

RSU 13 Finance Committee Meeting - August 22, 2013

Minutes

McLain Building

	Finance Committee		Committee		Visitors
P	Don Robishaw - Chair				
P	Sherm Hoyt	P	Scott Vaitones		
P	Arvilla Collins	E	Lewis Collins		
P	Christine Curtis				
P	Present	A	Absent	E	Excused

Minutes

1. New Business -

- a. Signed Warrants
- b. Reviewed Month of June General Fund Revenues & Expenditures. *See questions from Don Robishaw and responses from Scott Vaitones at the end of the minutes.*
- c. Reviewed Month of July General Fund Revenues & Expenditures. *See questions from Don Robishaw and responses from Scott Vaitones at the end of the minutes.*

What is large furniture expense under Thomaston Grammar School? *Replacement stackable chairs and folding chairs.*

- d. Reviewed Budget implications of referendum. *The Superintendent has outlined how the additional funds will be used to add some teacher support and some set aside that will become fund balance to be used to help reduce the tax impact.*

2. Other Business

- a. Discussed draft of Facilities / Grounds capital reserve account. Suggested changes: Up to 5% not 5%, Minimum expense of \$50,000 for any one item / project not \$10,000. Access of funds to be 2/3rds Board weighted vote not 3/4th. Please E-mail any comments to Don.
- b. Property and Liability Insurance bidding. This needs to be started around March. However, The MSMA Insurance Trust that currently covers the District requires a six month notice to them that we might leave the Trust.
- c. Auditing services. Will plan to send out RFP's to do the FY14 audit January.
- d. What happens to income from building rentals? Actually, there is very little. If custodian was used the income goes as a credit to the account the custodian was paid from. Otherwise, it is booked as miscellaneous income to the general fund.
- e. Are Sport boosters and other clubs reporting their funds raised to the District each year? Good Question - will research policy
- f. Did we receive the balance of the June subsidy in July? Yes all by July 12th.

What was exact motion that was made at the budget meeting in regards to the additional funds added to the budget?

ARTICLE 1: *To see what sum the Regional School Unit will be authorized to expend for Regular Instruction. School Board Recommends \$10,336,857*

Article 1 was moved and seconded. Mr. Mayo asked if there were any questions, comments, or discussion on Article 1. A motion was moved and seconded that Superintendent Collins be allowed to address this article and all subsequent articles. Motion passed. Lew thanked everyone for attending and said that the turnout was impressive. He recapped the District budget meeting that was held in May and the referendum validation vote in June. He said that he is always trying to maintain the integrity of our programs that serve the students, as well as the taxpayers who fund it. A motion was moved and seconded that requested that everyone who wishes to speak state their name and community. An amendment to that motion was made to only state first name. This proposed amendment failed. The original motion to state first and last name, as well as their community carried. An amendment to Article 1 was moved and seconded to increase the sum by \$343,162. The new amount would be \$10,680,019. Another motion was moved and seconded that anyone who wishes to speak needs to go down front, line up, and speak at the microphone. Motion carried. After lengthy comments, questions, and discussion, there was another motion to limit the amount of time speakers can talk. Mike Mayo said that he would be in violation of the previous motion if he allowed this to happen. He asked for a vote and most voted that he would be in violation. Mike Mayo reminded everyone to be concise and brief as possible and to please speak germane to the topic at hand. It was moved and seconded to call the question; to terminate debate on the amendment to Article 1. Motion carried.

Discussion and comments continued. A vote on the amendment to Article 1 was taken and the moderator declared that it passed.

Discussion continued on Article 1, as amended. A motion was moved and seconded to amend Article 1 by \$150,000; a proposal to compromise - reduce taxes and increase the educational line. Another motion was moved and seconded to propose to split the amount - \$112,000 be given to the educational line and the rest to tax payer relief. More discussion, questions, comments followed. There was a vote to terminate debate; motion carried. Votes were taken on both motions on the floor to the amended Article 1. Both motions failed.

After no further comments or questions, it was moved to vote on Article 1, as amended, having passage. Article 1, as amended, has passage.

The following questions and concerns were submitted to me (Scott Vaitones) from Don Robishaw as Chair of the Finance committee. My answers follow each in bold italic type.

However, before answering each, I do see the Finance Committee's role is to look at the overall budget and to look for inconsistencies and ask for clarification. However, I do not feel looking back at FY13 and questioning a sub account with a negative balance that is falling within a cost center that has an overall positive balance is a good use of my time.

With that said, I will always answer a direct question asked of me by a Chair of a Board subcommittee. Scott Vaitones

From Don Robishaw: I am sending the following questions and concerns. I will send them in two emails, one for June, year end and one for July new budget. First July...

MSRS lines are not funded in the budget. I see the following do not have the MSRS line added. Should there be MSRS lines added, or are they not covered? ***MSRS being paid by the district was not a definite given when the budget was put together. I built the 2.65% anticipated cost into the benefits line. The Dept. of Education is requiring me to report it under its own distinct code. I need to now go back into the budget and multiply every MSRS eligible salary line by 2.65% subtract that amount from the salary line and put the figure into the MSRS budget line. This will take several hours and I will start on it as time allows with the intent of having it completed before the September 30 report.***

Hospital / Home bound Services 9-12
Gifted and Talented 9-12
Health Services
Student Services 504, 9-12
Library RDMS, OH. There is a line named retirement teacher under OH, is this the same?
Instructional GB
Business Office
Superintendent Office
Administration SS
Instructional Tech GB

There are two lines listed under Improvement of Instruction, Guidance SS, Special Ed Admin., Should there be two lines? ***We had to create over 50 new account numbers, in some instances, two different numbers were created and in some instances a number in an account group that should not have been created and will go away once I get in and populate the budget amount for each MSRS account. Scott Vaitones***

There is MSRS listed under District Maintenance, should there be? ***See answer above.***

2. Lines 5310, Listed with money totals \$35,103.97, excluding any lines above not listing MSRS. This monthly amount by years end will total \$421,247.64. None of which is currently funded. How are we going to cover these expenses as the year progresses? ***I have no idea on which of 60 pages line 5310 is referring to. Scott Vaitones***

3. Copier leases lines 54440. Some are not showing any expenditure while others are over spent. Will these lines eventually balance out as the year progresses? The lease bill does not break out by school. ***I obviously misallocated parts of the invoice and will fix. Scott Vaitones***

4. Special Ed, extended year program K-8. Lines and Section are over spent. Is this for July only or does it continue for the rest of the year? ***The program is a July 2013 and August 2013 program. I will ask the new Special Education Director for some clarification. Scott Vaitones***

5. under Athletics in RDMS, St. G, and TGS. Lines are not funded and have had expenses charged to them. I thought all athletics had been moved to both east and west HS? All athletics are being moved to a separate athletic budget. ***What you are seeing are some costs that were set up a year ago and continue to hit the same account. I need to move these. It is one of the downsides of breaking up pieces in the budget and changing the accounts. Should be fixed by September 30th. Scott Vaitones***

6. Student Assessments K-12, line have been spent more than 50% during the month of July. Is this normal and as the year progresses slow up? Also is this where IEP's come from? ***Student assessments are things like NWEA testing and those typically get billed in the summer. Thus, I would expect this account to be spent at a higher percentage during the summer. Scott Vaitones***

IEP's per say have no cost in terms of assessments. The cost would be psychological examinations, occupational, physical and speech therapy, and possible assignment of a one-on-one ed tech and all of those costs would be within the special education budget. Scott Vaitones

7. Guidance RDMS, line 51060- What does the Manager salary cover? Line 51010 is for councilor. Is this a new position, Manager? ***The position was changed from guidance counselor to social worker and when I set up the account it auto filled the title line. I have gone in and changed the title line to Social Worker. It will show Social Worker on the next report. Scott Vaitones***

The overall budget is in the black. There are a lot of lines that exceeded there funded amounts. With some of the changes made in this current, 2013-2014 budget, I am in hopes a lot of the currently over spent lines will be fewer and hopefully none will be over spent this next year. ***I'm confused, all of the above questions relate to the 2013 – 2014 budget and there are no lines overspent in the 2013 – 2014 budget. Scott Vaitones***

Additional questions submitted by Don Robishaw -

1. There are multiple salary lines that where over budget. If the salaries are a fixed cost it is difficult to understand why they are in the red. A shortened list of those lines is Guidance, in multiple schools, CCS, GB, LL, OH, RDMS, and Business Office, multiple schools of Teacher, Secretary, and Ed Tech salary lines. ***First, with the exception of Transportation every single article was underspent last year. Transportation was overspent directly related to Special Education unanticipated transportation needs. In fact, the entire budget was underspent by \$621,584. I will further note for the public record that the Business Office salary line was overspent because I was paid a stipend of \$250 per week when Neal Guyer and I were appointed by the School Board to be the interim Management Team. Scott Vaitones***
2. Heating fuel district wide. The only school under budget was OHS-E. It appears the energy improvements made to east are showing the investment is paying back. The oil lines were overspent by (\$27,662.)? ***The estimated oil usage each year is based on a running 3 year average. I tend to try to estimate very closely so as not to over budget unnecessarily. The Article that heating oil is in; Article 10 was underspent by \$227,124. Scott Vaitones***
3. Computer lease lines are over budget. This makes me concerned about the new computer leases. I am in hopes we have budgeted enough going forward. ***I disagree with this statement. When all computer lease lines are added together both as budget and expenses, the lease lines were underspent by \$12,821 for 2012 – 2013. Scott Vaitones***
4. There was a charge to SS for MSRS of (\$7221.50), under line 52310. There is no other mention in this budget for MSRS expenses? ***This employee was miscoded and this amount should be showing in the benefits for teachers account number. Scott Vaitones***
5. Is the cause for the large amount spent in Legal services under the School Board negotiations? ***I would need to pull each bill and ask Drummond and Woodsum to break out each charge to more detail then the billing shows. Certainly a significant amount was spent on negotiations last year. Scott Vaitones***
6. Special Education throughout is over budget. Why would so many lines be over spent and lead to the Special Ed section over budget and leaving the Administration section having \$207,348.51 in the black? ***The Out of District placement costs are budgeted and paid under the Administration per a Department of Education requirement in terms of coding. The Out of District was underspent by \$217, 090, thus the reason the Administration under Special Education was so underspent. The Superintendent has made the Board aware of concerns in Special Education all year long and implemented some significant steps to address the program. Scott Vaitones***
7. The Transportation Article is overspent by more than (\$136,000.). The current budget has been adjusted in contracted transportation, and it is hopeful these lines won't be over spent in the current budget year.
8. Other fixed cost over budget such as copier leases, telephone, and Insurance lines. Was there a rate increase during the budget year? I see no benefit in going back and adding all of these up to see if they, as a whole were overspent. The entire budget was significantly underspent. ***Some of the under spending was the fact that support staff contracts went unsettled. Some was because identified needs during the budget process were not needed and some was from strong controls at the Central Office. Scott Vaitones***

Thank-you,
Don Robishaw

Adjourned 7:30