

Minutes
FINANCIAL ADVISORY COMMITTEE MEETING
APRIL 26, 2011
JOEL BARLOW HIGH SCHOOL
6:00 P.M. – LIBRARY MEDIA CENTER

Attendance: DeSalvo, Gold, Gombos, Hocker, Karvelis, Lewis (ex officio)
Administration: McMorran, Sullivan
Three members of the public

I. Call to Order

Mr. Hocker called the meeting to order at 6:34 PM.

II. Approval of Minutes

MOTION: Move to approve the minutes of the October 19, 2010 meeting. Karvelis, Gold. Approved unanimously.

MOTION: Move to approve the minutes of the March 15, 2011 meeting. Gombos, DeSalvo. Approved with objection; Gombos abstained.

III. Public Comment

None.

IV. Discussion and Possible Action: Municipal Lease Option for School Buses

Mrs. Sullivan distributed information regarding a proposal by the newly-selected transportation contractor, DATTCO, whereby the ER9 school districts would sign a financing agreement with a bank and commit to lease payments for five years for the 44 buses to be provided under the DATTCO contract. Title to the buses would be in the districts' name. The lease arrangement would result in a savings of nearly \$75,000 per year to the combined districts due to the avoidance of sales tax and property taxes. All other responsibilities of DATTCO would remain the same. At the end of the term, DATTCO would agree to purchase the buses for a predetermined residual value. The only risks to the districts appear to be 1) the increased difficulty of terminating the contract with DATTCO in less than five years, if such termination is desired, and 2) the risk of DATTCO failing to repurchase the buses at the predetermined price. These are considered to be low risks because the contract is expected to extend for five years in any event and because of DATTCO's reputation and ample evidence of financial stability. After discussion:

MOTION: To recommend to the Region 9 Board of Education approval of the proposed lease arrangement, subject to proper legal documentation and in particular, determination of the proper identity of the lessee. DeSalvo, Karvelis. Approved unanimously.

V. Administrative Reports

Mrs. Sullivan gave brief reports on year-to-date financial results, budget transfers, and the health insurance reserve. Ms. Gombos requested a report on grants received of greater than \$1500 and disbursements under those grants for a future meeting. Mrs. Sullivan noted that the health insurance costs appeared to be very close to budget.

VI. Public Comment

None.

VII. Member Comment

None.

VIII. Adjournment

MOTION: Move to adjourn. Karvelis, Gombos. Approved. Unanimous.

Mr. Hocker adjourned the meeting at 6:58 PM.

Minutes recorded by Chris Hocker