

BOE Finance Sub-Committee  
February 7<sup>th</sup>, 2017

**Town of Preston  
Board of Education  
Finance Sub-Committee Special Meeting  
Tuesday, February 7<sup>th</sup>, 2017  
PVMS Library  
6:30 pm**

**1. Call to Order**

Chairman Nugent called the meeting to order at 6:30 pm.

Sean Nugent (SN)  
Cindy Luty (CL)  
Melissa Lennon (ML)  
Superintendent Welch (SW)  
John Spang (JS)

Guests: Administration staff and Andy Bilodeau

**2. Pledge of Allegiance**

**3. Approval of Minutes**

A motion was made by CL and seconded by SN to approve the January 24<sup>th</sup>, 2017 minutes as submitted. All in favor. The motion carried.

**4. Public Comment**

No Public Comment was provided

**5. Old Business**

- **Pension Plan for Unaffiliated Personnel**

Mr. Spang provided updated information from MERS related to long-term growth history which was based upon the 10-year. Using this figure a present value (PV) of the historical annuities was calculated. In reviewing the document, Mr. Nugent asked Mr. Spang to double check his information as there are discrepancies in the data presented tonight and the annuity history information presented back on December 8<sup>th</sup>, 2016.

Mr. Nugent then suggested that the catch up costs covered by the Unaffiliated Staff should be the sum of the employee share and the annuity present value calculated by Mr. Spang. This sum would then be used to offset the increase in the BoE budget related to the pension plan catch up for FY18, 19, and a portion of 20. An initial recommendation was made but was placed on hold until the Unaffiliated Staff -who were hearing this modified proposal for the first time, asked that a final recommendation await their review/consideration and further discussion with both the Finance Committee and the full Board.

It was also noted that MERS requires 90 days advanced notice in order to set up the program. The FC pointed out that this would have to await (a) full board support and (b) approval by the Town before such action could be taken. This means that the actual transition to MERS would not occur until Aug/Sept of this year if it is approved.

Dr. Welch and Mr. Nugent also discussed legal counsel guidance on setting up a contract/agreement for those involved in this program. Additional input is required.

- **BoE 5-Year Capital Plan**

Dr. Welch walked the FC through an updated version of the proposed 5-Year Capital Plan, which was again broken down into three main categories: (a) PPMS, (b) PVMS, and (c) School Bus Replacement. The updated version included high-level descriptions of each capital item. A request was made by ML to further clarify the exterior fence at PPMS and the bus turnaround at PVMS. It was agreed that this document is ready to present to the full board.

- **FY18 Budget**

Dr. Welch and Mr. Spang walked the FC through the updated materials related to the FY18 operating budget. The following areas were updated/addressed:

- Mr. Spang indicated that an additional \$8-10k exposure of FY18 might be required to cover the three (3) older busses if not purchased in July 2017. It was also agreed that once the Town capital plan is approved that action could be taken to move forward quickly on the bus replacements to mitigate this exposure.
- Mr. Spang believes that the PPMS Phone Systems captured in IT can not be rolled into the telecommunications line in Office/Misc. as it is part of an integrated system which is primarily IT related.
- Mr. Spang indicated that the use of leased technology equipment was not wide spread across the different districts he reached out to in our region. There did not appear to be significant cost savings and opalescence was seen as a concern. The one school district which has leased their IT technology (East Lyme) is transitioning back to an owned paradigm.

**5. New Business**

No new business was discussed.

**6. Adjournment**

**A motion was made by CL and seconded by SN to adjourn the meeting at 7:30 pm.**

**All in favor. Motion carries.**

Next meeting scheduled for Thursday, March 9<sup>th</sup> at 6:00 pm at PVMS.

Respectfully submitted,

Sean Nugent