

**Coventry Board of Education  
Coventry, CT  
Approved Minutes  
Fiscal Committee Meeting  
Thursday, February 11, 2010**

Members Present: Mary Kortmann, Fiscal Committee Chair  
Cheryl Trudon, Fiscal Committee Member  
Mark Malcolm, Fiscal Committee Member

Also Present: Dr. Donna Bernard, Superintendent of Schools  
Katie Baumgartner, Payroll, Board of Education

The meeting was called to order at 6:31 pm by M. Kortmann.

**I. Approve Fiscal Minutes from January 14, 2010 Meeting**

Motion: To approve the minutes from January 14, 2010 meeting.  
By: Cheri Trudon Seconded: Mark Malcolm.  
Motion Passes without any changes.

**II. Encumbrance Reports for January 2010**

Mark Malcolm referenced the 111 1100 account-Certified regular salaries. He said the YTD actual plus encumbrances for each of the last two months have gone down over \$400,000. Mary Kortmann said we have to go over the projections. Mark Malcolm wanted to discuss the \$1.2 million in adjustments for this month.

Dr. Bernard said there was a meeting on Monday with Mary Kortmann, Sherry Holmes, Katie Baumgartner and herself to go over the changes that Sherry Holmes made.

**II. Encumbrance Reports for January 2010**

Mary Kortmann pointed out the ARRA Stabilization – Ed grants 7107 & 7108. She said the ECS that we were getting in the town would be comprised of state money and federal money that equaled last year’s ECS. She said that is the way the state planned to do it. She said the Federal government said “no, no, no” this money is supposed to go directly to the school systems. So, the state decided to cut the ECS’s that came to the town, by the amount of money that was going to be inside of it, that was federal money. She said they were giving the federal money directly to the schools, meaning it by-passes the state and the town. She said the town’s reaction is that they cut that much money out of their budget to us. She said as far as they are concerned, they were going to give us \$23.604 million. She said they are not going to give us the \$23.604 million, they will give us the adjusted number which is \$23.604 minus the \$1.2 million, which is the ARRA money. M. Kortmann said this happened without any of us having any knowledge. She said the way Sherry Holmes handled this was to take salaries and

benefits of people, added up to the number that we need to spend in this category. She said in December (Dr. Bernard interjected that it was intended to stave off layoffs) she asked why this did not show up, and was told it would show up in January.

Mark Malcolm asked when the town put together our \$36 million town budget last year, \$24 million of it was to the Board of Education, and \$12 million was for the town. He asked if they just got a 10% increase in their town budget.

Mary Kortmann said the town was supposed to get our \$7 or \$8 million ECS from the state. She said this was part of the budget plan. She said that helped them pay for the \$23 million. She said the \$1.2 million has been taken away by the State, and it is not coming to the town. She said the State shrunk the ECS grant by \$1.2 million.

Mary Kortmann spoke of the bookkeeping and journal entries that must occur (and did occur in January) for the regular Board of Education accounting, taking into account the ARRA grants.

### **III. Budget Items**

#### **a. Projection 2009-2010**

Dr. Bernard pointed out account 120-Certified Temporary Salaries, which is projected to be (\$62,209) by 6/30/10. She said the note on this account says “Only calling Critical Teacher Subs from February-June (\$60,000 issue).” Dr. Bernard said account 121-NonCertified Temporary Salaries, which is Para-sub, is a (\$38,000) issue. She said between the two accounts, it is a (\$98,000) problem. She said that only critical care Para-sub, will be used for account 121, from February – June 2010.

Dr. Bernard said Unemployment Compensation account # 250 is projected to be (\$60,116) by 6/30/10. Mary Kortmann said if the Unemployment Compensation account wasn't what it is, it would solve the staffing issue. Dr. Bernard said Unemployment Compensation was extended to 90 weeks.

Mary Kortmann said she spoke to Joan Lewis, who answered the question about coverage of Unemployment Compensation. She asked why we have to pay this, when the federal government picks up the private businesses' costs. M. Kortmann asked if this was a state interpretation of how they want to spend the money, or is this a federal interpretation. M. Kortmann said they got back to her, and said it was a federal interpretation. Dr. Bernard said we are laying off a 3:1 value. Dr. Bernard said if an employee with a salary of \$70,000 was laid off, we'd have to pay \$35,000. Dr. Bernard said it would be better to shut down the system for one day, and get a full day's wage back. She said the unions only want to give back a dime on the dollar, in the negotiated deal.

Dr. Bernard said the Legal expenses include negotiations, arbitration, and Pupil Services issues. Dr. Bernard said there are people who agree to reducing their weekly hours, but the unions will not allow it because of contracts saying no side agreements. She said the unions want to preserve the number of people working.

Tuitions of \$962,000 were discussed. Dr. Bernard said we are projected to receive an 84% reimbursement from the State. Dr. Bernard said the Board of Education had conversations with Kevin Chambers, at the State, who said the State will not put anything in writing. Dr. Bernard said the projection report also says that if we only receive 77% as originally estimated by the State then the Projection Balance becomes \$26,395.44 to the good.

Dr. Bernard said that Paul Noel's memo indicates we need 46,000 more gallons of oil to finish the school year. Katie Baumgartner said a few more bills have come in. K. Baumgartner said Dime Oil says we have 33,000 gallons left at the lowered locked in price. Mark Malcolm calculated aloud that we had 15,000 gallons from last year, plus 102,000 gallons, which suggests we've burned through 125,000 plus gallons this year in a not so particularly cold winter. Dr. Bernard said we need to have additional conversations about annual oil usage. M. Malcolm said that he was at his son's indoor soccer practice one Monday night at CGS. He said he was sweating profusely in that school, and questioned the oil usage. Dr. Bernard and Cheri Trudon said there was a regulating problem with the CGS burner. Mary Kortmann said that upgrading CGS boiler controls to digital controls is in next year's CIP. M. Kortmann said that GHR's boiler controls are also on the CIP, with Paul Noel noting CGS's boiler being the more important of the two.

Dr. Bernard said we are either \$30,000 to the good or \$130,000 to the good, but we are \$98,000 to the bad no matter what. Mary Kortmann said the budgeting of the people was not off by \$98,000. M. Kortmann said the budgeting of the people to cover mistakes in other places was off. Cheri Trudon asked if the mistakes in other places meant Legal, and Unemployment. M. Kortmann said that Legal and Unemployment are the two that stand out here. M. Kortmann said we moved \$43,000 to Utilities, from Certified Salaries, which we recognized early in the year. Dr. Bernard said the problem is in Utilities, Unemployment and Legal. C. Trudon said we had gone into the budget with the best projected line items that we have ever had. M. Kortmann said we would not have these problems if they had given us 100% of our ECS. C. Trudon said Department Heads were doing a great job managing their money.

## **b. Budget Transfer**

The Budget Transfer Request notes \$40,000 moved from the Health Insurance account to the Unemployment Compensation account. Mary Kortmann asked Katie Baumgartner if there are benefits and salary in the ARRA money. M. Kortmann said she wants all the ARRA journal entries done before this Budget Transfer goes through.

Mary Kortmann said we need to pin down the heat/energy account. She said we need to understand, out of the 102,000 locked in gallons, what we plan on buying. Cheri Trudon said we have 30,000 +/- left. Dr. Bernard said we need Paul Noel's input indicating how many gallons to purchase within the locked in amounts and what else he thinks we need without filling the tanks. Mark Malcolm asked if the reports could be broken down by school.

Mary Kortmann said if she takes Paul's sheets, it would be (\$18,000) instead of (\$12,000) which means he saved \$6,000. M. Kortmann said we put \$43,000 in utilities, when the discussion said we should have put \$80-\$85,000. M. Kortmann said we went for a portion of it. She said it would not have been another 40,000 but instead another 20,000.

### **Adjournment**

The meeting adjourned at 7:21 pm.

Respectfully submitted,

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Michelle M. Bates, BOE Subcommittee Clerk

April 8, 2010  
Approved