

MINUTES

APPROPRIATIONS COMMITTEE

September 26, 2006

Present: Chairman Elaine Kelly  
Vice Chairman Rick Nieber  
Dan McInnis  
Janice Hight  
Dale Rains  
Lynne Winter

Also Present: Jason Perreault, Chair Financial Planning Committee  
James Casella, former Chair Financial Planning Committee  
Cheryl Levesque, School Business Manager  
Regional School Committee Members – Chair Shirley Lundberg, Joan Frank,  
Jack Reynolds, and Susan Sartori

Meeting was called to order by Chairman at 7:00 p.m. in Conference Room B.

Approval of Minutes

Motion was made to approve the minutes of the April 24, 2006 Meeting; motion was seconded and approved unanimously.

Motion was made to approve the minutes of the August 3, 2006 Meeting; motion was seconded and approved unanimously.

Temporary One-Year Appointment to Financial Planning Committee

The Chair reported that no applications were received to serve as the Committee's appointee to the Financial Planning Committee. The Chair reported that Jim Casella is willing to continue to serve as the Committee's appointee for one year.

Motion made by Janice Hight to nominate Jim Casella to serve a temporary 1-year appointment to Financial Planning Committee. Motion seconded by Rick Nieber and approved unanimously (Chair did not vote).

Update on Library Project

Committee requested update on Project Finances relative to donations actually received versus pledges made.

Regional Resource Sharing

Dale Rains inquired as to opportunities for Regional Resource Sharing. The Town Administrator provided an overview of present efforts relative to Regional Resource Sharing.

The School Superintendent arrived at 7:22 p.m.

*Superintendent Rosemary Joseph re: application of reimbursement monies from State for Regional High School Addition/Renovation Project; clarification of permanent vs. temporary borrowing on reimbursement.*

The Chair had contacted the School Superintendent to schedule the Special Committee Meeting to discuss the Regional High School reimbursement issue.

The School Superintendent indicated that in October 2006, the Regional School District anticipated receiving 75% of the Project reimbursement from the State with the balance due from the State following the Final Project Audit estimated for December 2006. The School Superintendent provided an overview of bonding, the Regional School District and State reimbursement rates.

Jim Casella inquired as to BAN interest being credited back to the Regional School District Member Towns. He referenced January/February 2003 correspondence from the Regional School District including a Legal Opinion from Bond Counsel Ropes & Gray.

Discussion occurred as to the June 2003 Memorandum from former Assistant School Superintendent Brad Jackson concerning allocation on interest on the project.

The School Superintendent indicated that she would seek a Legal Opinion from Bond Counsel to clarify the issue of allocation of interest.

Jason Perreault, Chair of Financial Planning Committee, discussed application of interest earnings.

The School Superintendent discussed the Holden v. Wachusett Regional School District State Court decision.

The School Superintendent will seek a clarification of MGL, Chapter 70B, Section 10, which governs the grant formula for approved MSBA projects from Bond Counsel at Ropes & Gray.

The School Superintendent will provide data indicating how operational budgets would be impacted if Chapter 70B guidelines were to be used in crediting the portion of reimbursement monies attributable to BAN interest to the member towns as opposed to the guidelines set forth in the Regional Agreement.

The School Superintendent will raise with the MSBA the issue if the possibility exists or if consideration might be made for reimbursement of the interest on the \$10,000,000 permanent borrowing effected at the onset of the project in light of the following:

- ❑ Under the “old” rules reimbursement would have been allowed.
- ❑ Under the “new” rules reimbursement would not potentially be allowed.
- ❑ The project approval and subsequent appropriation by vote of Town Meeting was entered into at a time the “old” rules were in affect.

- ❑ The expectation was that those costs would be reimbursed and represents a significant amount of money to the Regional School District as well as the Towns of Northborough and Southborough.

At the request of the Appropriations Committee, the Town Treasurer will draft a chronology of the Regional High School Debt issues.

The Regional School Committee will be meeting on October 18, 2006 to discuss the Regional High School Debt.

At 8:22 p.m., the School Superintendent, School Business Manager, and members of the Regional School Committee left the meeting.

Budget review schedule – preferred night of the week/time

Committee agreed to alternate having meetings on Tuesday and Thursday evenings at 7:00 p.m.

Information request items from Municipal and School Departments re: budget review

The Chair asked that Committee members identify information items. Items identified included:

- ❑ School enrollment numbers
- ❑ Breakdown of Town/School Full-time/Part-time employees with benefits, including for Schools, a breakdown of Teachers versus other School staff.
- ❑ List of Grants and Reimbursements not otherwise listed in Budgets.

The Chair will circulate a copy of last year's list of information items to the Committee for review.

The Chair discussed with the Committee the status of having an informational mailer with the tax bills identifying where tax dollars go. The Chair discussed with the Treasurer whether there was computer software capability to provide financial tax breakdown information per individual property in a mailing, which there is not. As an alternative to an informational mailer, the Committee agreed to post information on the Town Website and Cable TV.

Chair informed Committee of upcoming AFTC Meeting.

Chair discussed with Committee the e-mail usage memo from Town Administrator and Advisory Legal Opinion.

Rick Nieber requested a future Committee Agenda Item be the use of Free Cash. Discussion would be use of Free Cash for capital versus operations, as well as the level of Free Cash used annually (\$750,000 versus \$1 million).

The Committee discussed having an organizational meeting in January 2007 to prepare for review of the FY 2008 Budget.

Meeting adjourned at 8:50 p.m.

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