

II. Encumbrance Reports for June 2010

M. Kortmann asked G. Blackstone if he had anything particular to say other than the fact that the reports did not include some items. G. Blackstone said yes. He stated Ms. Holmes did the close and it went smoothly. He said that there were some bills that they did not have before the close. He mentioned there had been some changes since the report was produced. One of the changes was a bill from the town for \$9400.00 that encompasses Health Savings Account charges that should have been posted to our books on a monthly basis since last January. M. Kortmann asked if we could receive these on a monthly basis. G. Blackstone said yes, the accountant should send these fees monthly, but did not. G. Blackstone restated that the close was good for both he and Ms. Holmes and he has a list of items to watch out for. M. Kortmann asked if he added this charge to the list. G. Blackstone answered yes. He also stated he had been unsure of the exact process for documenting ledger adjustments between the Board and the town. Mr. Blackstone now has put a more formal process in place. He created a form for the final phase of the close out after Ms. Holmes finished for ledger adjustments. This form has two signatures, one from the town, and one from Mr. Blackstone, so information is not lost between the two and there agreement on both sides.

G. Blackstone also mentioned some miscellaneous bills in small amounts that came in after the close. C. Trudon asked what the other charges were. G. Blackstone mentioned a fee for arbitration and disposal services for dumpsters. C. Trudon asked what the fees were for arbitration. G. Blackstone answered \$1800.00. M. Kortmann suggested the arbitration bill might have stemmed from Project Opening Doors which was set to arbitration, but settled before the arbitration occurred. She asked G. Blackstone if this was the charge for booking. G. Blackstone answered he would get the details. M. Malcolm asked if the Superintendent reviewed legal bills before they were paid. Dr. Bernard answered yes.

III. Budget Items

A. Budget Transfers - Proposed

G. Blackstone handed out a new Draft Budget Transfers document and reviewed it with the group. G. Blackstone stated that Heat Energy 620 was not on the original report. He reduced the Health Insurance 210 line item and added the \$8859.88 for Heat Energy.

M. Kortmann said the Unemployment extension passed. The unemployment originally expired in June. She asked if the BOE needs to pay back-pay from June through present, where does it fit into the accounting. G. Blackstone answered it is generally placed into the fiscal year in which it is incurred. However, since the books are closed and the reports will be filed at the end of the month, the back pay for unemployment will need to be added to the new fiscal year.

M. Kortmann mentioned three items that the BOE will need to watch for this fiscal year. The first is 513 – Athletic and Field trips. She stated this item was over budget last fiscal year and will be over budget again this fiscal year because no additional money was added to this year's budget. C. Trudon said several teams made the play offs for the first time last year. Dr. Bernard stated these were supplemental charges from M&J Bus Company. M. Kortmann's second item was Utilities - 410, but she thought this should be better this year because more money for put into the utilities

line item. Her third item was 220 – Social Security. Dr. Bernard mentioned Legal – 330 should also be watched. G. Blackstone stated he would keep these on a watch list. M. Kortmann stated this should put this year's budget to bed.

M. Malcolm asked if Tuition – 561 – was special education outplacement, and asked if it would always be off due to grants. M. Kortmann answered yes.

Dr. Bernard stated the committee should take action and recommend the transfers to the Board of Education. The committee agreed to recommend the transfers to the Board.

M. Malcolm asked if there has been any action on the Dime Oil contract. G. Blackstone answered yes. Mr. Blackstone reviewed the contract and found no monthly percentage allocations. He stated we may have been given some bad information. M. Malcolm asked about the oil deliveries that were supposed to be made in September and October, but were not. He also stated that the Board should have been able to purchase oil at the \$1.62 price. G. Blackstone mentioned there is a stipulation in the Dime Oil contract that Dime Oil must be notified if we will be topping off the tank at the end of the year. Dr. Bernard asked G. Blackstone to get a copy of the Dime Oil contract for her and the Fiscal Committee to review again. M. Malcolm asked if the attorney should review the contract. Dr. Bernard stated she will review the contract and possibly have the attorney review it. The group wondered if penalties would be incurred if they do notify Dime Oil and then do not top off the tanks. The committee agreed that the Board of Education is owed money for the difference between the rate of what was paid and \$1.62 per gallon. G. Blackstone stated that any money received back would be added to this fiscal year. M. Malcolm asked G. Blackstone to check if the town was impacted by the higher price per gallon at the end of the year as well.

B. Food Service Profit/Loss Statement for June 2010

Dr. Bernard asked to review the Food Service statement. G. Blackstone stated he met with Ms. Pratt and will meet with her again to try and split out the cash flow from the expense sheet. M. Kortmann asked if they have money to spend and if Ms. Pratt was authorized to spend. Dr. Bernard said Food Service was just getting back and they have not been authorized to spend yet.

M. Malcolm wanted to review the pre-paid ticket information. He believes Ms. Pratt had \$5000.00 in debt last year. He stated we don't know where we are due to unknown current unearned revenue. C. Trudon stated the prepaid tickets were comprised of positive and negative balances. M. Kortmann stated negative revenue does not make sense. The committee discussed and agreed that the reports need to be changed to make sense.

G. Blackstone stated the new cash flow and expense sheet templates are created, but he has not yet reviewed them with Ms. Pratt. C. Trudon said there are start up costs because they need to stock up for the beginning of the year.

IV. Encumbrance Reports for July 2010

M. Kortmann asked to move on to the encumbrance reports for this year. She asked G. Blackstone for his analysis. G. Blackstone stated we are running similar to previous years. He noted one

issue. A bill from workers comp (CIRMA) may cause a budget hold of 25-30 over what was budgeted. M. Kortmann stated they put \$5000.00 more in this budget last year. He said this was based on a claim from the previous year and we do not know how much it would increase. Dr. Bernard asked if CIRMA provides a warning on the price increase. G. Blackstone did not know, but will find out.

M. Kortmann warned G. Blackstone of another possible issue with property liability charges from the town. She stated the town may change the percentage of what the Board of Education is charged. G. Blackstone stated he will check into it.

G. Blackstone also mentioned an additional cost for a second Windham Tech bus due to high student enrollment. The bus company suggested an additional route that can be added. This came out of a Transportation meeting earlier this week. M. Kortmann asked if the town received money from the State of Connecticut for transporting student to the technical schools. G. Blackstone answered he did not think so, but he will check into it.

G. Blackstone provided an answer to the question on excess cost reimbursement from the State of Connecticut. He believes it will be around 85% this year.

V. Adjournment

MOTION: To adjourn the meeting at 7:30p.m.

By: C. Trudon

Seconded: M. Malcolm

Result: Motion passes unanimously.

Respectfully submitted,

Terri Lessard, Subcommittee Clerk

Approved: **September 14, 2010**