

**Coventry Board of Education
Coventry, CT
Approved Minutes
Fiscal Committee Special Meeting
Tuesday, September 14, 2010
Administration Conference Room**

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

Also Present: Dr. Donna Bernard, Superintendent of Schools
Gregg Blackstone, Business Manager
Paul Noel, Facilities Director

The meeting was called to order at 6:07 p.m. by M. Kortmann.

I. Approve Fiscal Minutes from August 12, 2010 Meeting

MOTION: Approve Fiscal Minutes from August 12, 2010 with changes noted
By: C. Trudon **Seconded: M. Malcolm**

M. Kortmann asked for a change on page 2, last paragraph, the last part of the second sentence to read ...because no additional money was added to this years' budget

Result: Motion passes unanimously.

M. Kortmann asked G. Blackstone if he looked into the property liability changes. G. Blackstone answered he did not, but he will look into it. M. Kortmann also mentioned that G. Blackstone should ask them to explain to him the formula used to calculate the percentage.

M. Malcolm asked G. Blackstone if he checked with the town to see if they had the same issue with Dime Oil as the Board of Education did. G. Blackstone answered he did speak with the town and they did not have the same issue. G. Blackstone stated he would like to put something in writing to Dime Oil with the committee's approval to inform them we want to top off the tanks at the end of the year. He also wants to be sure there is no penalty if we change our minds. Dr. Bernard stated she would like to see something in writing. M. Kortmann stated we will have the money to top off the tanks at the end of the year because of the grant money we are expecting. M. Malcolm stated this should be put on the agenda for the joint fiscal meeting. He also stated that the Board of Education members would not be the people negotiating the new contracts. M. Malcolm would like to ask how Dime Oil won this contract. He believes they won the contract by being the lowest bid and the language of the contract precludes them from being the lowest bid.

II. Capitol Budget

G. Blackstone handed out the town CIP document from February of 2010.

P. Noel reviewed the preliminary capitol improvement plan. He stated that some projects do not seem to get done year after year. He created a list of these under the sub title of Category. He would like to place monies into funds for each of the Category items and complete a section of the work every year. He also created a list of items under sub title Energy Efficiency Initiatives. The items listed here would bring a return on investment.

C. Trudon asked what Commissioning was. P. Noel answered it was for engineers to come in and review the equipment for performance and life expectancy. The engineers would also make recommendations for changes that should be made. He spoke about a recent visit for the boilers in the high school. The engineers found the water flow in the boilers was not correctly set and led to cracks. He stated any suggested changes would incur an expense that would take between six months and two years to recover. The group discussed whether commissioning should be a part of the capitol budget or operating budget. They agreed it would fall under operating or maintenance budgets.

Dr. Bernard asked about the Classroom Furniture project. She stated that \$42,000.00 was not in the preliminary capitol. P. Noel stated that the \$42,000.00 was not in the 2011 budget, but it was in the 2012 budget.

The committee looked at the Town CIP for 2011. M. Kortmann stated the three items for education were Classroom computers, CGS ceiling replacement, and replacement van. She doesn't want to count the computers because they are budgeted at \$100,000.00 but that is not the figures that will be received. She suggested the committee recommend completing the boiler controls, electrical upgrade, and classroom furniture. P. Noel stated that the boiler controls cannot stay at \$166,200.00 because anything over \$100,000.00 needs to go to referendum. He can break this out into two phases. M. Kortmann suggested that the two schools be broken out on to their own lines. M. Kortmann asked what electrical modification was. P Noel answered the main panel is from the 1950's and parts could not be easily obtained. C. Trudon stated she would prefer to spend money on electricity instead of a wobbly desk.

Dr. Bernard stated that we do not have to add in the roofs. The group voiced their appreciation to the town and the residents of Coventry for the swift action on the roofs from problem discovery to town referendum.

M. Kortmann asked if a new column could be added with symbols that indicated possible funding by rental fees. Dr. Bernard stated the rental fees would subsidize the maintenance and not the capitol. M. Kortmann wants to see if the rental fees could assist in getting some projects done sooner than would be possible otherwise. P. Noel stated the money from ISO New England for power reduction could be used for projects as well. Dr. Bernard stated that we need to make sure we have a clean definition between what we need to address with the town and what we don't. We need to go to the town with all the appropriate documentation and rational related to CIP. C. Trudon suggested the committee determine what items can be handled by our own accounts and prioritize what needs to go to the town. C. Trudon asked if the Digital Control upgrade could be eliminated. P. Noel suggested creating priorities and asking the town for the funds. M. Malcolm asked how much the Digital Control upgrade would cost. P. Noel estimated \$30,000.00. M. Malcolm stated that Sherry wanted to hold off on this because it might be funded from another account.

M. Kortmann noticed that the CGS boiler figure from P. Noel's original documentation was \$96,000.00 for the CGS boiler and \$29,000.00 for the GHR boiler. Dr. Bernard stated that the documentation and figures will need to be reviewed and updated. The documentation must match what was sent to the town last year.

M. Kortmann suggested the committee review the items that made this year's budget. The CNH – Electrical Upgrade at \$43,000.00 should be included. C. Trudon suggested including the CHS Gym Floor replacement. She stated this was a potential law suit situation. The group discussed the need to include the floor replacement as a priority. P. Noel will obtain an estimate on the repair or replacement. M. Malcolm stated this is the first he is hearing about the floor bubble issue. He suggested putting a description on the draft CIP form. Dr. Bernard stated this should be mentioned at two meetings. The committee agreed it must be put on the agenda for the meetings in October.

M. Malcolm suggested the committee review the list and determine what projects would pay for themselves and what projects should be complete to prevent liability. M. Kortmann suggests the electrical panel, the gym floor, and some piece of the CGS boiler control under \$100,000.00 as priority projects. She asked P. Noel to create the back up documentation for those items. She stated that the committee should review the projects for both the 2011 and 2012 fiscal years.

For fiscal year 2012, the first project should be to finish the boilers. M. Kortmann asked for other suggestions for the second year. P. Noel suggested lightning protections and surge protection. He is concerned about the number of lightning strikes affecting the insurance costs. If lightning strikes the generator it may impact the town's ability to use the high school as a shelter. C. Trudon asked if P. Noel could obtain new quotes. He answered he will do so. M. Kortmann suggested that wording be included for town shelter because there could be homeland security grants obtained for lightning protection for the generator.

M. Malcolm asked if there was a way to obtain a list of the assets and how long we have had each asset. P. Noel answered he could do that, but it would take some time.

III. Budget Reports – prototypes for discussion

A. Monthly Plan v. Actual Report

G. Blackstone reviewed the Plan v. Actual Report with the group. He explained that he used a previous three year average on most of the line items. The report is intended to be a starting point for conversation. He has started to do a proof of concept for this report. The method he proposes is to review the past three years for each month and predict what will happen in the future. He also stated that the closer you get to the end of the year, the better the figures will match. Dr. Bernard mentioned that some historical data would not work for predicting the future such as the real estate market.

M. Malcolm stated he would like to see a year-to-date column and a column for each accounting period. C. Trudon asked if a graph could be created. M. Malcolm stated he would prefer to see the numbers.

M. Kortmann stated that some of the line items could be estimated fairly accurately such as non-certified salaries. G. Blackstone stated those items are listed per payroll. G. Blackstone asked if

he could project the athletic salaries. The group agreed he could. The committee discussed heat energy cost predictions. M. Malcolm mentioned that the heating bills for January are not paid until April. This makes January look like it is within budget when it is not. M. Kortmann mentioned the use of degree days. M. Malcolm stated that P. Noel created an extensive document for heating costs and G. Blackstone should not have to reinvent the wheel.

C. Trudon asked about unemployment. G. Blackstone stated there was not a good way to estimate this. M. Kortmann stated that unemployment should go down.

M. Kortmann would like to call this a management report so as not to confuse it with the actual expenditure report generated by the accounting system. She asked if the ARRA 1.2 million in the second to last line was for salaries and benefits. If so, she would like to add the 1.2 against the salaries. She would also take the last ARRA grant off completely. She would like to reduce 560, 561, and 510 by the out-placed student cost and put an out-placed student cost line underneath. She believes this will make it easier to see where we are. G. Blackstone said he could make these changes.

M. Kortmann asked if the committee could start to receive the Expenditure report by facility through e-mail instead of paper. She would like two versions of the report, one like the current report and one with raw data. She would like to receive the Expenditure Report All Activity via paper. She also would like the adjustments column to be put back. It was missing from this report. G. Blackstone stated he would do that.

C. Trudon wanted to make sure the report formats for the joint fiscal meetings would not change. G. Blackstone confirmed they would not change.

B. Excess Cost Statement

G. Blackstone reviewed the changes he made for the Excess Cost Calculations. He did not have a clear cut way to tell where the committee started. The group discussed the design and had some suggestions.

M. Kortmann would rather see the detail on the actual side and not the budgeted side. M. Malcolm suggested a comments column be added. M. Kortmann stated the LEA cap was not budgeted at the \$52,385.00 it is at \$53,694.63, and the total for that column is \$948,460.45. The State reimbursement was budgeted at 70%. She said another column would be needed for Anticipated. M. Malcolm stated the LEA Cap in the budgeted side should not agree to the LEA cap in the Actual side. M. Kortmann said it will change once G. Blackstone has new numbers. G. Blackstone stated he calculated the LEA Cap. M. Malcolm stated the numbers are from last year. He also stated the received column should be blank until the money has been received. M. Kortmann asked what G. Blackstone based the "Anticipated" column on. He answered he based it on the last report from May.

M. Kortmann spoke about the journaling the new reading teacher's salary in the current budget. M. Kortmann asked G. Blackstone if he had any information on the actual kids. G. Blackstone answered that he has placements for August but has not yet put in the information.

IV. Adjournment

The meeting was adjourned at 7:25 p.m.

Respectfully submitted,

Terri Lessard, Subcommittee Clerk

Approved: October 14, 2010