

**Coventry Board of Education**  
**Coventry, CT**  
**Approved Minutes**  
**Fiscal Committee Meeting of Thursday, December 10, 2009**

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  
Sherry Holmes, Fiscal Services Director  
Paul Noel Director of Physical Plant and Facilities

The meeting was called to order at 6:32 pm by M. Kortmann.

**I. Approve Fiscal Minutes from October 29, 2009**

Mary Kortmann asked for the following changes:

Page 1, first paragraph, sentence 5: Mary Kortmann said we did not apply for the grant, and asked why we have to pay the installation fees.

Page 1, first paragraph, sentence 6: Eliminate the sentence.

Cheri Trudon asked for the following changes:

Page 2, first paragraph, sentence 4 should read: Dr. Bernard said the figure is a moving target; that the amount has not been firmed up.

Page 2, second paragraph, sentence 3 should read: Sherry Holmes said they have not changed the figures at the state level.

Page 2, second paragraph, middle of the page should read: S. Holmes said it is part of some of the amount that is not encumbered; Summit school expense we pay for, but we do not have the bill for the full year's tuition yet.

Page 3, third paragraph, sentence 3 should read: Dr. Bernard said the next fiscal meeting should really be before we go to the joint town meeting because there is an issue of expenses that are not covered.

Page 3, third paragraph, sentence 4 should read: Dr. Bernard said she would tell the Administrators we are not buying anything unless it is essential.

Page 3, third paragraph, sentence 6-9 should read: S. Holmes said the current employee on maternity leave is not being paid. M. Kortmann asked if the same employee is not taking sick time. C. Trudon said we are paying a substitute. C. Trudon said we don't know at this exact moment if the employee on maternity leave will stay on leave until January 2010, or longer.

Motion: To approve the October 29, 2009 Fiscal Committee minutes as amended:

By: C. Trudon    Seconded: M. Kortmann

Abstained: M. Malcolm

Motion Passes.

## **II. Approve Fiscal Minutes from November 23, 2009**

M. Kortmann asked for the following changes:

Page 1, II., first paragraph, sentence 2 should read: She indicated that M. Kortmann let her know that the excess cost local expenditure numbers are up on the state website for November.

Page 1, II. first paragraph, line 4 should read: ...November's excess cost spreadsheet...

Page 1, II. second paragraph, line 3 should read:...there are people on unemployment that the district will likely have to pay out for the rest of the year...

Page 1, II. third paragraph, line 1 should read: M. Kortmann asked a question about ARRA...

Page 1, II. third paragraph, line 2 should read: Ms. Holmes said that it will show up on the grants report. It shows up under...

Page 1, II. third paragraph, line 5 should read: Dr. Bernard said this has been wrapped into special education programs. The fact that excess cost will be cut by the state 23% and it has been suggested that we have ARRA money to cover it. That is a ...

Page 2, line 1 should read:...presented as such on this report should be brought up...

Page 2, paragraph 9, line 1 should read: ...how can you spend it on a student you never...

Page 2, paragraph 9, line 3 should read: ...She asked how many DCF students are placed...

Page 2, paragraph 9, line 5 should read: ...available for new students. Concern was expressed about non-Nexus kids and Coventry being responsible for the costs.

Page 3, paragraph 2, line 1 should read: ...that the budget transfer numbers were based in both projections and actual encumbrances. She did say ...

Page 3, paragraph 2, line 4, should read: The group decided to split the budget actions into two categories: Transfers should be based in real expenditures. Transfers that are Budget...

Motion: To Approve the Fiscal Minutes from November 23, 2009 with noted changes.

By: C. Trudon   Seconded: M. Kortmann

Abstained: M. Malcolm

Motion Passes.

## **III. Review 2010 Fiscal Committee Meeting Dates**

Mary Kortmann asked that a second meeting in June be added to the dates.

She asked to add another Fiscal Meeting on June 24<sup>th</sup>, 2010. The committee agreed to add the June 24, 2010 meeting , with the option to cancel it if needed.

## **IV. Encumbrance Reports for November 2009**

Sherry Holmes read the Expenditure Reports for Regular Budget, Grants and Food Services memorandum.

S. Holmes said she received a revenue food service report, through December, 2009, from the Town of Coventry. Dr. Bernard asked if we could compare the Town's Balance of the School Lunch Program: \$248,055.17 to Coventry Board of Education's 11/30/ 2009 Budget Balance for Food Service, of \$279,230.36. Mary Kortmann said the number to compare the \$248,055.17 to is Coventry Board of Education's YTD Expenditure Food Services Report number of \$213,689.14. Dr. Bernard asked if at this moment in time we are \$30,000 "to the good." M. Kortmann pointed out that the Board of Education's Encumbered Amount is \$215,431.08, as of 11/30/2009.

The Fiscal committee referred to the Coventry Board of Education's Expenditure Food Services Report, to date: 11/30/2009. Mary Kortmann said, according to the report, the food costs are encumbered. She said the salaries are not encumbered. Sherry Holmes said there are still expenses that need to be booked. The committee discussed how the Town's report and the Board of Education's report do not exactly match up at this point in time. Sherry Holmes said she would check with the Town on how the State reimbursements on food are coming in.

Mary Kortmann asked the fiscal committee if they needed the Town's School Lunch Program report at the level of detail provided. She asked if just the "Total" lines could be provided instead of the level of detail leading up to the total. The committee agreed on this request.

#### **V. Excess Cost Calculation Report for November 2009**

Sherry Holmes talked about the Excess Cost Calculations Spreadsheet, included in the packet for the Board members. She said the DCF Placement CAP has been adjusted to \$11,641 and the LEA CAP to \$52,385, which is 4-1/2 times the DCF Placement CAP.

Mary Kortmann asked about the ARRA Grant. Dr. Bernard said there are three categories: Special Education, Regular Education and Preschool, with breakouts under each of the schools. Sherry Holmes said account number 7105 is the ARRA IDEA (Special Ed) Grant, for \$371,547. M. Kortmann said the Preschool ARRA IDEA Grant is \$14,717. M. Kortmann asked about the \$187,447 grant. S. Holmes said the \$187,447 calculation is within our regular budget. S. Holmes said when we move the special education expenses over to these grants, there is a calculation to allow you to spend local funds within your budget. Dr. Bernard said the ARRA grant picks up more of the special education and keeps teachers from being fired. S. Holmes said it was a formula that the State gave to us, which we had to fill out a worksheet for, and come up with that total amount of money of our local funds within our budget.

Sherry Holmes said there are quarterly, federal reports that need to be submitted regarding the ARRA grant money.

Mary Kortmann asked about accounts 7107 and 7108 on the Expenditure Grant Report. Sherry Holmes explained they are the ARRA Stabilization Grants for Town ECS. M. Kortmann asked if the Fiscal Committee or the Board of Education had ever talked about this money. Dr. Bernard said no. Mary Kortmann said that other towns may have talked about this money in their Town Finance Committee meetings. M. Kortmann said it looks like all towns are using the money this way. Dr. Bernard said everyone across the state is using this money as survival money, for two years. M. Kortmann said the accounting of this grant subtracts it from our appropriation, and reports it as grant numbers. She said this amount of money in year three, by definition, will be a percent increase in the Board of Education's budget, even if you're in the exact amount of money. She said it is going to look bad and the Town Finance Committee knows that, as does the newspaper

article about Manchester's deciding this and East Hartford's deciding this. She said it sounded like people were wrestling with the legal, pre-ARRA rules, ways there might be to do this so that it might not look so bad on the reports. M. Kortmann's concern is that the Board of Education never had a chance for input to the Town on this issue. Dr. Bernard said this was a State directive. Dr. Bernard said we did not have a big choice. Sherry Holmes said the Federal Government says we have to keep it separate. S. Holmes said the Board of Education consulted our auditors who said this is the way we should do it. S. Holmes said this is the only way we can report it separately. S. Holmes said you take the local budget down by that amount of money and move it to the grants. S. Holmes said in those minutes, when you do your budget, you put the initial appropriation in the budget column, and you figure your budget for next year based on those numbers. S. Holmes said it is not going to be reduced by these numbers, you will have your original appropriation in it. She said that is what they did say. She said you have to move forward with that so you do not see a big gaping hole in your budget, going forward, in year three.

Mary Kortmann asked how money gets into accounts 7107 and 7108. Sherry Holmes said it comes through the State. M. Kortmann asked how the expenses gets in the grant report. S. Holmes said she is working on that right now for December. S. Holmes said we are taking it from our local budget and transferring it into the grant report, so that after December, all of our people will be paid out of the grant report. S. Holmes said the expenses will be for teachers only. M. Kortmann asked if it will be recorded paycheck by paycheck, so that there will be no journal entries. S. Holmes said there will be an initial journal entry, for all the salaries she has paid thus far, to get it started. S. Holmes said once it is started, it will be processed in the grants report, until it is completed. S. Holmes said she bases the payments on seniority, through each building, based on per pupil expenditure, and put the percentage and number of staff that each building has. S. Holmes said she will bring her calculations spreadsheet in January, which she is working on with Payroll right now. M. Kortmann asked if the spreadsheet calculated just teacher's salaries. S. Holmes said it calculated percentages of salaries and percentages of some of their benefits.

Mary Kortmann asked if we will see the ARRA Stabilization-Ed Grants subtractions in the adjustments column, on the Expenditure Report All Activity. Sherry Holmes said the subtractions will show up in Certified Salaries (account # 111) line. S. Holmes said the subtractions will also show up in the Health Insurance line (account # 210). M. Kortmann asked about the \$15,362.50 in the adjustments column for Certified Salaries. S. Holmes said the \$15,362.50 is for Medicaid funds that we have received to pay for our Social Worker. S. Holmes said we have two tuition payments coming in: one in Woodstock, and one in West Haven. S. Holmes said the tuition payments are \$34,000, and that is all we have coming in. S. Holmes said she is waiting for firm reimbursement numbers from the State.

Mark Malcolm said the ARRA money is roughly \$1.25 million. He said what he is hearing is that we are doing a budget transfer, YTD, from Certified Salaries and Health Insurance, that has already taken place. Sherry Holmes said the spreadsheet will be done from payroll, with all the employees on there, calculated as to what we have paid thus far.

S. Holmes said that will become her journal entry from the regular budget to the grants for those amount of monies. S. Holmes said payroll will set up anything further that needs to be paid out, directly processed out of the two ARRA Stabilization-ED Grants.

M. Malcolm asked if the current individuals we are talking about are being paid out of account number 111, which S. Holmes agreed. M. Malcolm asked if we would end up with a sizeable budget balance, which S. Holmes said no, because the Town Council decreased our appropriation by \$1.22 million. Cheri Trudon said they took it out: that it is a wash.

M. Malcolm asked when this all happened; when the Town did this. Dr. Bernard said it was within the last two meetings. Mary Kortmann said we, at the Board of Education did not become party to any of this. M. Kortmann said the Town has been discussing this for two months. Dr. Bernard said this comes out of Beth Bauer, Town Finance Director, as an accounting mechanism. Sherry Holmes said it was the Town that needed to make this adjustment, and tell the Board of Education this was what we were doing, so we could follow through on our end. M. Malcolm said this is just a \$1.22 million accounting wash, which the committee agreed.

## **VI. Budget Items**

### **A. Electric Energy Projections-Paul Noel, Director of Physical Plant and Facilities**

Paul Noel said it has been difficult knowing how much we will pay for utilities in the following year because the first half of the year, we use the least amount of utilities. He said the first half of the year includes July and August which are summer months.

Paul Noel explained the Electric Energy Projection report. He calculated the kWh to date comparing to years 2007-08 and 2008-09. He is using less kWh in all buildings except the Warehouse, even though the costs are going up. He estimated the energy cost for all buildings for FY09-10 to be \$369,579. He showed the energy budget at \$308,000.

Paul Noel said we are seeing some energy savings from the gym lights we are using. He said his committee, which focuses on going green, is working with Carla Kennedy. P. Noel explained a project in West Hartford where the students in each school competed against one another on saving money by going green. P. Noel said they were saving 20%, at the least.

### **B. Budget Transfers**

The Fiscal Committee agreed on the design of the Budget Appropriation Adjustment Transfer Sheet. They also agree on the draft budget transfers as of October 31, 2009. There was unanimous consensus to bring the draft budget transfers as of October 31, 2009 to the Board for approval tonight.

### **C. Unemployment Analysis Spreadsheet**

Sherry Holmes explained the Unemployment Expense Analysis report. She said the Cafeteria Manager is projected to be paid \$10,000 and everyone else has dropped off the unemployment report.

## **VII. Adjournment**

The meeting adjourned at 7:30 pm.

Respectfully submitted,

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Michelle M. Bates, BOE Clerk

**January 14, 2010**  
Approved