

NASHOBA Regional School Committee



*Together, we inspire
and challenge all
learners to realize their
unique potential and
become active
contributors to their
community*

Budget and Warrant Subcommittee

Michael Horesh, Chair
Maureen Mazzone, Secretary
Brett Collins, Member
Scott Powell, Member

Meeting Minutes

Monday, April 10th, 2023

7:00 pm

Meeting Remote via Zoom Technology

Zoom Link: <https://us02web.zoom.us/j/88044136216>

Attendance: Mike Horesh, Scott Powell, and Maureen Mazzone. A member of the public. District Personnel, Ross Mulkerin, joined at approximately 7:40pm when unfinished business item A was still in discussion.

Absent: Brett Collins

- Call to Order 7:01pm - Mike Horesh made a motion to adjourn. Scott Powell seconded. **IN FAVOR** Mike Horesh, Scott Powell, and Maureen Mazzone. **VOTED AND PASSED (3-0-0)**
- Approval of Minutes
 - A. January 26th, 2023 - N/A - already approved on February 13, 2023.
 - B. March 1st, 2023- Mike Horesh made a motion to approve the minutes of [March 1, 2023](#) as amended. Scott Powell seconded. **IN FAVOR** Mike Horesh, Scott Powell, and Maureen Mazzone. **VOTED AND PASSED (3-0-0)**
- Unfinished Business
 - A. Warrants Signatories Requirement Recommendation; B&W Warrants Charge

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1. We made a recommendation to the School Committee (SC) on 3/1/2023, need to finalize that recommendation and bring it to a vote at School Committee
2. Mike asked B&W for their thoughts on if assigning one person as a designee for approving the warrants would streamline the process.
 - a) The potential for a bottleneck was discussed
 - b) The need for a backup was discussed
 - c) Approval from all 3 towns was discussed and determined that all town representatives would have the opportunity to be involved in the review and question phase and all three town representatives would vote on the consent agenda pertaining to the warrants at SC meetings
 - d) The importance of defining the basis of approval for the one designee and backup was discussed since they would be responsible for collecting input from SC members and ensuring the district answers any warrant questions prior to approval of the warrants
3. Mike met with Tracy from MASC to get more guidance on the process we could use to review the warrants, when he asked "Would it be appropriate to select a warrant item at random and obtain the invoice, statement, or voucher as described in MASC DK Payment Procedures to ensure the warrant line item is accurately reflected in the warrant reports?" Tracy's feedback was along the lines of: Could you? Yes. Should you? Probably not because that would be overstepping and it undermines trust, it would be corrosive to the district. That would be more along the lines of an audit and not in the purview of the committee. Tracy suggested reviewing operations reports at least quarterly (which we currently do monthly) and relying on the annual audit. Tracy suggested the Committee stick to questions about procedure when reviewing warrants.
 - a) There was much discussion. Summary:
 - It feels like a blind review,
 - MA law specifies school committees need to approve the warrants but is that an effective control since SC members are not in the details,
 - the potential risk of fraud and errors always exists - is this control intended to be preventative or detective.
 - b) Maureen referenced policy DD from the NRSD School Committee Policy Manual:

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File: DK - PAYMENT PROCEDURES

All claims for payment from District funds will be processed in accordance with procedures developed by the Superintendent. Payment will be authorized against invoices properly supported by approved purchase orders with properly submitted vouchers, or in accordance with salaries and salary schedules approved by the Committee.

As an operating procedure the Committee will receive monthly lists of bills (warrants) for payment from District funds. The lists will be certified as correct and approved for payment by the Committee and then forwarded for processing and thereafter subsequent payment by the District treasurer.

Actual invoices, statements, and vouchers will be available for inspection by the Committee upon request.

SOURCE: MASC 2021

LEGAL REF.: M.G.L. [41:41](#); [41:52](#); [41:56](#)

4. The Monthly Operations Report was discussed as that was one tool our MASC representative (Tracy) recommended using for the warrant approval process. ***B&W should provide Mike feedback on the operations reports that he can pass along to Ross Mulkerin if there is information that might be helpful to see in the operations report to help with the warrant review process*** (based on timing of operations report and warrant approval schedule, this would be a detective review control of the warrants not a preventative control).
5. After the above discussion, B&W determined that if members of the SC are given the opportunity to review warrants, ask questions, and get answers to those questions then having one person as a designee to sign the warrants would help streamline the process. We revised the motion we brought forth to the SC on 3/1/2023. **Mike will discuss this at the next School Committee meeting on 4/12/2023. The School Committee should be pointed to B&W minutes from 3/13/2023 which summarizes the NRSD Requisition to Payment Procedures presented by Ross Mulkerin to better understand how the warrants are created and reference to facilitate the warrant review process.**

Changes from 3/1/2023 recommendation tracked:

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The Budget and Warrant subcommittee recommends that the NRSD School Committee shall ~~designate one committee member (Budget & Warrant Subcommittee Chair) require a minimum of three signatories, and a secondary designee. including one member from each town, or a majority of the sitting members. The designee(s) will be assigned for the purposes of authorizing payroll, benefits, and accounts payable, provided that opportunity has been given for all school committee members to review, ask questions, and receive responses prior to the authorization. -This provision shall not limit the responsibility of each member of the board in the event of a noncompliance. Once signed by the designee three members, the warrants can thereby be included as a part of the consent agenda for approval at subsequent regular SC meetings.~~

Revised recommendation with changes from 3/1/2023 accepted:

The Budget and Warrant subcommittee recommends that the NRSD School Committee shall designate the Chair of the Budget & Warrant Subcommittee Chair one committee member (Budget & Warrant Subcommittee Chair). In the event that the Budget & Warrant Subcommittee Chair is unavailable, the Budget & Warrant Secretary will be the designee. The designee(s) will be assigned for the purposes of authorizing payroll, benefits, and accounts payable, provided that opportunity has been given for all school committee members to review, ask questions, and receive responses prior to the authorization. This provision shall not limit the responsibility of each member of the board in the event of a noncompliance. Once signed by the designee, the warrants can thereby be included as a part of the consent agenda for approval at subsequent regular School Committee meetings.

B. Regional OPEB Management Advisory Discussion

1. B&W discussed the need for multiple parties to partake in the OPEB discussion and drafted a recommendation. Mike will present the following at the next SC meeting on 4/12/2023: The Budget & Warrant Subcommittee would like to recommend forming an OPEB Management Advisory Committee consisting of one town administrator from each town or a designee, one resident from each of the three towns, a central office district representative, and a School Committee member to make a recommendation on OPEB for FY25 by December 31, 2023.

C. Policy DD Grant Approval Template

Grants need to be reviewed by the SC prior to application for the grant, in line with policy DD in the NRSD School Committee Policy Manual. Ross Mulkerin

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presented a newly drafted form that the District will use to request grant approval from SC. There are categories of grant usage indicated on the form: Salaries, stipend, benefits, supplies/materials, contracted services and other. The question was raised as to why five categories were called out specifically in addition to the “other” category. The reason is that 90% of the time grants are requested for those 5 categories. **Mike will cover this as something discussed during B&W updates and will request that the form be shared at an upcoming SC meeting.**

- New Business

- A. March Monthly Operations Report

1. Ross Mulkerin provided an overview of the February Operations Report. No significant changes were noted. This is a draft that he shares with B&W prior to presenting to the SC. An item he had highlighted to get more details on was the Special Education line item, he is trying to get time with Joan to discuss. Ross also indicated that the Center School line might change as the search for a new principal begins.
2. Mike asked why the substitutes line always ends up being zero when looking at budget to actual for the year, Scott also questioned that line questioning the projected expenditures from April through end of June seems optimistic at \$15k for substitutes (pointing out he recognizes budgets are planning tools and there is flexibility, Ross appreciated as he presents this to B&W for that reason) - Ross is going to look into this further
3. Similarly Scott questioned why the athletics budget to actual was projected to be \$0.
4. Also similarly, Mike questioned health services as there is only \$559 in projected expenditures. Ross indicated that the majority of the budget for that department has been spent. And remind B&W the reason that department is over anticipated budget is because .5 of a Nurse position was not filled as was anticipated because of COVID during the FY23 budget process.
5. Mike asked if budgeted money moves between line items presented in the operations report, does SC need to approve. Ross explained in most cases no as this is a working budget and budget can move within the GL, it's different from the Balance Sheet review that helps determine E&D.
6. Dick Trussell (a member of the public) pointed out that it would be helpful to see what the budget to actual was at the end of the prior FY. We are at a projected surplus of \$1.2m as of 3/31/2023 when we had

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been at a surplus of \$900k last March, but what was the end of the year surplus/under for FY22. Ross answered that we were E&D certified at \$1.49m for FY23, meaning we had a surplus of \$1.49m at the end of FY22. Scott indicated that's a good trend if we were projecting a surplus of \$900k last March and ended the year with a surplus of \$1.49m. Dick pointed out it would be a good trend if previous years were consistent.

7. Maureen questioned if the operations report in June 2023 would equal the expected FY24 E&D. Ross explained how ideally it should, but there will be items pending that could impact that (such as pending invoices).
8. Maureen questioned if the operations report expenditures/encumbered details could be broken down a bit more to reconcile to the warrants understanding there might be items not accounted for covered by grants and the like. (Related to A.4 above.) Ross explained that the operations report is not an accounting report, it is used to give the School Committee an idea of the big picture related to budget line items. If a reconciliation were to be done the following would be included in warrants but not within the operations report (as they do not come out of the operating budget): student activities, grants, revolving account items. Additionally, there would be discrepancies between warrants and the operations report for orders not completed / in process of being refunded.

FY23 March Operations Report (DRAFT)

Description	GL Budget	Total Expended & Encumbered	Projected Expenditures	Budget vs. Actual
INSURANCE AND BENEFITS	\$10,068,813	\$8,473,478	\$1,548,906	\$46,428
SYSTEM WIDE	\$5,474,988	\$4,691,584	\$577,135	\$206,269
HEALTH SERVICES	\$915,663	\$867,591	\$559	\$47,513
FACILITIES DEPARTMENT	\$4,772,178	\$4,281,382	\$637,630	-\$146,834
SUBSTITUTE TEACHERS	\$350,000	\$335,380	\$14,620	\$0
CURRICULUM/PROFESSIONAL DEV.	\$661,319	\$647,117	\$79,092	-\$64,891
SPECIAL EDUCATION	\$11,120,584	\$10,187,447	\$637,145	\$295,992
DISTRICT TECHNOLOGY	\$1,626,865	\$1,175,109	\$456,570	-\$4,814
NASHOBA REGIONAL HIGH SCHOOL	\$7,578,235	\$7,384,243	\$99,411	\$94,581
LUTHER BURBANK MIDDLE SCHOOL	\$2,324,723	\$2,183,507	\$38,932	\$102,284
CENTER SCHOOL	\$4,210,156	\$4,011,179	\$64,422	\$134,555
HALE SCHOOL	\$2,354,019	\$2,057,820	\$88,815	\$207,384
MARY ROWLANDSON SCHOOL	\$3,873,897	\$3,547,617	\$38,610	\$287,671
FLORENCE SAWYER SCHOOL	\$6,033,776	\$5,941,115	\$50,884	\$41,777
ATHLETICS	\$860,602	\$569,701	\$290,902	\$0
FY23 Totals (as of 3/31/23)	\$62,225,818	\$56,354,270	\$4,623,633	\$1,247,915
FY22 Totals (as of 3/31/22)	\$59,222,941	\$54,872,094	\$3,438,060	\$912,787

- Items for Next Agenda
 - A. [Approval of February 13, 2023, March 13, 2023, and April 10, 2023 Meeting Minutes](#)
 - B. [April Monthly Operations Report](#)

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- C. Possible follow-up on warrant recommendation, OPEB advisory committee, and policy DD grants template after discussion at SC
- D. Possible feedback on operations report if Mike gets any
- Adjourn 8:53pm - Mike Horesh made a motion to adjourn. Maureen Mazzone seconded. IN FAVOR Mike Horesh, Scott Powell, and Maureen Mazzone. **VOTED AND PASSED (3-0-0)**

The items listed which may be discussed at the meeting are those reasonably anticipated by the Chair. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

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