

Essex North Shore Agricultural and Technical School District
Finance Subcommittee
Essex Technical High School
565 Maple Street
Hathorne, Massachusetts
01937

Wednesday, May 2, 2018 5:30 p.m.

Approved Minutes

Members Present: Bruce Perkins, Chair, Wayne Marquis, Vice Chair, Gary Hathaway, Andrew Prazar,

Bill Nichols, James O'Brien, James Picone, Melissa Teixeira

Others Present: Ms. Znamierowski, Mr. Lannon, Ms. McMahon, Ms. Riccio, Mr. Giusti

1. Call to Order

Mr. Marquis called the meeting to order at 5:30

2. Approval of Meeting Minutes

Mr. Marquis made the motion to approve the minutes for the Finance Subcommittee meeting of April 4, 2018. NO Discussion. All in Favor

3. Fiscal Year 2017 Audit Report – Giusti, Hingston & Company

Fiscal Year 2017 Audit Report received from Giusti, Hingston & Company. Ms. Znamierowski introduced the auditor: Jim Giusti of Giusti, Hingston & Company. He described the work they do and the printout that is attached to these minutes. The objective is to prepare the financial statements, it is up to 55 pages. He went on to describe the contents and details of the report and what it contains. He described the two types of financial statements. He pointed that he felt the biggest changes this year are on page nine and ten. He described the differences from last year and this year such as, capital assets. \$124million in capital assets it is a very big part of this statement. He pointed out the net pension liability. It is required by the government that net pension liability \$5.8 million be reported. The group asked about the footnotes and required supplemental information. The auditor described where this information comes from.

Mr. O'Brien: asked about the meaning of net pension liability and if it is funded.

Auditor: no, it is not funded yet.

There was discussion among the group regarding this net pension fund and how it might be reduced.

Mr. Marquis: Offered a scenario of when this could go down.

Ms. Znamierowski. : stated, next year it is going up.

Auditor: described current and non-current pensions and the footnote on page 33. He read the footnote on page 33 to the group. He described the difference between active and inactive members. He continued to read from the report pertaining to pensions. The statement of activities was described and what it reflects in the report. He pointed at a prior period adjustment, because the school is no longer paying this liability. This is an eight million dollar reduction in the liability. The school hasn't paid it in two years. He read the email that was sent to Ms. Znamierowski and Dr. Lupini regarding this reduction for confirmation to the group.

There was discussion among the group about what this means and how it came to be because it is a huge benefit to ENSATS.

Mr. Picone: questioned if it was on official stationary in case someone wanted to go back and say the email was not valid.

The group discussed if this should be brought up and request this be put on official stationary.

Mr. Picone: questioned if you had to be a member of GIC to receive this benefit?
There was discussion of other state schools and state employees that might qualify.
He offered the group the opportunity for questions.
Ms. Teixeira: questioned on page 14 and asked for explanation.
Auditor: described that these two statements were so different than before; you had to do a crosswalk to get to them. He referred back to page 12 and the top of 14 and where the same numbers could be found between financial statements.
Mr. Picone: asked about page 9 and “assets not being depreciated”, this is land.
The auditor: described why it is described this way.
The auditor went on to discuss the five page management letter. This report reflects what was found during the audit. He described the new standards and referred to the top of page two.
He read this paragraph to the group.
Mr. Marquis: left the meeting at 6:00pm.
The auditor continued to explain what the five page report contains and why.
Mr. Nichols: asked if this would go away next year?
The group discussed the rule and who pays this pension.
The auditor explained why this information is reported in the management letter and that it is not required. It explains some of the accounts because if you put it in the financial statement it could get lost due to the size. It is reported here because it is very important and needs to be recognized. The contents on page four were reviewed and what they imply.
Ms. Teixeira: asked if the school committee needs to take any action based on this management letter?
The auditor: stated this would be a function of the Business Manager.
Mr. Picone: asked if the auditor assists the Business Manager with the Financial Report.
The auditor stated that MZ does a good job and does not need help, but he is there if she needs him.
The group discussed the assessments and when they are handled.
Mr. Picone: asked if they ever got any money back.
Ms. Znamierowski: replied, “Yes, and then we had to reduce assessments.”
Ms. Teixeira: brought up statement 87 on the last page and leases agreements at ENSATS.
The auditor agreed yes that they will have to consider lease agreements next year. .

Ms. Teixeira made the motion to accept the report as submitted. Mr. Nichols seconded. No further discussion. All in Favor

4. Financial Statements

Ms. Znamierowski explained where she is in the process and the statements included in tonight’s packet.
“Adjustments will need to be made to help with the Chapter 74 deficit. It will be about \$450K. We have identified areas where we can offset this next year. There won’t be as much available to roll into E&D.”
Ms. Teixeira: asked if there had been a freeze on expenses.
Ms. Znamierowski: answered, “Everyone has been requested to submit what they need for the rest of the year.”
Ms. Teixeira: asked how the report was created and what software was used.
Ms. Znamierowski: explained how she creates these reports.
Ms. Teixeira: asked if they would be giving any training in using this software?
Ms. Znamierowski: Explained that budget information is more readily available to her and staff members.
Mr. Picone: asked if they went to the workshop offered in Boston last week?
Mr. O’Brien: asked about the chapter 70 money and if it went up or down.
Ms. Znamierowski: stated, “It has not changed a lot. They added more transportation.”
Ms. Teixeira made the motion to approve the financial statements for January 31, 2018 and

February 28, 2018. Mr. Nichols seconded the motion. There was no further discussion. All in Favor. The statements will be placed on file for audit.

5. Non Union Employees Salaries Adjustments

Ms. Znamierowski: described to the group the need for these increases. This will be the first year since the schools inception. Half of it is grant funded.

Ms. Teixeira: asked about individually contracted employees. There are sixteen paras. There are five

Individually contracted employees. One is Kathleen, One is Candace Levesque,

Mr. Obrien: asked if they should be rolled into another contract. Mr. Hathaway to made the motion to approve Paraprofessional Salary Increase (FY2019) 2% (\$9,814) Mr. Nichols seconded the motion.

All in favor

Ms. Teixeira made the motion to approve Individually Contracted Employees Increase (FY2019) (other than administrators) 2% (\$5,745). Mr. O'Brien seconded the motion. All in Favor.

6. Establishing Scholarships.

Ms. Znamierowski: described the donation they received for a new scholarship.

Ms. Teixeira: asked if they submitted a requirement for the scholarship?

Ms. Znamierowski: said she has more detailed criteria on the scholarship.

Mr. Perkins: asked if this is a memorial scholarship.

There was discussion about when scholarship night is held

Ms. Znamierowski: described the student that this scholarship is for. He graduated BHS in 2012. She described the student criteria required to receive the scholarship.

Ms. Teixeira: asked how the students will apply.

Ms. Riccio: described the scholarship and application and committee that decides on recipients based on criteria.

Mr. Picone made the motion to accept a donation of \$1,000 to establish the Kameron L. Spiridigliozzi

Scholarship. Ms. Teixeira seconded the motion. All in Favor.

7. Stipends for New England Association of Schools & College (NEASC) Chairs

Ms. Riccio explained why the stipends are being considered.

Mr. Perkins: described that this is a volunteer function and should not be a stipend.

Ms. Riccio: described the work these people do and why the stipend is deserved. These two people made this a turnkey operation. No other staff members had to participate in the process.

Ms. Znamierowski: stated, "There is a line item in the budget for this."

Mr. Nichols: was surprised it is coming up now after it is all over.

Ms. Riccio: gave further description as to why these staff member deserve this stipend.

Mr. Perkins: does not want to set a precedent for the future.

Ms. Znamierowski: described the request for this and how it got on the agenda for tonight.

Mr. Obrien: Thought they did an efficient job with a proper presentation. It is not too much to give them a thank you.

Ms. Teixeira made the motion to approve a stipend payment of \$2,000 for each of the NEASC Chairs. The funding source will come from the School Committee budget. Mr. O'Brien seconded the motion. Mr. Nichols: asked if it can be worded that this does not set a precedent.

The group discussed the last time they had a NEASC visit.

Mr. O'Brien: stated, "They had nothing to go on."

Mr. Perkins: questioned what the motion was and if it should include a no precedent.

Mr. Perkins is opposed to the stipend. The rest of the group voted in favor of the motion.

8. Transfer Request

Ms. Riccio: passed a handout to the group and apologized for it not being in the packet. She described the history of the reason why this transfer is needed. “We are asking for a transfer of funds

because there was significant savings on the creaser.” She described what the creaser does. Currently

the students are creasing by hand which is not a workforce recognized skill set.

Ms. Teixeira: asked if this program brings in any revenue.

Ms. Riccio: responded, “Yes, but we can’t do large scale volume because of the missing creaser.”

Ms. Teixeira: made the motion to approve a transfer \$5,000 from the Equine Science budget non instructional equipment to Graphics instructional equipment to purchase a Creaser per recommendation from the Graphic Communications Program Advisory Board and Program Director.

Mr. O’Brien: seconded the motion. There was no further discussion. All in favor.

9. Acceptance of Donations

Ms. Riccio: described the group the programs that will be accepting these donations.

Ms. Teixeira made the motion to accept the donation of a six month old bearded dragon from Mr. Victor Macedo of Peabody, Massachusetts to the Veterinary Technology Program. Mr. Prazar seconded the motion.

Ms. Teixeira: asked who takes care of the dragon over the summer? All in Favor

Ms. Znamierowski: discussed the donation of glassware and it is highlighted in the packet.

Mr. Hathaway: made the motion to accept the donation of miscellaneous glassware and bins from Sanofi-

Genzyme of Cambridge, Massachusetts with a value of \$1,051.44 to the Biotechnology Program.

Ms. Teixeira seconded the motion. All in Favor.

Ms. Teixeira made the motion to accept the donation of a six month old hamster from Ms. Faith Doucette

of Gloucester, Massachusetts to the Veterinary Technology Program. Mr. Nichols seconded the motion.

All in favor

10. Discussion items that were not reasonably anticipated by the Chairperson (M.G.L., Chapter 30 Sections 18-25).

Ms. Teixeira: suggested there be an update on the sign at the June meeting

Ms. Znamierowski: stated, “Yes there will be.”

11. Adjourn

Ms. Teixeira made the motion to adjourn at 6:40 pm.

The listing of matters are those reasonably anticipated by the Chair in accordance with M.G.L., Chapter 30A, Section 18-25, which may be discussed at the meeting. 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.

***All documents and handouts on file in the Superintendent/Director’s office**
Respectfully submitted by The Recording Secretary*