

**Coventry Board of Education
Fiscal Committee – Approved Minutes
Meeting of Thursday, August 28, 2008**

Members Present: Cheryl Trudon, Fiscal Committee Chairman
Mary Kortmann
Michael Whitham (arrived at 6:17 p.m.)

Also Present: Donna Bernard, Superintendent of Schools
Sherry Holmes, Fiscal Services Director

The meeting was called to order at 6:12 p.m. by C. Trudon.

I. Encumbrance Reports for June and July 2008

Ms. Holmes went over the expenditure reports for the regular budget and grants for June 2008 and read the related memo, both of which were included in the Fiscal Committee packets.

M. Kortmann asked for clarification regarding encumbered amounts for bills received for services rendered before June 30, 2008. Ms. Holmes confirmed that to be correct and that those were bills that could not be paid because the funds were not available. She said they had to wait until the Town Council approved to cover the budget shortage.

M. Kortmann asked about the 2007-08 grants and what would be carried over to 2008-09. Ms. Holmes went over those account numbers briefly.

Ms. Holmes went over the next expenditure reports for the regular budget and grants for July 2008 and read the related memo, both of which were included in the Fiscal Committee packets.

C. Trudon asked if the security grant could pay for anything in the regular budget, such as electricity, because electricity would be used by items bought by the grant. Dr. Bernard replied no, the grant needed to fund new initiatives only and that the grant is very specific for what it could pay.

M. Whitham asked about the budget figures for 2008-09 and how the fiscal year figures begin at 100%. Ms. Holmes explained how all figures begin and will be adjusted as the year progresses.

M. Whitham asked for confirmation regarding items like heat, gasoline, and diesel which have 100% left and is it because nothing has been spent yet. Ms. Holmes said yes.

II. Budget Items

A. Final Budget Transfers 2007/2008

Ms. Holmes stated the transfers for 2007-08 have not been made yet and the total is \$49,206.03. She said she would like to take the transfers forward to the full Board at the regular meeting tonight for approval.

C. FY 07-08/08-09 Budget Comparison Report

Ms. Holmes began with the document “FY 07-08/08-09 Budget Comparison Report” noted as a Preliminary Draft dated 08/26/08 (attached). Ms. Holmes explained the report and how it compared the 07-08 original appropriated amount for certain accounts, how much those accounts ended up underfunded on June 30, 2008, the new 08-09 appropriation for the same accounts, and the difference which could be “potential” underfunding for 08-09.

Dr. Bernard wanted to make it clear that this document is a place to start. She said this is a preliminary document and the district is not assuming it is going to spend at the same rate. She added that the district is currently on “critical spending” only. She said that this report is a worse-case scenario.

C. Trudon said some people are unhappy if the money gets spent throughout the year and the district is short in June and others are unhappy if you reserve all year and end up with too much money at the end and use it for something like filling the oil tanks.

M. Kortmann said there are just some accounts you have no control over, such as unemployment, social security, and Medicare.

C. Trudon noted because the district was on critical spending at the end of 07-08, used vacancy savings, and watched the bottom line, we were able to come up with \$462,471.74 out of the regular budget to offset the other large expenses.

Dr. Bernard said we are determined to end up in the black at the end of the year. She said that Ms. Holmes is working on her position statement, which will provide figures for vacancy savings. In addition, she noted that it is too early to tell what the special education costs will be for 08-09.

M. Kortmann said she is worried about the social security costs that can occur when you have to pay social security for certain temporary staff when you haven’t budgeted for it. Ms. Holmes confirmed that and said that happens every year and you never know the exact figure.

B. Cost Reduction Options & Revenue Increase 2008/2009

Dr. Bernard said grants are being explored at every turn for additional revenue.

Ms. Holmes said the district is part of a “Low Demand” program through CL&P. It is worth approximately \$3K per month, just to be a part of this program.

Dr. Bernard talked about different line items that may not be nearly as high in 08-09 as they were in 07-08.

M. Whitham said it seems that the line items are much more realistic this year.

Dr. Bernard said she put the administration on notice about reducing the substitute teacher costs. She warned the administration the district is in a very very fiscally conservative climate and is on critical spending only.

C. Trudon said the Board needs to keep an eye on the accounts that have surpluses this fiscal year and not spend them down over the year, because those funds may be needed.

M. Whitham said he would agree with that if the other accounts could be managed tighter.

M. Kortmann asked M. Whitham which accounts he thought could be managed better or tighter.

M. Whitham said legal may be one and overtime may be another, and energy consumption may be another. He said maybe not “manage” so much as keep a closer eye on them.

M. Kortmann asked M. Whitham what items he thought were items that were spent after critical spending was called. M. Whitham said overtime pay might be one of them and when the max is reached then maybe it could have been stopped. M. Kortmann responded that she believed overtime was being watched by management and management did not allow almost all of it, and there are certain times overtime had to be allowed, like nursing or other legally required staffing.

C. Trudon asked for suggestions and proactive ideas from the committee for cost reduction options or a way to generate revenue.

For instance, C. Trudon asked if there were any regular education students who were coming to Coventry from another town and as such Coventry was receiving tuition. Dr. Bernard responded no.

C. Trudon said the transportation committee discussed different cost savings items. One was the type of buses used; one was a computerized program for computing bus routes to save time; and one was reducing bus stops. Dr. Bernard said a new transportation bid, which will go out this year, may make a big difference in transportation costs.

C. Trudon said the other item to look at is the late bus, which runs two days a week. It was stated that there are so many varying opinions regarding the late bus and its pros and cons.

Ms. Holmes said we could look at bringing graduation inside. It was said that was another item that would be create a lot of varied opinions from parents and citizens.

C. Trudon asked for a review of the actual personnel positions that had been cut at the end of 07-08. Dr. Bernard stated it was 5 para positions, 1 full custodian position, and 1 teacher. She added that accounts will be monitored much more carefully and if layoffs are needed, they will be done early in the school year.

M. Kortmann asked if an encumbered amount could be added in the oil account since we have locked in on a price. Ms. Holmes said yes that could be done.

C. Trudon asked if Mr. Noel could include in his goal report the results so far this year of his cost savings efforts.

S. Holmes said she is working on such items with Mr. Noel, one of which is looking at how much the ‘extras’ are costing the district, like personal refrigerators. She said the other item they are looking at is perusing the company who offers to look at the utility bills to make sure the district was invoiced correctly. It was agreed that Ms. Holmes pursue this option, as it does not cost the district anything. The company would get a percentage of what errors they might find.

Dr. Bernard added that the district is not posting any jobs without the administrator having a direct conversation with the Superintendent.

M. Kortmann asked what the committee was going to do regarding keeping a closer eye on the special education budget. Ms. Holmes said there will be a separate special education report done.

They discussed the format of the report and what would be included and what would not. It was decided the report would be provided to the committee quarterly, in the format of an Excel spreadsheet, and the first would be available for the October 30 fiscal committee meeting.

C. Trudon asked one more time for any additional cost saving ideas for 2008-09. No other ideas came forward.

C. Trudon asked for a consensus on the budget transfers. M. Whitham said he was uncomfortable with the transfers and the accounts the money was being taken from, but he was not sure about an alternative option.

M. Kortmann said she is in agreement with the transfers.

M. Whitham asked if any line item can be transferred. Ms. Holmes said yes.

M. Whitham abstained from any consensus on transfers at this time.

The meeting adjourned at 7:35 p.m.

Respectfully submitted,

Kimberlee Michaud, BOE Clerk

September 25, 2008
Approved

PRELIMINARY DRAFT

COVENTRY PUBLIC SCHOOLS FY 07-08/08-09 BUDGET COMPARISON REPORT

Acct. #	07-08 Appropriation	07-08 Amt. Underfunded	08-09 Appropriation	08-09 Potential Underfunding	Plan
112 Non-Certified Salaries	\$ 2,506,533	\$ (21,223.88)	\$ 2,544,005	\$ 16,248	
113 Extra Curricular Salaries	\$ 55,603	\$ (799.85)	\$ 53,189	\$ (3,214.85)	
114 Athletic Salaries	\$ 99,655	\$ (3,228.00)	\$ 101,218	\$ (1,665)	
120 Certified Temp Salaries	\$ 149,283	\$ (45,659.07)	\$ 162,911	\$ (32,031)	
121 Non-Cert Temp Salaries	\$ 39,686	\$ (21,035.29)	\$ 44,486	\$ (16,235)	
220 Social Security	\$ 172,090	\$ (19,641.41)	\$ 203,628	\$ 11,897	
221 Medicare	\$ 168,916	\$ (4,828.19)	\$ 183,657	\$ 9,913	
250 Unemployment	\$ 4,825	\$ (5,296.00)	\$ 7,500	\$ (2,621)	
330 Legal & Audit	\$ 52,595	\$ (76,273.59)	\$ 64,535	\$ (64,334)	
333 Instructional Improvement	\$ 18,000	\$ (1,092.91)	\$ 21,550	\$ 2,457	
410 Utilities	\$ 296,000	\$ (61,446.37)	\$ 308,000	\$ (49,446)	
510 Student Transportation	\$ 1,366,209	\$ (78,320.46)	\$ 1,552,848	\$ 110,070	
520 Property & Liab. Ins.	\$ 70,461	\$ (5.00)			
540 Advertising	\$ 4,000	\$ (2,904.23)	\$ 5,515	\$ (1,389)	
*620 Heat Energy	\$ 160,000	\$ (78,610.55)	\$ 240,000	\$ 1,389	
**626 Gasoline & Diesel	\$ 98,900	\$ (91,159.44)	\$ 169,400	\$ (20,659)	
891 Athletic Subsidy	\$ 36,010	\$ (153.53)	\$ 36,910	\$ 746	
Totals		\$ (511,677.77) *		\$ (38,875.17) **	

*\$462,471.74 was covered by funded line items and \$49,206.03 was requested from the Town Council.

** Amount would be taken from anticipated vacancy savings.

Note: Based on an assumption that the same amount of expenditures for 07-08 will be expended for 08-09. In addition, there are a lot of unknown variables at this time. Critical spending has been mandated already for 08-09. This scenario may not become reality in fiscal year 2008-2009.

* Potential additional oil cost of \$54,556 because oil tanks weren't filled in June 2008.

** Potential additional gas & diesel cost of \$13,580 due to new per gallon rates.