

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

**TUESDAY, JUNE 22, 2010
6:00 P.M.**

PRESENT: Mrs. Maisano, Mrs. DePalma, Mr. DeNuzzo,
Mr. Hennessey, Mr. Palladino and Mr. Scalesse

ABSENT: Mrs. Vineyard

ARRIVED LATE: Mr. Pompano (6:16 p.m.)
Mrs. Kluth (6:35 p.m.)

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

1. OPEN MEETING

Mrs. Maisano called the Finance Subcommittee meeting to order at 6:08 p.m. in the Boardroom at East Haven High School.

2. Review of Invoices Dated June 23, 2010 for Fiscal Year 2009-10

There were no questions on the invoices this evening.

3. Discussion of Budget Transfers for Fiscal Year 2009-10

Mr. Lathrop stated they were ending the year with a positive balance. He had prepared the transfers in line item order.

Mr. Lathrop explained that he would be bringing back the object codes on a monthly basis. He stated he could go through each of them individually or they could ask questions. Mr. Palladino asked when all of the transfers were completed, where would they stand at the end of the fiscal year? Mr. Lathrop responded at approximately \$58,000 to the good. Mr. Palladino asked they had not over-expended anything, so they were okay at \$58,000 to the plus; correct? Mr. Lathrop responded correct.

Mrs. Maisano questioned the Meyers Transportation or moving cost. She stated that Mr. Lathrop had said they approved this PO. She did not recall that. She thought it was \$95 an hour or what was it? Mr. Travaglino responded that it was \$102/hr. They had planned on \$4,800 a day over a 10-day period plus incidentals, plus boxes and that would put them in the \$60,000 range. The PO was done for \$60,000. Mrs. Maisano asked when they approved that. Mr. Lathrop responded it was based upon the State bids and it was done a couple of months ago. They had approved the use of the vendor. They would not physically pay for that move until it was done. Mrs. Maisano asked if they had asked for a deposit. Mr. Lathrop stated no, they did not ask for a deposit. Mrs. Maisano stated her confusion was once they approved the lowest bidder at \$102/hr. that means they automatically approve the PO for that. She did not realize that. Mr. Hennessey thought that it was true.

Mrs. Maisano asked Mr. Lathrop to quickly go through the transfers. Mr. Lathrop went through each transfer and explained why each transfer was being made.

Mr. Pompano arrived at 6:16 p.m.

Mr. Palladino asked if they would be getting more assistance from the Public Works Department to keep their buildings and grounds expenses lower. Had they made a commitment yet? Mr. Lathrop stated he had some discussions regarding Overbrook that needed to be made. Mr. Travaglino stated there was a meeting that happened that had a positive tenor regarding the move. The move was too big for them and they asked us to keep them posted. Mr. Serio stated he would sit with Ralph and take a look at some of those initiatives at Overbrook School. There was paving, sidewalks and the fencing was not too

good. Mr. Serio stated that Ron Suraci would be there should there be a union issue on anything that was outsourced. Mr. Travaglino stated the contract allows for outsourced vendors as long as they don't take work away from the workforce.

Mr. Hennessey wanted to make a statement on the fact that he did not think they should be returning \$50,000 to the Town this year. He said Jason is in total disagreement. Mr. Hennessey said we scrimped and scrapped and there were a lot of things we didn't do and we should do them. Things like door keys and security and the alarm system. He did not understand why they would return the funds and not do things that they wanted to accomplish. Mr. Serio stated if they looked at some of the security issues, it would go in a blink. Mr. Serio stated he would be happy when he saw the end number. He felt a little "gun shy" on that.

Mr. DeNuzzo asked if they could put that money forward as an advanced payment on Worker's Comp. Mr. Lathrop stated yes. Mr. Serio said he changed his position. He wanted to make sure we utilize our appropriation while being conservative enough that it doesn't put us to be over-expended. Mr. Lathrop explained when his employees complete our summer payrolls, we will know by the 28th where our payrolls will put us and with open purchase orders it would determine how much flexibility Mr. Serio would have in executing purchase orders this year as Option 1. Option 2 would be paying the Town some dollars from an amortization point; that's all subject to working with the Town. He would defer to Mr. Serio and the Board how best to do that. Right now they were in the black and he did not want to be in the red.

Mrs. Maisano asked how comfortable he was with the \$58,000. Mr. Lathrop stated pretty comfortable. Mrs. Maisano asked about the technology improvements being done at JMMS. Mr. Lathrop stated he had spoken with Mr. Osborne and Mrs. Forti and it would be coming out of Title I or E-Rate funds that they received this year. It was about \$38,000 for the Fiber Optics. Mr. Lathrop stated they were working on developing items to address Mr. Hennessey's concerns to draw down the balance so they were not returning funds to the Town.

Mrs. Kluth arrived at the meeting (6:35 p.m.)

There was discussion on door locks and how there was an open PO for that. This had not been done during the last break. Mr. Travaglino thought that it was in the \$4,000 range and Mr. Lathrop thought that it was around \$1,400.

Now that the schools were empty they could do it comfortably and set up the system. There were a series of codes that needed to be issued. Teachers would not have keys to open the doors like they used to. Mr. Palladino wanted to make sure in the policy that teachers or employees who lose their keys to their door, need to pay to replace it.

4. Discussion of Financial Summary – June 2010

Mr. Lathrop went over the 3-page financial summary. Mrs. Maisano asked why they were so far off on the rental account. Mr. Lathrop stated he hadn't completely understood the cash flows associated with those rentals and the parties involved. It had taken him two or three months to get his arms around that. Mrs. Maisano asked where the costs were associated with those rentals. Mr. Lathrop stated in the 440. Mr. Lathrop finished going over the financial summary.

Any other questions?

Mr. Palladino had a question on the Workmen's Comp letter they had received from the Town. He had asked to have an actuary for the last five years. What it actually cost and what we put out. Did we get that? Mr. Lathrop stated if they gave him 5 minutes, he could get that for them. They were \$13-14,000 within Tom Thompson's number. That letter told them two things. The Town wants \$500,000 for Worker's Comp. This letter allows us to clarify what the Town needs from a Worker's comp standpoint and it amortizes the current budget over the next year's period.

Mr. Palladino had a problem with lump sum settlements being paid by the Board. We put money into the fund and that fund is supposed to handle Worker's Comp. Then we have a permanent partial settlement and we need to pay that also. He had a little problem with that. That's not the way this is supposed to work. We put into that fund and that fund is supposed to handle whatever it handles. It was not supposed to come back to us and say you have a lump sum; come up with another \$200,000-300,000. Mr. Lathrop stated when you take a look at the actuals, historically, they line right up with that \$925,000 amount. Mr. Thompson has been using the percentage allocation method. Mr. Palladino did not feel they should have to pay twice. Mr. Lathrop thought that based upon our historical claims, he thought Mr. Thompson was right.

Mrs. Maisano wanted to know if they had received an answer regarding the amortization period. Mr. Lathrop stated Mr. Thompson had not specified that

in his letter. He would like to see the performance of the fund and if he can decrease that then, it goes down.

Any further questions? There were none.

Mrs. Maisano hoped the number of \$58,000 stayed the same or they do some PO's for security issues. She wanted to know when they would know something. Mr. Lathrop hoped to have their payrolls completed and have a new budget report on Monday afternoon, June 28th. On the 29th and 30th, he wanted to see where they were and what margin for error there was in those individual accounts. He would report back to the Board on the 13th to give them an update as to how they did. Mrs. Maisano stated it was a sensitive time and you can't back date. She felt they needed to utilize the money for the children like Mr. Hennessey had said.

Both Mr. Serio and Mr. Lathrop wanted a number in the black. Mrs. Maisano asked if Mr. Lathrop would provide them with a sheet to review once the transfers and orders were done. Mr. Lathrop stated yes.

5. Discussion and Review of Operating Budget 2010-11

This item would be discussed during the regular meeting.

6. Any other business that might rightfully come before this subcommittee.

There was no other business.

7. ADJOURNMENT

Motion to adjourn was made by Mr. Palladino and seconded by Mrs. DePalma. Motion carries. Meeting adjourned at 7:00 p.m.

RESPECTFULLY SUBMITTED,

**MRS. CHRISTINE MAISANO, CHAIRPERSON
FINANCE SUBCOMMITTEE**