee discussed hiring legal counsel to render an opinion on which is the most appropriate statute going forward and to represent the Committee in further discussions with DOR for their recommendation as the regulatory authority. Jim Toomey was recommended. The Committee will also need to consider the source of funding.

Susan Bottan reported that it is legal for these funds to operate under 71:47, and this statute does not require a town meeting vote. If the funds are being operated consistent with the statute, it is not necessary for a school committee vote.

Ellen Grieco noted that many people have scrutinized these accounts over the last several years including auditors, Powers and Sullivan, Melanson and Heath, and the issue of operating under the correct statute was never previously raised.

Upon a motion duly made by Kathie Steinberg, seconded by Ellen Grieco, the School Committee voted (3-1-1) to hire counsel to render an opinion on the appropriate statutory reference for these revolving funds.

Respectfully submitted,

Kathie Steinberg
Wayland School Committee