

**EAST HAVEN PUBLIC SCHOOLS  
FINANCE SUBCOMMITTEE MEETING  
EAST HAVEN HIGH SCHOOL BOARDROOM  
35 WHEELBARROW LANE  
EAST HAVEN, CONNECTICUT 06513**

**TUESDAY, MARCH 22, 2011  
6:00 P.M.**

**PRESENT:** Mrs. DePalma, Mrs. Maisano and Mrs. Vineyard

**ABSENT:** Mr. DeNuzzo, Mr. Hennessey, Mrs. Kluth and  
Mr. Palladino

**LATE:** Mr. Scalesse (6:37 p.m.) and Mr. Pompano (7:04 p.m.)

**ALSO PRESENT:** Mr. Serio, Superintendent of Schools  
Mrs. Forti, Assist. Supt. of Curriculum & Instruction  
Mrs. Acquarulo, Director of Pupil Services  
Mr. Joseph Travaglino, Director of Bldgs. & Grounds  
Mr. Lathrop, Business Administrator  
Mrs. Lewis, Finance Manager

**1. OPEN MEETING**

Mrs. Maisano called the Finance Subcommittee meeting to order at 6:09 p.m. in the Boardroom at East Haven High School.

**2. Discussion and Review of Transfers**

Mr. Lathrop explained how he would like to transfer certain amounts into the different accounts. Mrs. Maisano asked which amount was correct for the Unemployment Assessment Analysis – there was a total of \$101,000 but his budget for February 28<sup>th</sup> was \$96,000. Mr. Lathrop stated it was the amount of \$96,000. He explained that unemployment went down from our last bill. **She asked that from now on he put this into a larger font.**

Mrs. Maisano stated she was done with the transfers and was ready to get to the financial reports. She hoped he had the Little Jackets report from 2/28 which Mr. Lathrop stated he did. Mrs. Maisano spoke about the fund balances in the account from 6/30/10 to 2/28/11 and how he was now reflecting a positive balance but it should still be a negative. She asked him to tell her why. Mr. Lathrop explained this reflected only the operations in the given month per month, not how you were doing in the individual fund. This was just revenue and expenses.

Mrs. Maisano explained that the reports Mr. Lathrop gave were so different month-to-month. **She was looking for the net fund balance because they did not have that. Mr. Lathrop stated he could get that for her.**

There was discussion on the Little Jackets account. Mrs. Maisano wanted Mr. Lathrop to do the same report he did with the net change in fund balance plus beginning fund balance equaling the net fund balance. Mr. Lathrop stated they report these figures on a monthly basis. **The Little Jackets Report would be placed on the April 26, 2011 agenda.**

Mrs. Maisano brought up the Food Service account next and stated there was no balance on this either. Mr. Lathrop explained that compared to last year they were ahead of where they expected to be. Whitson's would have a better handle on where they were from year to year. There was discussion on parents not paying what they owed for lunches. Mr. Lathrop stated that currently the Board of Education does not have a charging policy and they had informed the parents periodically but their collection efforts had not gone well with the mailings they sent out to the homes. They could do another mailing with the balances indicated on them. Mrs. DePalma stated it would still not be rectified. **Mrs. Forti suggested that they implement some sort of charging policy to help get things under control. They needed to put in a no charging policy to clean up some of those outstanding balances.**

Mrs. Maisano stated she was okay with the food service right now, but had one more question regarding the Little Jackets. She questioned the intergovernmental amount being on one report and not on another. There were different amounts in other areas and also in payroll. Mrs. Maisano read off the discrepancies she saw for July, August, and September and how none of the figures equaled those in February. She did not know which report was correct and did not know which numbers to believe. **Mr. Lathrop stated he would go back and review the expenditures in the Little Jackets fund.**

Mrs. DePalma could not understand how it could be different when it was during the same time period he was talking about. **Mr. Lathrop will provide the report to the Board.**

Mrs. Maisano stated there was not a fund balance on the Athletic account either. She thought it was interesting though that there were intergovernmental revenues for Athletics. Mr. Lathrop explained that money gets put into it to pay for referees. He could show those cash transfers separately. He suggested that this should be listed as intra-governmental. Mrs. Maisano stated it was a transfer; he was just changing the wording and it did not make sense.

Mrs. Maisano spoke about the rentals next. She did not believe at all that from July to January, they had collected revenue of only \$7,000. Mr. Lathrop explained that the busy rental time was in the springtime during the weekends. Mrs. DePalma stated there was a lot more revenue in this account last year. Mrs. Maisano asked Mr. Travaglino what he thought regarding the activity of the rentals. Mr. Travaglino recalled seeing \$80,000 at one time so he was surprised regarding this amount for rentals.

Mrs. Maisano commented to Mr. Serio that this was a huge problem. There was no way they could have only collected \$1,300 in July; \$800 in August; \$1,400 in October and nothing in November. In December there was \$3,600 and in the month of January there was nothing. She had a huge problem with this. She asked why there was payroll in January. Who collected payroll? What was the payroll of \$900 in July for? There was discussion on professional services and why in July they had revenue in the amount of \$1,300 and there was \$1,600 in expenditures. Mrs. Maisano wanted to know who was doing the rental account. Which one of his seven people? Mrs. Lewis stated that it was Anita Mancini and herself. They were not in the busiest season to record actually what was accounted for in the bank statement. We reimburse payroll deposits that happen in the spring. Mr. Lathrop stated that the deposit holds your date.

Mr. Scalesse arrived at 6:37 p.m.

**Mr. Lathrop said if she did not believe the revenues shown there, then he could give her a copy of the revenues.** Mr. Serio stated if their net income from rentals was \$7,545, he would rather not rent it out at all because they were putting more into repairs and wear and tear on the building. The wear

and tear was a lot more than anyone pays for the building and the athletic events draws thousands to the complex. Mrs. Maisano stated they should be seeing a lot of money going into the athletic account. **Mr. Serio to go over the rental accounts and find out what the payroll was and not charged back and whether professional services was for cleaning or security.** Mrs. Maisano stated we need to do these accounts right.

### **3. Financial Report – Jason Lathrop**

The financial summary was discussed next. Mr. Lathrop reported that there was very little change where they forecasted breakeven in the last report. They needed additional revenue to find \$154,000 to get into the next year's budget. The Job ARRA Fund Grant was originally \$1.097 million and based upon this report they were cutting into it \$251,000. For Special Education it was \$790,000 for that account and they were still budgeting that for this year and next year.

Mrs. Maisano asked Mr. Lathrop to back up. There was discussion on the Special Ed Excess Cost amounts and figures in the report. Mr. Lathrop reported that primarily we fund Mr. Travaglino the correct amount and don't neglect our facilities. The discussion went back to Special Education Excess Cost. Mr. Serio stated that Special Education tuitions line item was one of the more volatile line items. As they had said, the difference between \$790,000 and \$595,000 was roughly a \$190,000 split which reduced your bottom line by \$190,000 and where you thought you could afford it through Education Excess Cost, it now has to come out of grant money.

**Mrs. DePalma felt they really needed to have a subcommittee for Special Education which they currently did not have. They needed to get a better handle on it and better understand it.**

Mrs. Maisano stated she had a couple of questions for Mr. Lathrop. Under our Support Instructional Program, he had projected in September \$38,000 yet he had projected in February \$16,000. Under Curriculum Review Material his actual number was \$7,500 and his report in February was \$15,729; and for Replacement Equipment he had \$8,800 and your actual cost in February for that was \$9,400. The Graduation Expense he had projected \$20,000 and now in February it was \$10,000. You said in December that Library and Office Supplies were forecast to be fully expended yet in February you say library

textbooks and office supplies were well under budget and was a candidate for potential savings.

Mr. Lathrop informed the Board that in the February report they lost revenue of \$190,000 and he adjusted his forecast from Excess Costs that came in and finished the purchasing in those individual line items in accordance.

There was discussion on when they had learned about where they were with the Excess Cost and Mrs. Acquarulo stated they had found out just within the last couple of weeks. The State server went down after that. Mrs. DePalma stated that Mr. Lathrop had said just the opposite.

Mrs. Maisano thought that the problem was with doing the Excel Spreadsheet because the numbers were easily transposed or changed. It was very easy to make the numbers look the way you want them to look and guesstimate the way you want to guesstimate. Fudging – everybody does it, and it is not right. She thought after looking at this for three hours, her problem was that you cannot just project and then take it back, project and change and take it back. She was having a very difficult time believing a lot of these numbers because they change at will and they do not know what it right and what is wrong. Mrs. Maisano did not believe they had a grasp on what they were spending. The Board was not getting \$790,000 they were getting \$597,000. Mr. Lathrop stated this was the first opportunity to report it and on the second page it states what they were not getting in the written report. Mr. Lathrop spoke for a bit about State revenues and how they were changing.

Mrs. Maisano questioned the projected salaries. She thought that salaries would be consistent. In September it was \$22,183,000 and now they were less. How could this be? Mr. Lathrop stated there were some minor differences. Mrs. Maisano stated the differences were \$391,000. How could they be off by so much in salaries? Mr. Lathrop explained that she asked that the report be done. Mrs. DePalma stated that both she and Mrs. Maisano had asked that it be corrected; Mrs. Maisano said and now it is my fault? Mr. Lathrop said they had requested the report be redone and he did that. Mrs. DePalma said they did not approve the request for accrual methodology. Mr. Lathrop stated they had requested he change it for the next report. Mrs. Maisano asked what method they were on now, and Mr. Lathrop responded that summer salaries for the administrators were charged back to the current year. That's why they would see the expenses go up. Mrs. Maisano stated the December report was the accrual methodology report. She had requested it be done the right way

and they were negative \$391,000. Mrs. DePalma asked which one was the accurate one. Mr. Lathrop stated this was the number. Mrs. DePalma commented that the accrual methodology magically appeared and made us balance.

Mr. Pompano arrived at 7:04 p.m.

Mrs. Maisano stated they don't balance just because it is correct.

**Mr. Serio thought the plan would be to talk to Joe Centofanti and ask him what number could be accrued. After tonight, he would be calling him tomorrow.**

**Mrs. Maisano thought that before this accrual methodology differential gap was approved, Mr. Centofanti needed to come and explain it to the Board. She thought he needed to see the condition of their books.**

**4. Any other business that might rightfully come before this subcommittee.**

There was no other business this evening.

**5. ADJOURNMENT**

Motion to adjourn was made by Mrs. DePalma and seconded by Mrs. Vineyard. Motion carries. Meeting adjourned at 7:05 p.m.

**RESPECTFULLY SUBMITTED,**

**CHRISTINE MAISANO, CHAIR  
FINANCE SUBCOMMITTEE**