

Mt. Greylock Regional School District

Finance Sub Committee

Date: Thursday, February 13 , 2020

Location: MGRS Room A109

Start: 4:00 PM

1781 Cold Spring Road

Williamstown, MA 01267

Adjourn: 5:43 PM

In Attendance :

Committee Members:

Jamie Art, Regina DiLego, Dan Caplinger

Others: Supt Kim Grady, Asst Supt/Bus Mgr Andrea Wadsworth, Tom Scanlon – auditor Scanlon & Associates

- I. Call meeting to order at 4:00 pm
- II. Approval of minutes 2-6-2020: Caplinger presented the subcommittee with a sheet of amendments he was requesting for the minutes. There were four places in the minutes for which he was requesting the language be amended or clarifying sentences be added, all on page three of the minutes for approval.

The first change was to add to the section regarding the three trains of thought Caplinger presented. His request was to add a period after favors in item 3 and then add the following language and restructure the remainder of the sentence to read “One such middle ground would be leave 1.5 million in the gift, have 2.16 million towards fields, and raise the rest.” As there was no substantive change to the content, the subcommittee agreed to this change. The second change was to the sentence just after the original motion made by DiLego. He requested that “During discussion Caplinger stated that he could not support the motion without it being linked to the fields project” be replaced with “During discussion Caplinger stated that he would prefer that the subcommittee not make a recommendation on the \$1.5 million amount to be kept in the endowment without also recommending \$2.16 million for the athletic fields project.” DiLego stated that she could not support this change since the sole reason she amended her vote that day was because Caplinger had made this statement. Caplinger responded that she had inferred the meaning of his statement and he wished to make the intent more clear. DiLego again stated that she could not support the change – she had written it down when he said it and it was the only reason she amended the motion. Art responded that he wished for us to be on the same page working collaboratively and perhaps there was middle ground that would be a concession. He suggested inserting “he would prefer *not to* support the subcommittee not making a ...” DiLego stated that she had already conceded in an attempt to be collaborative by changing her motion when Caplinger made his statement. Wadsworth interjected and asked DiLego if she felt strongly that the statement was important to the reason she had changed her motion to which DiLego responded yes. At this point Wadsworth stated that she was going

to record the meeting on her phone so there would be a record of the meeting. The subcommittee moved on to the other amendments.

The third change was to add "Art acknowledged the merits of that position." Just prior to the reworded motion. DiLego stated that since the sentiment was being ascribed to Art that she would let him decide if he accepted the change. Art stated he was fine with inserting the language.

The fourth change stated that the committee did not vote the motion . They had, in fact, voted the motion and all were in favor – it was noted on the secretary's notes but had been left out of the minutes in error. The requested amendment went on to reword the motion and ascribe its content to Art. DiLego noted that the motion could not be ascribed to Art as she was the one who had made the motion. Any amendment to the motion would have had to have been made by her (which it was). Art concurred. DiLego did note that she had difficulty crafting the motion for the minutes because of the discussion that had ensued after the original motion and she knew the subcommittee had agreed to the intent of the motion but had not been certain exactly what they had settled on for language in the motion itself. She had agreed to amend the motion to reflect the subcommittee's position but had struggled to put that accurately in writing. She and Art agreed to insert the additional language provided into the minutes as the final motion. The additional language was "subject to possible adjustment based on any changes in the Williams Gift's invested fund balance between the last reported date and the next reporting date, anticipated to be on or around June 30, 2020..." inserted just before "with all future expenditures" Conversation returned to amendment #2. DiLego refused to agree to the amendment but told Art and Caplinger that they could both vote to change it if that is what they desired. She wanted them to be aware, however, that she would then need to explain to the full Committee why she had changed her motion since the minutes would no longer contain the reason.

Art moved that the minutes from 2-6-2020 be approved with Caplinger's amendments #1,3; lines 10 and 36 as presented , and #4 line 40 as discussed and worded in our current meeting (noted above) , inserting the additional language into the motion, and the addition of the omitted vote on the motion. DiLego seconded. All in favor.

- III. Audit review with Scanlon and Associates: Tom Scanlon reported on the annual audit conducted by Scanlon and Associates. They have done the MG audit for numerous years. There were many difficulties in doing the audit., partly due to the change in business manager and not having access to why certain items were coded as they were or accounts were utilized as they were etc. A 50 page report was provided to the subcommittee along with a letter summarizing findings and concerns. Mr. Scanlon and Wadsworth have worked together to identify, correct and put systems in place to address the concerns as identified. There were some general ledger concerns with postings to incorrect accounts for revenues. Mr. Scanlon suggested controls for the revenues and a better maintenance of the general ledger. The District's cash was balanced. And school choice and tuition revolving are at the amount % previously recommended by Scanlon & Assoc to the District. He suggests we maintain those levels and earmark future such receipts to offsetting the budget. His greatest concern was in regard to the Building Project, as we are approaching final closeout and proper reconciliation here is critical to MSBA reimbursement. Reconciling to the OPM and the "Dashboard" is extremely important. There was a variance of \$160,000,

but \$140,000 of that was identified as a timing issue and will reconcile in the end. The additional \$20,000 variance has not yet been identified. He and Wadsworth are continuing to work to properly reconcile accounts. Grady stated that she was raise awareness of this with the School Building Committee finance subcommittee.

E&D has been sent to the state to be certified, but Mr. Scanlon stated that it really should be certified in the fall not in February. There will most likely be a penalty and withholding by the state of approximately \$6400 because of the late filing. The District should maintain as close to 5% in E&D as possible, but should never go over that amount. He recommends using @\$200,000 from E&D in FY21 to reduce assessments to the towns.

Wadsworth noted that many of the discrepancies in accounts make it necessary for her to amend the District's end of year report. She is currently working on that.

Mr. Scanlon also stressed the importance of the District following state procurement law and educating itself in that area. There have been many changes to the law. Procedures need to be established and communicated.

In the retirement account he noted that the District owes a payment to Lanesborough for 2019 and 2020. This payment issue goes away in year three of the new region.

It is Mr. Scanlon's opinion that school choice and school lunch can not be broken down by school as it is a lump sum from the state. He noted that our agreement does not state that it must be. This does not prohibit us from calculating amounts generated-expended by school and applying corresponding "aid" to separate schools, but it would come from one "pot". Circuit Breaker money needs to be better managed as the previous Business Manager returned money from this revolver.

All in all, the District is in strong financial shape. The District's financials are "boring" and that is a good thing. There are internal reporting areas that need addressing, but these have been identified and Wadsworth is on top of them.

Wadsworth stated that the cafeteria accounts have a balance. She recommends that the Finance Subcommittee make a recommendation to the full School Committee to develop a meal policy or a best practice that allows for meal account balances to be forgiven on accounts which become qualified for free and reduced lunch.

As for the FY21 budget, she is working with Scanlon to reconcile all accounts to bring forward a budget she feels confident about that will reflect approximately a 1.72-1.8% increase to the towns. The Capital expense has a built in increase of 6.61%.

IV. Other Business: none.

V. Caplinger moves to adjourn at 5:43 pm. DiLego seconds. Caplinger aye, DiLego aye, Art aye.

Respectfully submitted by Regina DiLego