



**BLUE HILLS REGIONAL DISTRICT SCHOOL COMMITTEE**  
 800 Randolph Street  
 Canton, MA 02021-9103  
 “Fifty-Fourth District Committee”  
[www.bluehills.org](http://www.bluehills.org)

**Membership:**  
 Francis J. Fistori, Avon; Eric C. Erskine, Braintree; Aidan G. Maguire, Jr., Canton;  
 Thomas R. Polito, Jr., Dedham; Michael C. Franzosa, Holbrook; Matthew P. O’Malley, Milton; Kevin L.  
 Connolly, Norwood; Marybeth Nearen, Randolph and Charles W. Flahive, Westwood.

**Goals: “Transparency, Accountability and Fiscal Discipline”**

**ORGANIZATION**

Chairman	Marybeth Nearen
Vice Chairman	Thomas R. Polito, Jr.
Secretary	Eric C. Erskine
District Treasurer	Charles J. Gisondi
Student Representative	TBA – September 2018

SUBCOMMITTEES \* Appointed by Chairman Nearen (7.11.17)

ATHLETIC & EXTRACURRICULAR	Members Flahive, Erskine, Fistori, Maguire, and O’Malley
BUILDINGS, FACILITIES, SAFETY AND SECURITY	Members Connolly, Erskine, Franzosa, and Polito
CURRICULUM & ADVISORY -	Members Franzosa, Connolly, and Maguire,
EVALUATION -	Members Fistori, Erskine, Flahive, and Polito
FINANCE & ADMINISTRATION -	Members Polito, Franzosa, Maguire, Nearen
PERSONNEL & NEGOTIATIONS -	Members Erskine, Flahive, Maguire, and Polito
POLICY -	Members Fistori, Flahive, Franzosa and Nearen,
SCHOOL BUILDING.MSBA -	Members Connolly, Erskine, Franzosa, Polito
WARRANT -	Members Maguire Fistori, Flahive, Franzosa,
WEBSITE & TECHNOLOGY	Members Connolly, Fistori, Franzosa and Maguire

Superintendent / Director	James P. Quaglia
Principal	Jill M. Rossetti
Assistant Superintendent/Business & Personnel	Steven M. Moore

\* Subcommittee Chairmen are first and bolded. Elected by subcommittee upon their first meeting after appointment. The Chairman of the District School Committee serves as *Ex-officio* member on all subcommittees.

PLEASE NOTE SUBCOMMITTEE MEETINGS PRIOR TO REGULAR MEETING

**Agenda – Tuesday, JULY 17, 2018**

\*Subcommittee Meetings, prior to

**SUMMER SCHEDULE SPECIAL Meeting:** Tuesday, **July 17, 2018**, at 7 p.m. This is a “Special Summer Schedule Meeting” conducted off site. Pequitside Farm, Tavern Room, 79 Pleasant Street Canton, MA 02021, along with subcommittee meetings conducted prior to Special Summer Meeting.

**5:00 P.M. Policy Subcommittee Meeting – Review of Policy Book Format with James Hardy of MASC**

**6:00 p.m.: Evaluation Subcommittee Meeting – Review of Evaluation returns for Superintendent-Director, James P. Quaglia and discussions.**

**6:10 p.m. Finance & Administration: Budget Request Items**

**6:30 p.m.: Warrant Subcommittee – Review of Warrant Backup Information**



**Tuesday, July 17, 2018, at 7 p.m. This was a "SPECIAL SUMMER Schedule Meeting" conducted off site. Pequitside Farm, Tavern Room, 79 Pleasant Street, Canton, MA 02021. Change of meeting site is delegated with onset of renovation work.**

**NOTE:** The listings of matters are those reasonably anticipated by the Chair 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.

1. **Pledge of Allegiance, Roll Call:** All Members were present with the exception of Mr. Charles W. Flahive. Member Aidan G. Maguire, Jr., led the Pledge of Allegiance.

**Administrators Present:** Treasurer Charles J. Gisondi, Superintendent-Director James P. Quaglia, Assistant Superintendent-Director Finance and Personnel Mr. Steven M. Moore.

The Blue Hills Regional Vocational School Fifty-Fourth District School Committee Meeting was called to order, on Tuesday, July 17, 2018 at 7:00 p.m. Pequitside Farm, Tavern Room, 79 Pleasant Street Canton, MA 02021, Chaired by Chairman Marybeth Nearen. This meeting is a "Summer Special District School Committee Meeting", Ordinarily Regular Schedule Meetings of the District School Committees are conducted on the 1st and 3rd Tuesdays of each month. When and if this changes ALL are advised of the change. The meeting is video recorded and available by request to the Superintendent-Director. The Committee was pleased to greet Canton Cable Videographer, Andrew Mattis, Copy of meeting may be obtained by contacting Tanya Willow or Andrea Galvin @ 781.821.0008 or CANTON.TV@comcast.net

Also Present: Mr. James Hardy, MASC/MASS Administrator

Chairman Marybeth Nearen voiced her gratitude to the Town of Canton for allowing the Committee to conduct their business at their facility.

Prior to the conduct of the "Special Summer District School Committee Meeting" there were three subcommittee meetings conducted and reports are forthcoming.

2. Public Comment – None.
3. Student Representative: To be announced at school start.(September 2018)
4. CONSENT ITEMS
  - Approval of Previous Meeting Minutes (6.5 and 6.19.2018) :  
Prior to a vote on the minutes, Vice Chairman Thomas R. Polito, Jr., pointed out a mistake made by Joanne and requested correction. The mistake was the absence of a vote in Agenda Item #7, relative to the establishment of a District School Committee Member with participation in the annual high school graduation. This mistake will be rectified in the minutes and is acknowledged via this writing. Following correction, Vice Chairman Thomas R. Polito, Jr. moved to approve the Minutes of the 6.5 and 6.19.2018 Minutes, as corrected. Motion was seconded by Kevin L. Connolly. Motion was taken to a vote and it was **UNANIMOUSLY**  
**VOTED:** to approve the Minutes of the 6.5 and 6.19.2018 Minutes, as corrected.
  - Warrant Approval – Upon Warrant Subcommittee recommendation of acceptance, Chairman Nearen moved to the approval of Warrants. Secretary Eric C. Erskine moved to approve:  
Fiscal Year 2018 Warrant Number 23 in the amount of \$1,230,879.22, Vouchers 1058-1061, dated July 17, 2018 AND Fiscal Year 2019, Warrant Number 1 in the amount of \$104,456.66 Voucher

1001, dated July 17, 2018. Motion to approve was seconded by Member Kevin L. Connolly.

Without further discussion, the Motion to approve was taken to a vote and it was **UNANIMOUSLY**

**VOTED:** to approve Fiscal Year 2018 Warrant Number 23 in the amount of \$1,230,879.22, Vouchers 1058-1061, dated July 17, 2018 AND Fiscal Year 2019, Warrant Number 1 in the amount of \$104,456.66 Voucher 1001, dated July 17, 2018.

5. Treasurer: Mr. Charles J. Gisondi

- Bond Rate Discussion and Recommendation: Chairman Marybeth Nearen recognized Treasurer Charles J. Gisondi. Mr. Gisondi advised the Committee that the District received competitive bids from bond underwriters on Wednesday, July 11, 2018 for a \$22,000,000, 30-year general obligation bond issue. J.J.B. Hilliard & W.L. Lyons, Inc. was the winning bidder on the Bonds with an average interest rate of 3.486%. The District received a total of 5 bids on the Bonds. Bond proceeds will be used to finance school renovations.

Prior to the Sale, S&P Global Ratings, a municipal bond credit rating agency, assigned the AA- Rating to the Bonds. The rating agency cited the District's very strong economy and stable operating performance as positive credit factors.

The bids for the Bonds were accepted at the offices of the District's Financial Advisor, Hilltop Securities Inc., at 54 Canal Street in Boston, Massachusetts. Mr. Gisondi also supplied the Committee with a document entitled "VOTE OF THE DISTRICT SCHOOL COMMITTEE" which was read into the record (Attachment #1) in its entirety by Chairman Marybeth Nearen. Following completion, Vice Chairman Thomas R. Polito, Jr. Moved to approve the bond sale J.J.B. Hilliard & W.L. Lyons, Inc. was the winning bidder on the Bonds with an average interest rate of 3.486%. Motion was seconded by Member Kevin L. Connolly. Motion was taken to a vote and it was

**UNANIMOUSLY**

**VOTED:** to approve the bond sale to J.J.B. Hilliard & W.L. Lyons, Inc. in the amount of \$22,000,000.

6. DSC Chair Report: Chairman Marybeth Nearen.

- Chairman Nearen reported on the meeting of the Policy Subcommittee with Mr. Jim Hardy, MASC to organize the District Policy Manual and create a more user-friendly publication on the District's website. The cost for this service will be \$3500, initially and then in following years a \$950 annual maintenance charge. Following questions and answers Chairman Marybeth Nearen entertained a motion: Vice Chairman Thomas R. Polito, Jr., moved to enter into contract with MASC for the upgrade of the District's Policy Manual. Motion was seconded by Secretary Eric C. Erskine. Motion was taken to a vote and it was **UNANIMOUSLY**

**VOTED:** to enter into contract with MASC for the upgrade of the District's Policy Manual. Chairman Nearen will advise Mr. Hardy of the Committee's Vote and set a meeting with Mr. Hardy.

- Reorganization of Subcommittees – Postponed. To be established at the Tuesday, August 14, 2018 Summer Session Meeting by Chairman Marybeth Nearen.

7. Subcommittee Reports (As needed.):

- **Policy Subcommittee** – Chairman Nearen supplied a report to the full Committee on the outcome of the 5 p.m. subcommittee meeting that focused on improving the current District Policy Book. MASC has received the Committee's endorsement and subsequent two-year contract.
- **Finance & Administration Subcommittee** – Vice Chairman Thomas R. Polito, Jr., reported to the full Committee on the substance discussed within the meeting with Assistant Superintendent-Business and Personnel on FY18 Budget Transfer Request of Funds including circumstances and justifications..
- **Evaluation Subcommittee** – Subcommittee Chairman Fran J. Fistori reviewed and shared the results of the tally of returns of the Superintendent-Director's evaluation. Members discussed the outcome and some expressed their desire to have written summaries and recommendations reported and shared with the full Committee. Following discussions and recommendations, Chairman Fistori assigned Vice Chairman Thomas R. Polito, Jr., and Secretary Eric C. Erskine to develop written reports with each member taking four of the eight returns each and submit to the full committee at the 8.14.17 meeting.
- **Warrant Subcommittee** – Report from Subcommittee Chairman Aidan G. Maguire, Jr., on review documents relative to Warrant Approval and subsequent to warrant approval.

8. Administrative Reports (As needed.)

8.1 Assistant Superintendent/Personnel and Business: Mr. Steven M. Moore was recognized by Chairman Nearen. Mr. Moore addressed the Committee on the following items that had been addressed at the Finance & Administration Subcommittee meeting before this Summer Meeting.

- 2018 Budget Transfer Request – are requested resulting from two unanticipated end-of-year expenditures requiring the permission of the Committee to transfer. The 20 Series Instructional Salary Account has a deficit balance of \$25,752. The entire salary budget has a surplus of \$19,167.

Mr. Moore provided documents of explanation to the full Committee, attached herewith (Attachment 2 of 2). Following conclusion of discussion, questions and answers. Vice Chairman Thomas R. Polito moved to approve the transfer the sum of the FY18 \$15,752 from the 4000 Salary Series to increase the budget for the FY18 3000 Salary Series by \$15,752.

- Revolving Fund Re-Authorization was also reviewed with a recommendation for a delay in a decision and the matter be placed on the August 14, 2018 meeting.
- FY18 Audit: Mr. Moore reported that preliminaries are being implemented by the Auditing Firm and all is going well.

Members of the District School Committee thanked Mr. Moore for his financial thoroughness.

8.2 Principal – Ms. Jill M. Rossetti – N/A. Superintendent-Director Quaglia mentioned he had been in contact with Principal Rossetti and Ms. Rossetti is looking forward to a return to her position.

8.3 Superintendent/Director: Mr. James P. Quaglia

- Professional Development Out-of-State Request. – A request has been generated by Director of Academics, Geoff Zini, for four math teachers to attend a conference in Hartford CT from October 4 – 6, 2018. Chairman Nearen moved to the question of approval. Vice Chairman Thomas R. Polito,

Jr., moved to approve the Professional Development Out-of-State Event, as requested. Motion was seconded by Member Fran J. Fistori. Motion was taken to a vote and it was **UNANIMOUSLY VOTED**: to approve the Professional Development Out-of-State Event, as requested

- Hiring Update – Mr. Quaglia review the hiring status. So far, hired:

English Teacher,  
Carpentry Teacher,  
Computer Instructor,  
Speech Pathologist (P/T)

A few additional positions remain, but are close to hire. Mr. Quaglia stated that he expects to have additional hiring of positions to report at the 8.14.18 Meeting.

- Brief Renovation Update – June 25<sup>th</sup> marked the Kickoff for the Renovation work. All is going well
- Parent/Student Handbook – Has been approved with a condition that if there are any significant changes, it must be presented to the DSC.

9. Unfinished Business and New Business – N/A.

10. Discussion or Suggestions for the Good of the District, Including newsworthy educational items. N/A.

11. An executive session occurred to discuss collective bargaining, strategies and/or possible litigation under Open Meeting Law, Chapter 30A, Section 21 (a) (b), 2, 3 of the Commonwealth of Massachusetts General Laws. Open meeting discussion may have a detrimental effect on the bargaining or litigating position of the public body. And Open Meeting Law Regulations, 940 CMR 29.00-29.15:

**Executive Session** Yes: start: 7:53 p.m. End: 8:21 p.m.

Call: Kevin Connolly 2<sup>nd</sup>: Francis Fistori

DSC VOTE: Committee vote and it is **passed unanimously by roll call**.

**Adjournment:** Time: 8:21 p.m.

Call: Kevin Connolly 2<sup>nd</sup>: Francis Fistori

DSC VOTE: Committee vote and it is passed unanimously

12. Adjournment occurred at 8:21 p.m. by **UNANIMOUS ROLL-CALL VOTE**.

**Next meeting date: Tuesday, August 14, 2018, at 7 p.m. This will be a “Special Summer Schedule Meeting” conducted off site at the Pequitside Farm, Tavern Room, 79 Pleasant Street, Canton, MA**

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Eric C. Erskine, Secretary

Recorded and submitted by:

  
Joanne Doyle Kuzborski

7/17/18

DSC Mtg: 7-17-18 Attachment #1

P. 1 of 2

VOTE OF THE DISTRICT SCHOOL COMMITTEE

I, the Secretary of District School Committee (the "Committee") of the Blue Hills Regional Technical High School District, Massachusetts (the "District"), certify that at a meeting of the Committee held July 17, 2018, of which meeting all members of the Committee were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the Committee in my custody:

Voted: that the sale of the \$22,000,000 General Obligation School Project Loan, Chapter 70B Bonds of the District dated July 24, 2018 (the "Bonds"), to J.J.B. Hilliard, W.L. Lyons, Inc. at the price of \$22,963,965.00 and accrued interest, if any, is hereby approved and confirmed. The Bonds shall be payable on July 15 of the years and in the principal amounts and bear interest at the respective rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2019	\$375,000	5.000%	2034	\$ 745,000	4.000%
2020	395,000	5.000	2035	770,000	3.250
2021	415,000	5.000	2036	800,000	3.250
2022	435,000	5.000	2037	825,000	3.250
2023	460,000	5.000	2038	850,000	3.375
2024	480,000	5.000	2039	885,000	3.375
2025	505,000	5.000	2040	915,000	4.000
2026	535,000	5.000	2041	950,000	4.000
2027	555,000	5.000	2042	990,000	3.500
2028	590,000	5.000	2043	1,025,000	4.000
2029	615,000	4.000	2044	1,065,000	4.000
2030	640,000	4.000	2045	1,110,000	4.000
2031	660,000	3.000	2046	1,155,000	4.000
2032	685,000	4.000	2048	1,855,000	3.500
2033	715,000	4.000			

Further Voted: that the Bonds maturing on July 15, 2048 (a "Term Bond") shall be subject to mandatory redemption or mature as follows:

Term Bond due July 15, 2048

<u>Year</u>	<u>Amount</u>
2047	\$1,195,000
2048*	\$660,000

\*Final Maturity

Further Voted: that in connection with the marketing and sale of the Bonds, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated

DSC mtg: 7/17/18 Attachment #1 P. 3 of 2

June 27, 2018, and a final Official Statement dated July 11, 2018 (the "Official Statement"), each in such form as may be approved by the District Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Bonds shall be subject to redemption, at the option of the District, upon such terms and conditions as are set forth in the Official Statement.

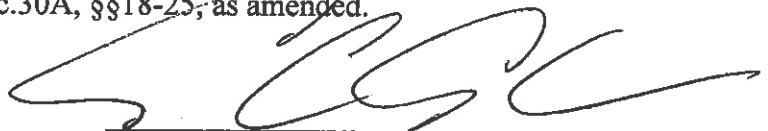
Further Voted: that the District Treasurer and the Chair of the Committee be, and hereby are, authorized to execute and deliver a continuing disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the District, which undertaking shall be incorporated by reference in the Bonds for the benefit of the holders of the Bonds from time to time.

Further Voted: that we authorize and direct the District Treasurer to review and update the District's post-issuance federal tax compliance procedures in consultation with bond counsel in order to monitor and maintain the tax-exempt status of the Bonds.

Further Voted: that each member of the Committee, the District Secretary and the District Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Clerk of each of the member towns of Avon, Braintree, Canton, Dedham, Holbrook, Milton, Norwood, Randolph and Westwood, Massachusetts (collectively, the "Clerks") and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal buildings in which the offices of the Clerks and the District Secretary are located, or in accordance with an approved alternative method of notice prescribed or approved by the Massachusetts Attorney General as set forth in 940 CMR 29.03(4), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Bonds were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Dated: July 17, 2018



District Secretary

AM 69456691.1

*From  
CWG  
7/17/18*

July 17, 2018

*Re: Bond Rating*

**For Immediate Release**

**For Further information, contact:**

Steven Moore  
Assistant Superintendent for Business and Personnel  
800 Randolph Street  
Canton, MA 02021  
Tel: (781) 828-5800 x202

## **Blue Hills Regional Technical High School District, MA \$22,000,000 General Obligation Bonds Net 3.486%**

Charles Gisondi, District Treasurer, received competitive bids from bond underwriters on Wednesday, July 11, 2018, for a \$22,000,000, 30-year general obligation bond issue. J.J.B. Hilliard & W.L. Lyons, Inc. was the winning bidder on the Bonds with an average interest rate of 3.486%. The District received a total of 5 bids on the Bonds. Bond proceeds will be used to finance school renovations.

Prior to the sale, S&P Global Ratings, a municipal bond credit rating agency, assigned the AA- rating to the Bonds. The rating agency cited the District's very strong economy and stable operating performance as positive credit factors.

The bids for the Bonds were accepted at the offices of the District's Financial Advisor, Hilltop Securities Inc., at 54 Canal Street in Boston, Massachusetts.

-end-



Moody's		S&P		Fitch		Rating description			
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term				
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime	Investment-grade		
Aa1		AA+		AA+		High grade			
Aa2		AA		AA					
Aa3		AA-		AA-					
A1		A+		A+					
A2	P-2	A	A-1	A	F1	Upper medium grade			
A3		A-	A-2	A-	F2				
Baa1		BBB+	A-3	BBB+	F3	Lower medium grade			
Baa2		BBB		BBB					
Baa3		BBB-		BBB-					
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative	Non-investment grade AKA high-yield bonds AKA junk bonds		
Ba2		BB		BB					
Ba3		BB-		BB-					
B1		B+		B+					
B2		B		B					
B3		B-		B-					
Caa1		CCC+		C		CCC		C	Substantial risks
Caa2		CCC							Extremely speculative
Caa3		CCC-							Default imminent with little prospect for recovery
Ca		CC							
	C								
C	D	/	DDD	/	In default				
			DD						
/			D						

Rating tier definitions

Re: Bond Rating  
7-17-18

Pr: Bond Rating 7-17-18

Moody's	Standard & Poor's	Fitch	Credit worthiness <sup>[5][6]</sup>
Aaa	AAA	AAA	An obligor has <b>EXTREMELY STRONG</b> capacity to meet its financial commitments.
Aa1	AA+	AA+	An obligor has <b>VERY STRONG</b> capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	An obligor has <b>STRONG</b> capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	An obligor has <b>ADEQUATE</b> capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	An obligor is <b>LESS VULNERABLE</b> in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	An obligor is <b>MORE VULNERABLE</b> than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.
B2	B	B	
B3	B-	B-	
Caa	CCC	CCC	An obligor is <b>CURRENTLY VULNERABLE</b> , and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments.
Ca	CC	CC	An obligor is <b>CURRENTLY HIGHLY-VULNERABLE</b> .
	C	C	The obligor is <b>CURRENTLY HIGHLY-VULNERABLE</b> to nonpayment. May be used where a bankruptcy petition has been filed.
C	D	D	An obligor has failed to pay one or more of its financial obligations (rated or unrated) when it became due.
e, p	pr	Expected	Preliminary ratings may be assigned to obligations pending receipt of final documentation and legal opinions. The final rating may differ from the preliminary rating.
WR			Rating withdrawn for reasons including: debt maturity, calls, puts, conversions, etc., or business reasons (e.g. change in the size of a debt issue), or the issuer defaults. <sup>[3]</sup>
Unsolicited	Unsolicited		This rating was initiated by the ratings agency and not requested by the issuer.
	SD	RD	This rating is assigned when the agency believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner.
NR	NR	NR	No rating has been requested, or there is insufficient information on which to base a rating.

## Investment grade

A bond is considered **investment grade** or IG if its credit rating is BBB- or higher by Standard & Poor's or Baa3 or higher by Moody's. Generally they are bonds that are judged by the rating agency as likely enough to meet payment obligations that banks are allowed to invest in them.

Ratings play a critical role in determining how much companies and other entities that issue debt, including sovereign governments, have to pay to access credit markets, i.e., the amount of interest they pay on their issued debt. The threshold between investment-grade and speculative-grade ratings has important market implications for issuers' borrowing costs.

Bonds that are not rated as investment-grade bonds are known as **high yield** bonds or more derisively as **junk** bonds.

The risks associated with investment-grade bonds (or investment-grade corporate debt) are considered significantly higher than those associated with first-class government bonds. The difference between rates for first-class government bonds and investment-grade bonds is called **investment-grade spread**. The range of this spread is an indicator of the market's belief in the stability of the economy. The higher these investment-grade spreads (or **risk premiums**) are, the weaker the economy is considered.

## Criticism

Until the early 1970s, bond credit ratings agencies were paid for their work by investors who wanted impartial information on the credit worthiness of securities issuers and their particular offerings. Starting in the early 1970s, the "Big Three" ratings agencies (S&P, Moody's, and Fitch) began to receive payment for their work by the securities issuers for whom they issue those ratings, which has led to charges that these ratings agencies can no longer always be impartial when issuing ratings for those securities issuers. Securities issuers have been accused of "shopping" for the best ratings from these three ratings agencies, in order to attract investors, until at least one of the agencies delivers favorable ratings. This arrangement has been cited as one of the primary causes of the **subprime mortgage crisis** (which began in 2007), when some securities, particularly **mortgage-backed securities (MBSs)** and **collateralized debt obligations (CDOs)** rated highly by the credit

7/17/18



# BLUE HILLS REGIONAL TECHNICAL SCHOOL

OFFICE OF BUSINESS AND PERSONNEL ADMINISTRATION

*DSC Mtg-7-17-19  
Attachment #2  
Page 1 of 3*

TO: Finance and Administration Subcommittee  
District School Committee  
James Quaglia, Superintendent - Director

FROM: Steven Moore, Assistant Superintendent *SM*

DATE: July 10, 2018

SUBJECTS: 2018 Budget Transfer Request

### **Request to Transfer Funds**

Two unanticipated end-of-year expenditures require the committee to transfer budget funds should it desire to have all accounts close within budget at year's end.

The 2000 Series Instructional Salary Account has a deficit balance of \$15,752. The entire salary budget has a surplus of \$19,167.

The first cause of the shortfall is an unanticipated retirement expense of \$10,497 in unused accrued vacation. The employee did not announce their retirement until mid-June. Therefore the district had no way of anticipating the impact on the budget

The second cause of the shortfall was unanticipated high substitute teacher costs for the month. Extended maternity leaves and administrative leaves were the major contributor to higher than average costs for substitutes in the fourth quarter. Historical substitute cost data attached.

### **Transfer Request**

Decrease the budget for the 4000 Salary Series by \$15,752

Increase the budget for the 3000 Salary Series by \$15,752

DSC Mtg. 7-17-18  
Page 2 of 3

2018 Budget 7/3/18 YTD Report

SALARY ACCOUNTS FOR: PERIOD ENDING 6/30/2018		Budget	TRANSFERS	Adjusted BUDGET	YTD EXPENDED	PROJECTED	AVAILABLE BUDGET	PCT Expended
1000 DISTRICT LEADERSHIP AND ADMINISTRATION		763,031	9,257	772,288	770,978	-	1,310	100%
2000 INSTRUCTION		8,673,683	54,748	8,728,431	8,744,183	-	(15,752)	100%
3000 STUDENT SERVICES		426,820	3,661	430,481	427,510	-	2,971	99%
4000 OPERATIONS and MAINTENANCE OF PLANT		1,128,408	58,268	1,184,674	1,154,036	-	30,638	97%
<b>TOTALS</b>		<b>10,989,940</b>	<b>125,934</b>	<b>11,115,874</b>	<b>11,096,707</b>	<b>-</b>	<b>19,167</b>	<b>100%</b>
EXPENSE ACCOUNTS FOR: PERIOD ENDING 6/30/2018		Budget	TRANSFERS	Adjusted BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT Exp/Enc
1000 DISTRICT LEADERSHIP AND ADMINISTRATION		382,108	-	382,108	297,034	40,796	44,278	88%
2000 INSTRUCTION		817,868	-	817,868	584,101	194,936	38,831	95%
3000 STUDENT SERVICES		1,192,889	-	1,192,889	1,192,889	-	-	100%
4000 OPERATIONS and MAINTENANCE OF PLANT		1,319,590	-	1,319,590	1,012,442	46,187	260,961	80%
5000 FIXED CHARGES		4,339,055	(125,934)	4,213,121	4,040,867	-	172,254	98%
7000 CAPITAL PROJECTS		1,332,571	-	1,332,571	1,332,571	-	-	100%
<b>TOTALS</b>		<b>9,384,081</b>	<b>(125,934)</b>	<b>9,258,147</b>	<b>8,459,904</b>	<b>281,919</b>	<b>516,324</b>	<b>94%</b>
<b>TOTAL ALL ACCOUNTS</b>		<b>20,374,021</b>	<b>-</b>	<b>20,374,021</b>	<b>19,556,611</b>	<b>281,919</b>	<b>535,491</b>	<b>97%</b>

DSC Mtg. 7-17-18  
 Attach #2,  
 P. 3 of 3.

FY 18 Substitute Costs

