

## Finance Committee Minutes

Thursday, August 7, 2014 @ 7pm @ Old Quarry Conference Room

**Members in attendance: Cindy Kelly, Al Malley, Patrick Kerrigan, Kathy Lawrence, John Evers, Courtney Orzel, Barbara Germany**

### 1. Public Comments

No public comments.

### 2. Site and Construction Fund Discussion with Pat Crean

Mrs. Kelly discussed that the district has expenditures coming up. One of the capital units in need of repair/replacement is our cogen. Pat Crean was present to discuss the current status of this unit.

1. The cogen is in need of repair again, but this is not a permanent fix. The current repair expenditures were discussed and approved as presented.
2. The cogen is 17 years old. After speaking to manufacturers, we need to begin looking at the future. The costs are getting higher and we could be fortunate enough now to change it out and sell it.
3. The unit will cost \$20,000 to take it out of the building (break the wall).

Mr. Crean mentioned that \$350,000-\$370,000 for a new chiller on the roof. (includes demo of old chiller and not touching the cogen). The chiller is currently on the cogen right now, but a new chiller would be on the roof.

The cogen generates electricity from natural gas. Mr. Malley mentioned a study that was conducted of when it should be run and not run. Mr. Crean is researching information about the cogen.

The discussion is looking at financing the removal of the cogen (\$20,000 approximately) and a new chiller (\$350-370k). We would need a backup generator. \$500,000 might be a high end number to consider.

Mr. Malley asked how much time we realistically have with the cogen. Mr. Crean indicated the representative said we might get 2 years out of it. We will know more once we get inside of it.

Mrs. Kelly asked Ms. Germany to look into putting some money into site and construction fund to build reserves this year and next for such a project. Al mentioned we do not have an emergency fund for large items over \$100,000. Planning must occur for such expenditures.

Ms. Germany said we budgeted \$425,000 for major project work this year. A previous list was created by previous director, but Ms. Germany mentioned that she and Mr. Crean need to work collectively to review that list.

Mrs. Kelly would like to budget an allowance to put into that fund for future usage. Ms. Germany said that as part of the budgeting process we can make the transfer initially.

Mr. Malley said we should budget an allowance to keep in that fund. Mr. Crean said that after next week he could get an idea of the longevity of the cogen. Mr. Crean recommends that the buildings are in terrific condition overall; however, we should pick 3-4 major projects and put the rest on backburner. Parking lot money should wait. There are 3 patches that should be done right now at the back of RV.

Mr. Kerrigan asked when the sewer areas would be patched and was informed that this work will be completed at the end of next week. Mr. Crean called the owner of the company twice today. Mr. Kerrigan said if the

people are here to patch OQ, why not patch RV at the same time while equipment is here and Mr. Crean indicated that it a good idea.

Mrs. Kelly asked what the finance committee is comfortable with. Funds must go from Ed Fund to O & M to Site and Construction. Need to come up with target amount. Ms. Germany would levy enough in O & M to make a transfer to Site and Construction. Mr. Crean asked if there was a time frame for the work.

Ms. Germany said that there will be excess funds from Site and Construction because the sewer project was less than projected.

How much is surplus in Ed Fund? FY15 anticipates surplus of \$1.8 million.

Mr. Malley would like to fund it over 3 fiscal years and does not want to lock up too much money too quickly.

Ms. Germany reminded members that there is a large amount in O & M (\$425,000) budgeted. (derived from strategic planning process)

Mr. Kerrigan expects that we will have hard numbers this time next year.

Mr. Malley reminded members that we are using Site and Construction as a savings account. It can be drawn upon at any time should a large capital expenditure become necessary.

### **3. Surplus Funds**

Mrs. Kelly would like to know how much surplus is in the Ed fund. There was a discussion about using surplus for professional development for staff members. Options included writing professional development and instructional technology consultant/coaching work PD.

Dr. Orzel will meet with the administrative team to discuss options. The finance committee mentioned \$100,000 for professional development (one time expenditure).

Mr. Kerrigan mentioned that there will be things that the buildings will need.

It was agreed that \$225,000 will be placed into Site and Construction for the capital project needs (cogen).

### **4. Previous meeting minute review**

Committee reviewed and approved minutes.

### **5. Continuation of outsourcing of payroll discussion**

Mrs. Germany presented summaries of proposals received. The finance committee's recommendation would be to go with ADP and outsource payroll. It adds another level of internal controls with a third party provider.

Run a ghost for a month or two/run it parallel for 2 payrolls so there are no issues.

### **6. Preliminary FY 2013-14 results**

Presentation at the September 17, 2014 meeting.

### **7. Tentative 2014-15 budget discussion**

Ms. Germany presented the tentative budget for FY15. Fund balances are very solid at this point. Ms. Germany offered the detailed budget for any interested committee members. Changes include: transfer from Ed to O & M to Site (\$225,000) and PD discussion budget. There is a \$100,000 contingency budgeted.

## **8. Other**

Facility Usage: Mr. Kerrigan wanted to discuss how we were previously charging groups (\$135/hour) to use facilities at any time. As a result, no one is using facilities anymore. Mr. Kerrigan is in favor of bringing people back in during normal hours. (girl scouts, boy scouts, hornets)

There should be restrictions (clean when you leave or cleaning fees).