

**New Milford Board of Education
Operations Sub-Committee
March 4, 2008
Lillis Administration Building, Room 2**

Present:	Mrs. Wendy Faulenbach,* Committee Chairperson
	Mr. David Lawson*
	Mrs. Amy Llerena*
	Mr. Thomas McSherry*
	Mrs. Julie Turk*
	Mrs. Alexandra Thomas
	Mr. William Wellman
	Dr. Lisa Diamond, ex-officio Board chairperson

***Sub-Committee Members**

Also Present:	Dr. JeanAnn C. Paddyfote, Superintendent of Schools
	Mr. Thomas Mulvihill, Assistant Superintendent
	Mr. John Turk, Director of Fiscal Services
	Mr. John Calhoun, Director of Facilities
	Mr. Thomas Corbett, Interim Director of Operations
	Mrs. Adele Johnson, Director of PPS and Special Education
	Mr. Leo Rogoza, Assistant Facilities Manager

1.	The meeting of the New Milford Board of Education Operations Sub- Committee was called to order at 7:30 p.m. by Mrs. Faulenbach.	Call to Order
2.	No public comment.	No public Comment
3.A.	<p>Discussion and possible action</p> <p>Exhibit A.: Personnel – Certified and Non-Certified Appointments, Resignations and Leaves of Absence.</p> <p>➤ Dr. Paddyfote was pleased to announce the appointment of a highly qualified physics teacher for next year.</p> <p>Mr. McSherry moved to bring Exhibit A: Personnel – Certified and Non-Certified Appointments, Resignations and Leaves of Absence to the full Board for approval. Mrs. Thomas seconded the motion which passed with Mr. Lawson abstaining.</p>	<p>Discussion and Possible Action</p> <p>Exhibit A: Personnel – Certified and Non-Certified Appointments, Resignations and Leaves of Absence</p> <p>Motion made and passed to bring Exhibit A: Personnel – Certified and Non-Certified Appointments, Resignations and Leaves of Absence to the full Board for approval.</p>
3.B.1.	<p>Monthly reports</p> <p>Purchase resolution D-608.</p> <p>➤ Mrs. Faulenbach asked a question regarding the replacement of boilers at</p>	Monthly reports – Purchase Resolution D-608

	<p>Sarah Noble Intermediate School. Mr. Calhoun responded that two sections of the boiler have leaks. The boilers were installed in 1994. The minerals in the water have contributed to the problem. A treatment system is in place to counteract mineral content in the water.</p> <ul style="list-style-type: none"> ➤ Mr. Wellman asked for clarification of items on the purchase resolution. Mr. Calhoun answered the question regarding his department—funding for these items is in the budget. Mrs. Johnson answered the question regarding psychiatric consultations. 	
3.B.2.	<p>Request for Transfers</p> <ul style="list-style-type: none"> ➤ Mr. Lawson questioned the TV replacements—he wanted assurance that the sets would have digital capabilities and not be obsolete in a few years. ➤ Mrs. Johnson answered a question about the Franklin spelling devices. ➤ A question was raised by Mr. Wellman regarding the quantity of scientific calculators to be purchased. Mr. Mulvihill explained that with the large number of students taking CAPTs at one time, there is need for more scientific calculators. 	Monthly reports – Request for Transfers
3.B.3.	<p>Budget Position Report as of 2/29/08 There were no questions regarding the Budget Position as of 2/29/08.</p> <p>Mrs. Turk moved to bring the Monthly Reports to the full Board for approval. Motion seconded by Mr. McSherry and passed unanimously.</p>	<p>Budget Position Report as of 2/29/08</p> <p>Motion made and passed unanimously to bring the Monthly Reports to the full Board for approval.</p>
3.C.	<p>Gifts & Donations Exhibit B- PTO.</p> <p>Mr. Lawson moved to bring Gifts and Donations – Exhibit B:PTO to the full Board for approval. Mr. McSherry seconded the motion which passed unanimously.</p>	Motion made and passed unanimously to bring Gifts and Donations – exhibit B to the full Board for approval.
3.D.	<p>Magnet School Update</p> <ul style="list-style-type: none"> ➤ Dr. Paddyfote attended an Advisory Council meeting last Thursday to review enrollment, the operational plan, and 	Magnet school update.

	<p>funding. The magnet school is at capacity.</p> <ul style="list-style-type: none"> ➤ Twelve (12) additional students were accepted from non-participating districts. The students represent eight (8) non-participating districts. ➤ Every magnet school has been asked to update its operational plan – Danbury’s plan will go to the Danbury Board of Education. ➤ Mrs. Turk volunteered to be the Board representative for the magnet school; the next meeting is scheduled for May 15 at noon. ➤ Mr. Lawson asked if the district has received CMT results from the school. Dr. Paddyfote noted that testing results for individual students have been made available to the district. However, the school results have not been sent to the district. Dr. Paddyfote will request the information from Dr. Pascarella, Superintendent of Schools in Danbury 	
<p>3.E.</p>	<p>Internal Service Fund.</p> <ul style="list-style-type: none"> ➤ Mr. Lawson questioned how many years employees have not been self-insured. Mr. Corbett answered 2006-07 and 2007-08. ➤ Mr. Lawson asked for an accounting of the 2.2 million dollars in accounts receivable. That number and the fund total of 5.5 million dollars were recorded in a memo prepared by Mr. Miller at the request of Dr. Paddyfote. (Dr. Paddyfote stated that the accounts receivables amount is 2.4 million dollars). ➤ Mrs. Faulenbach listed the three items in the possession of committee members: Mayor’s office email received this date; Cramer and Anderson letter given at the Town Council meeting last evening and spreadsheet prepared by Mr. Corbett starting 1993-94. ➤ Mr. Corbett noted that the fund was started in 1986 as a medical reserve account to pay for medical claims. Initially motions were made to designate year-end balances to the Medical Reserve Account. 	<p>Internal Service Fund</p>

	<ul style="list-style-type: none">➤ The Board and the Town purchased a stop loss policy to pay for medical claims.➤ Mr. Corbett's worksheet included Board of Education expenses; payments made from operating budget of Board of Education; accounting for employees' deductions or cobra payments by individuals and retired teachers.➤ Mr. Wellman referred to the March 4 letter and posed three questions, not expecting answers this evening, so this Board can determine where to go from here:<ul style="list-style-type: none">○ (1) Mr. Jankowski reported 5.5 million dollars in the account and he indicated in fact that 3.2 million dollars in cash is in that account. Do we agree with this statement or not agree? If there is disagreement, on what basis?○ (2) The first paragraph refers to the majority of overfunding caused by improper budgeting techniques used by Board of Education, under estimating retired teachers co-pay resulting in overfunding in 2005-06 of \$507,028.95 and in 2006-07 overfunding of \$426,136.01; current year - another 400k-500k. Do we agree or disagree with these statements and if we disagree, on what basis?○ (3) Are the school's financial records maintained using generally accepted accounting standards.➤ Mr. Corbett answered the latter stating he was Director of Operations handling all fiscal matters which were all conducted and reported in accordance with accounting standards set by public accountants and State of Connecticut regulations.➤ Dr. Diamond agreed the Board needs to know the facts; a careful accounting should be available➤ Mrs. Thomas commented that since the Board of Education did not have access to	
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	<p>the money, how has the Board benefited. She further added that numbers were based on consultants working with insurers managing the fund and Ray Jankowski. She further noted that the Board of Education had a greater number of employees and therefore more claims – claims were based on estimates.</p> <ul style="list-style-type: none">➤ Mr. Corbett commented on a change in accounting. Prior to 1999-2000 the Board of Education was budgeting money, collecting money – those two numbers were going to the Town, netting budget expenses. After 2000-01, with no Town Council resolution, money went to the Internal Service Fund; there was no more netting; this procedure accounts for the variances shown on the spreadsheet.➤ 2006-07, when the premium method was instituted, no decision was made for premiums until July.➤ Mr. Corbett budgeted conservatively for the amount of employee contributions so as not to cause a deficit situation for the Board of Education.➤ Mrs. Turk asked if in 2006-07 the Board was not self-insured, why the variance was not applied to the operating budget. Mr. Corbett again reiterated the decision for premiums was not made until July.➤ Mr. Corbett was told that all bills would be paid out of the Internal Service Fund.➤ Mrs. Faulenbach commented that the history of the account is important as taxpayers would be interested in the history of the account.➤ She also added there are no accusations being made as the Board had asked for a history of this account.➤ Mrs. Llerena finds this entire matter very complex and agrees inviting Mr. Jankowski to attend a meeting.➤ Mr. McSherry urged that an accounting must be available on the Town side.➤ Dr. Diamond noted that we have only one	
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	<p>side of the picture, the town needs to provide its side to get all the answers.</p> <ul style="list-style-type: none"> ➤ Mr. McSherry stated that if the Board cannot touch the money, why put more money in the account than is necessary. ➤ Dr. Diamond is in favor of cutting back on the medical line; she would like to see the Town Council look at the Town's side of the issue. ➤ The list of questions include Mr. Wellman's, the accounts receivable accounting and the history of the account. ➤ Mrs. Turk prefers a meeting open to all Board members regarding this issue. ➤ Last night, March 3rd, the Mayor reported that the Town is going back to being self-insured. ➤ Dr. Paddyfote asked for a time frame for the administration to conduct a review and report back to the Board regarding this account. Mr. Turk noted that at least two weeks would be needed. Mr. Lawson suggested using whatever time is required on both sides to ensure it is done right. ➤ Dr. Diamond feels that doing a careful review makes more sense; she noted that these issues need to be addressed carefully and not be reactive. ➤ Mr. Wellman again stated that the March 4 letter alleges the Board did not follow proper practices. 	
4.	<p>Adjourn. Mrs. Thomas moved to adjourn the meeting at 9:11 p.m., seconded by Mr. McSherry. Motion passed unanimously.</p>	<p>Motion made and passed unanimously to adjourn the meeting at 9:11 p.m.</p>

Respectfully submitted,

Mrs. Wendy Faulenbach, Chairman
 Operations Sub-Committee