

**Coventry Board of Education
Coventry, CT
Approved Minutes
Fiscal Committee Meeting
Thursday, April 14, 2011
Administration Building Conference Room**

Members Present: Mary Kortmann, Fiscal Committee Chair
Jennifer Beausoleil, Fiscal Committee Member (arrived 6:08 p.m.)
Mark Malcolm, Fiscal Committee Member

Also Present: Dr. Donna Bernard, Superintendent of Schools
Gregg Blackstone, Business Manager

The meeting was called to order at 6:04 p.m. by M. Kortmann.

I. Approve Fiscal Minutes

MOTION: Approve Fiscal Minutes from March 10, 2011

By: M. Malcolm

Seconded: M. Kortmann

Result: Motion passes to approve the minutes as written 2-0-1. J. Beausoleil was not present for the vote.

II. Financial Reports for March

A. Grant Report

G. Blackstone asked for questions on the grant report. M. Kortmann stated the ARRA IDEA has \$59,000.00 left. G. Blackstone said he and Ms. Trinks have an open issue with this account. He will receive a budget from Ms. Trinks by the end of April detailing how this money is supposed to be spent. G. Blackstone stated he can then spend this grant down. He said that the issue is if the grant money would be used to pay the reading consultant's salary. M. Malcolm said he thought the reading consultant's salary would come out of the jobs account. J. Beausoleil stated that the committee voted that the money would come out of the jobs account.

M. Kortmann stated that grant 7105 could not be carried over and wanted to be sure any money in the grant is spent. M. Kortmann said there was also money left in 7106 and 7107. She also noted some accounts need to be carried over such as 7115, 7117, and 7121. Dr. Bernard stated, for the 7114 grant, she has to match \$25,000.00 on the POD grant. She stated she will get an answer for G. Blackstone on where the money should be coded within a week.

B. Encumbrance and Management Reports

G. Blackstone reviewed the highlighted accounts on the management report that changed from March. He stated that the amount for certified salaries is down because he is picking up additional savings for staff who will exhaust their accruals. He has additional expenditures in

Athletic salaries that he was not anticipating, but they are legitimate payments to coaches. J. Beausoleil asked if G. Blackstone could specify the coaches' payments. G. Blackstone answered he has a detailed listing he did not bring with him. G. Blackstone recalled the payments were for football and an additional payment to the director for athletic compliance. M. Malcolm asked what the variance was from last month. G. Blackstone answered there was no negative at all last month. M. Malcolm asked why the football bills are coming now instead of in the fall. J. Beausoleil suggested this may be revenue Coventry will receive from Windham. Dr. Bernard said she asked for training on concussions and the bills may be related to the training. J. Beausoleil stated the trainer would be paid under contracted services. Dr. Bernard asked G. Blackstone to send the committee the athletic bill detail. G. Blackstone answered he would do so.

G. Blackstone stated the certified temp salaries went up and it did not offset the amount he saved under certified salaries. He said some of the staff are not coming back this year so he has to cover their positions. G. Blackstone stated the surplus is greater this month in health insurance. M. Malcolm asked how the health insurance surplus increased by \$50,000.00. The committee discussed and determined the increase could be due to retiree's contributions to their health insurance which G. Blackstone did not account for earlier. G. Blackstone stated he has transfers to discuss this evening and would like to add it to the agenda.

MOTION: Add Budget Transfers to the April 14, 2011 agenda.

By: J. Beausoleil

Seconded: M. Malcolm

Result: Motion passes unanimously.

G. Blackstone stated Unemployment was down because he is paying for the former food services director who is receiving extended benefits. He stated the largest change from the prior month is for Contracted Services. J. Beausoleil asked if the committee agreed to make an additional line item for the snow and roof costs. G. Blackstone answered he has a Roof Snow Removal Costs and Status report. He handed the report out to the committee.

The committee reviewed the report. M. Malcolm suggested separating the snow removal costs from the structural repairs costs. M. Kortmann stated some of the structural repairs were related to the snow and were needed in order to open the buildings. M. Malcolm stated he did not want people to think that the roof snow removal cost was \$414,000.00. He suggested changing the title of the report to Unforeseen Contracted Services Addendum. J. Beausoleil asked if the welding services for \$7,700.00 were related to snow. G. Blackstone answered this was the cost of welding steel reinforcements on the load point of the roof trusses. The committee determined this was not related to snow. Dr. Bernard stated the total should be changed to remove the welding services.

G. Blackstone stated the \$10,000.00 in Miscellaneous Materials and Supplies under Estimated Costs includes landscaping and shrubs to replace the ones damaged by the snow. He said he included it in the insurance claim he submitted to CIRMA. M. Kortmann stated we have to be careful about including landscaping in the insurance claim as it may be denied. Dr. Bernard stated the landscaping costs should not be included because she already has included these costs as part of the annual budget.

Dr. Bernard stated that the additional structural repairs are out to bid and will be scheduled for this summer. M. Malcolm asked to confirm that the correction of the construction from ten years ago is not included here. G. Blackstone stated that the \$21,500.00 under Engineering Services Estimated Costs was for a study to determine what is needed to remediate. G. Blackstone stated he is in the process of putting together an RFP that will go out by the end of April. He said the job would then go out to bid.

M. Malcolm related a news story he read where a town in Connecticut received money for snow removal costs from CIRMA. Dr. Bernard stated she has not heard from any other districts regarding snow removal reimbursement. G. Blackstone stated he spoke with the claims adjuster from CIRMA and there are many towns that are submitting claims. He stated the CIRMA will be sending out a structural engineer to look over the buildings that were inspected after the snow removal. J. Beausoleil asked if Coventry was being charged. G. Blackstone answered no, CIRMA would be paying for the engineer.

G. Blackstone stated that FEMA asked for information a few weeks ago and he submitted the information requested. He said there was some possibility that funds could come from FEMA.

G. Blackstone stated he received information from the towns' legal advisors that our recourse against the contractors who constructed the building is very limited due to the normal statute of limitations. G. Blackstone stated we may be eligible to be reimbursed if the structural repairs are considered a latent defect project. He said we would need to pay for the project and then be reimbursed.

G. Blackstone reviewed the Pupil Services line item. He received a notice from Ms. Trinks that she is working on an additional five placements that will add approximately \$128,000.00 in costs. M. Malcolm stated this may put the district into critical spending mode. G. Blackstone stated he asked Ms. Trinks to keep him informed when any new placement occurs. He expects the \$128,000.00 estimate to be the maximum and there are other line items he may be able to pull money out of to cover these costs. M. Malcolm asked if G. Blackstone's estimates are all worst case scenario. G. Blackstone answered yes.

M. Malcolm asked G. Blackstone if the Assemblies and Graduation is really negative \$5,000.00. G. Blackstone answered yes. Dr. Bernard explained that the budget did not include all the expenses for graduation. M. Malcolm said he didn't think graduation cost \$11,000.00 last year. J. Beausoleil looked up the graduation cost and it was \$7,600.00. M. Malcolm stated that the fiscal committee should start to let people know that we are not in a surplus budget.

M. Kortmann asked G. Blackstone if the Roof Snow Removal Estimated Costs were in his projections. G. Blackstone answered the Welding Service and Miscellaneous Materials and Supplies was, but the Engineering Services was not. M. Malcolm stated the budget needs to be buttoned up soon. He stated that decision would need to be made soon on whether to top off the oil tanks. The committee discussed the possibility of asking the Town of Coventry for funds in order to top off the oil tanks. M. Malcolm stated the Town should be asked for funds if needed because \$1.50 per gallon of oil costs is significant. J. Beausoleil disagreed and said the fund balance is below what is needed for the towns' bond rating.

C. Excess Cost Report

J. Beausoleil asked if Ms. Trinks could be asked to attend the fiscal meetings to discuss the impact of the five new placements. Dr. Bernard agreed this would be a good idea and she will invite her to attend.

M. Kortmann asked G. Blackstone if he could remove the old numbers so budget and actual only show on the report. G. Blackstone answered he would make the change. G. Blackstone stated the total reimbursement may be more than the \$703,884.00 that is showing on the report. He said he will be speaking with his contact at SDE. M. Kortmann asked if G. Blackstone can research if the DCF placements are fully reimbursed or partially reimbursed. She remembered finding information on the State of Connecticut web site regarding how to receive full reimbursement by using the correct categories, but cannot find the information now. G. Blackstone answered he would look into it. M. Malcolm asked if the request for reimbursement was submitted as the total dollar amount or if it is broken out by each placement. G. Blackstone answered it is done via a PSIS filing which does break it out.

M. Malcolm asked to confirm if a check was cut for the total excess cost of \$915,296.00 and the town kept \$122,000.00 for transportation. G. Blackstone answered yes. M. Malcolm stated that with the five new outplacements, we may need to ask the Town for some of the \$122,000.00 back. M. Kortmann stated even with the five new placements, we will not be using all of the \$305,392.00. M. Malcolm asked how we got to that figure. M. Kortmann reviewed the calculations on how the \$305,392.00 was calculated.

M. Kortmann asked G. Blackstone if he knows what the reimbursement percentage will be for next year. G. Blackstone answered he did not. He stated that the calculations for next year will be based on the filings that were done in February.

D. Food Services P&L and Cash Flow

G. Blackstone stated that food services had a good March and is now in the black for the year overall. M. Malcolm mentioned a notice he received of a \$15.00 credit in his child's lunch account. J. Beausoleil mentioned she received a verbal notice that her child's account is overspent by \$5.00 and her daughter cannot buy lunch. She stated that consistency in notifying parents of their account balance needs to be improved.

III. Transfers – Proposed

G. Blackstone reviewed his proposed transfers. M. Malcolm stated Legal and Audit proposed transfer was what killed the last proposal from being approved during the previous Board of Education meeting. He stated there were some possible upcoming legal issues where the money might be needed. J. Beausoleil asked if the Athletic & Field Trips included the salaries. G. Blackstone answered no. M. Kortmann asked G. Blackstone to confirm the Contracted Services transfer did not include the 21,500.00 for Engineering Services. G. Blackstone confirmed that was true. J. Beausoleil asked if the \$21,500.00 would need to be covered in the future. G. Blackstone answered it may or may not. M. Malcolm asked if Contracted Services would be positive if the snow removal costs on account 430 were not needed. G. Blackstone answered yes. Dr. Bernard

asked for why the Health Insurance account was overfunded. The committee discussed and agreed this line item was not reduced when staff cuts were made and when retired staff were not replaced.

Dr. Bernard asked G. Blackstone if he would like action on the transfers. B. Blackstone answered yes. Dr. Bernard stated this would not go to the Board of Education until April 28th.

M. Malcolm stated that the Legal and Audit transfer and Pupil Services should not be included. G. Blackstone suggested modifying the proposed transfers by taking out Legal and Audit, and Pupil Services, and changing the amount of the Gasoline and Diesel transfer to \$22,000.00. M. Malcolm asked if Gasoline and Diesel account balance was the same last month. M. Kortmann review the prior months Gasoline and Diesel account and found it has not changed since November of 2010.

MOTION: Authorize Budget Transfers as modified on April 14, 2011 in the amount of \$422,000.00.

By: J. Beausoleil

Seconded: M. Malcolm

Result: Motion passes unanimously.

IV. Education Jobs Grant - Discussion

G. Blackstone stated we have until September 1, 2012 to spend the grant money. J. Beausoleil stated she thought it was until September 30, 2012. G. Blackstone said J. Beausoleil was correct. G. Blackstone reviewed his proposal. J. Beausoleil asked if the Reading Consultant salary was in the jobs or regular account. G. Blackstone answered it was in the regular account. The committee discussed the proposals. M. Malcolm stated he did not see any funds for Paras or hockey that were discussed previously. He also stated that Health Insurance was put out to bid and the costs may be reduced. The committee agreed the Education Jobs Grant proposal will need further discussion.

V. Adjournment

MOTION: To adjourn at 7:29 p.m.

By: M. Malcolm

Seconded: M. Kortmann

Result: Motion passes unanimously.

Respectfully submitted,

Terri Lessard, Subcommittee Clerk

Approved: May 12, 2011