

**New Milford Board of Education  
Operations Sub-Committee  
April 1, 2008  
Lillis Administration Building, Room 2**

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

\*Operations Sub-Committee Members

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| Also Present | Dr. JeanAnn C. Paddyfote, Superintendent of Schools                 |
|              | Mr. John Turk, Director of Fiscal Services                          |
|              | Mr. Dave Elmore, Director of Technology                             |
|              | Mr. John Calhoun, Director of Facilities                            |
|              | Mrs. Adele Johnson, Director of Public Services & Special Education |
|              | Mr. Leo Rogoza, Assistant Facilities Manager                        |
|              | Ms. Ellamae Baldelli, Principal Sarah Noble Intermediate School     |
|              | Mr. Tom Atticks, Principal Northville Elementary School             |
|              | Mrs. Paula Kelleher, Principal John Pettibone Elementary School     |
|              | Mr. John Lee, Assistant Principal New Milford High School           |
|              | Mrs. Joan Kick, Assistant Principal Northville Elementary School    |

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| 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><b>Discussion and Possible Action</b><br/> <b>Exhibit A: Personnel</b> – Certified, Non-Certified Appointments, Resignations and Leaves of Absence</p> <ul style="list-style-type: none"> <li>➤ Mr. Wellman asked if personnel education majors could be included in the information.</li> <li>➤ Mr. Lawson noted that majors are taken into consideration when hiring.</li> </ul> <p>Mr. McSherry moved to bring Exhibit A Personnel – Certified, Non-Certified Appointments, Resignations and Leaves of Absence to the full board for approval. Mr. Lawson seconded the motion which passed unanimously.</p> | Motion passed to bring Exhibit A: Personnel – Certified, Non-Certified Appointments, Resignations and Leaves of Absence to the full Board for approval. |
| 3.B.1. | <p><b>Monthly Reports</b><br/> <b>Purchase resolution D-609</b></p>   | Monthly Reports – Purchase Resolution D-609   |

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|           | <ul style="list-style-type: none"> <li>➤ Mr. Wellman asked for the monthly rate per copy on the IKON lease. Mr. Turk will have to work out that number.</li> </ul>   |   |
| 3.B.2.    | <p><b>Request for Transfers</b></p> <ul style="list-style-type: none"> <li>➤ Mr. Wellman and Mrs. Turk asked to have account name included.</li> <li>➤ Mrs. Turk asked if reports could be sent electronically.</li> <li>➤ Mrs. Faulenbach stated that suggestion will be handled at a future meeting.</li> </ul>  | Monthly reports – Request for Transfers   |
| 3.B.3.    | <p><b>Budget position as of 3/31/08</b></p> <ul style="list-style-type: none"> <li>➤ Mr. Turk noted the budget position is \$600,000 less than last year. Mr. McSherry moved to bring monthly reports to the full Board for approval, seconded by Mr. Lawson and passed unanimously.</li> </ul>  | Motion passed unanimously to bring the Monthly Reports to the full Board for approval.  |
| 3.C.      | <p><b>Adult Education Grant</b></p> <p>Mr. John Lee explained each year applications are made with the State of Connecticut. Each city’s grant percentage is different, New Milford is 24%, however, at the end of the year the percentage is reconfigured. Also a \$20,000 E L Civics grant is available. In addition, money from enrichment programs during the year can be used for mandated programs. New Milford Adult Education is one of the top performing programs in the State with 684 enrollees. Support is needed for the program.</p> <p>Mr. Lawson moved to bring the Adult Education Grant to the full Board for approval. Motion seconded by Mr. McSherry and passed unanimously.</p> | Adult Education Grant. Motion passed unanimously to bring to the full Board for approval.   |
| D.1. & 2. | <p><b>Gifts and Donations</b></p> <ol style="list-style-type: none"> <li>1. Exhibit B: PTO</li> <li>2. Exhibit D: MVP-SOS</li> </ol> <p>Mr. McSherry moved to bring Gifts and Donations to full Board for approval, seconded by Mr. Lawson and passed unanimously.</p>   | <p>Gift and Donations</p> <p>Exhibit B: PTO</p> <p>Exhibit D: MVP-SOS</p> <p>Motion passed unanimously to bring Gifts and Donations to the full Board for approval.</p> |
| E.        | <p><b>BEST Mentor Candidates</b></p> <ul style="list-style-type: none"> <li>➤ Mr. Wellman asked for qualifications for the candidates. Mrs. Baldelli and Mr. Atticks</li> </ul>  | BEST Mentor Candidates<br>Motion passed unanimously to bring BEST Mentor  |

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|              | <p>replied - some of the qualifications: teaching for 5 years, one year in the district; candidates express interest or are approached. Candidates display leadership qualities. Mrs. Baldelli explained mentors are assigned to teachers coming into the district to acquaint them with procedures.</p> <p>Mr. McSherry moved to bring the BEST Mentor Candidates to the full Board for approval. Mr. Lawson seconded the motion which passed unanimously.</p>  | <p>Candidates to the full Board for approval.</p>  |
| <p>F.</p>    | <p><b>Healthy Food Certificate</b></p> <ul style="list-style-type: none"> <li>➤ Mr. McSherry commented on the decrease in food consumption in the cafeteria.</li> <li>➤ Dr. Paddyfote noted there is a reimbursement of 10 cents per meal; 85 districts participate in the program.</li> </ul> <p>Mr. Lawson moved to bring the Healthy Food Certificate to the full Board for approval. Mrs. Turk seconded the motion which passed unanimously.</p>   | <p>Healthy Food Certificate<br/>       Motion passed unanimously to bring the Healthy Food Certificate to the full Board for approval.</p> |
| <p>G. 1.</p> | <p><b>Food Service Update</b></p> <p>1. Financial</p> <ul style="list-style-type: none"> <li>➤ Mr. McSherry asked for the plan for next year in light of the negative trend.</li> <li>➤ Mr. Lawson commented the healthy food program needs to be continued unless finances get out of hand.</li> <li>➤ Dr. Paddyfote added that sales are down with healthy foods because of the cost.</li> </ul> <p>3. Program for 2008-09</p> <p>Dr. Paddyfote noted that with Mr. Wilson retiring, the Board needs to discuss whether to continue with an in house or outside program. Resumes are being received.</p> <ul style="list-style-type: none"> <li>➤ Mr. McSherry does not have information on outside contractors.</li> <li>➤ Dr. Paddyfote noted outside contractors would work with employees hired by the district; an administrative fee is charged. In</li> </ul> | <p>Food Service Update –<br/>       Financial</p> <p>Program for 2008-09</p>   |

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|       | <p>addition, due to confidentiality, administration would have to handle students who get free and reduced lunches.</p> <ul style="list-style-type: none"> <li>➤ Mr. Lawson is leery of losing control; he would rather hire a qualified person.</li> <li>➤ Mrs. Turk noted that different job descriptions would be required for a supervisor of an outside program versus someone in charge of the entire program. Mrs. Turk asked if other districts’ programs had been researched.</li> <li>➤ Mr. Wilson is retiring June 30, but he has taken steps for next year’s program.</li> <li>➤ Dr. Paddyfote will post an Anticipated position for a full time Food Director.</li> </ul>  |                          |
| 4 .A. | <p>Field Trip Memo<br/>         There was no discussion regarding the Field Trip Memo.</p>  | Field Trip Memo          |
| 4. B. | <p><b>Medical Insurance Review</b><br/>         Dr. Paddyfote presented extensive research as follows:<br/>         Starting with <b>background information</b> including the three questions posed by Board members; Board agrees with \$3,146,935 in the account as shown on exhibits “proprietary funds June 30, 2007” and “Statement of cash flows, June 30, 2007” - (\$2,409,181 due from other funds is shown on the former statement).</p> <p>Question 2 and response included a statement by Dr. Paddyfote “. . .we believe a traditional method based on recent historical trends present a solid methodology”</p> <ul style="list-style-type: none"> <li>➤ Mr. Wellman asked how being off by half a million dollars a year could be sound methodology?</li> </ul> <p>Question 3 and response cited quotes from auditors’ reports.</p> <p><b>Historical and related information:</b> The Memorandum of Understanding in its entirety was included with signatures dated April 25, 1986;</p> | Medical Insurance Review |

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| <p>Dr. Paddyfote emphasized items 1, 5 and 9 of the said Memorandum of Understanding.</p> <p>Town Council Resolution 1993; minutes of Council meeting February 8, 1993 included the resolution creating the New Milford Medical Insurance Internal Service and Reserve Fund highlighting establishment of the fund, preparation of the annual medical expense estimates, use of the fund and investment of the fund. Dr. Paddyfote could not find any record of the reports referred to in the resolution from the Town's Director of Finance.</p> <p>Medical Internal and Service Fund reports received by the Operating Committee of the Board: the Town's Director of Finance reportedly told the former Board of Education's Director of Operations that the monthly reports were no longer needed, therefore, as of April 2003 no further reports were issued.</p> <p>Payments from Administrative Services Only (ASO) account showing payments from ASO for 2006-07. Deposits into account were from COBRA payments, premium sharing, retired teachers, etc.; Payments are for reimbursement for benefits not covered by insurance.</p> <p>Exhibits for employee medical premium sharing, employee census, calculations of employee contributions for medical and dental insurance: (with the offering of a two plan option, of the 380 teachers 6 participated - far below expectations). Census presented for years 1999-2000 through 2007-08 broken down by individual, two person plans and families. Budget projections performed two ways came within \$14,000 of each other.</p> <p><b>Summary:</b> 1986 to 2000 Town and school district had Medical Reserve Account; 2000-01 fund became an Internal Service Fund.</p> <p>The Board of Education requested one draw down from the fund for \$270,000.</p> |  |
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| <p>The fund is not under the control of the Board of Education. Not until March 4, 2008 was the Board told of the inaccuracy of its estimations.</p> <p><b>Future considerations</b> include how the Board can manage medical insurance issues in the future. If the Town’s Director of Finance has sole authority for managing medical insurance for the Town and the BOE, he should be invited to address the Operations’ Committee on a quarterly or bi-annual basis regarding the status of the Board’s medical insurance line.</p> <p>Mrs. Faulenbach thanked the administration for the research.</p> <ul style="list-style-type: none"><li>➤ Mr. Wellman asked who prepared the estimates? Dr. Paddyfote replied Director of Operations.</li><li>➤ Mr. Wellman asked what formula was used;</li><li>➤ Dr. Paddyfote stated two years of historical and the current half year data. Mr. Turk added by using half year data times two, it was felt that was solid data considering the variables.</li><li>➤ Mr. Wellman reiterated half million is a substantial mistake; taxpayers had to pay additional taxes and the money was not available to be used in the school system.</li><li>➤ Mr. Lawson noted that medical claims can be substantial; now taxpayers are going to be receiving relief from the fund on the town’s side. He asked for more time to review the information provided.</li><li>➤ Mr. McSherry has many questions that need to be answered; also Board did not know until March 4<sup>th</sup> about the overfunding. The town’s account withdrew 2.4 million dollars; no withdrawals should take place without approval of the Town Council. The Board is guilty of overfunding, but not spending.</li><li>➤ Mrs. Faulenbach agreed there are many questions; relationships need to be</li></ul> |  |
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Operations Sub-Committee Minutes

April 1, 2008 – 7:30 p.m.

Lillis Administration Bldg., Rm. 2

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|  | <p>established so Town and Board can get past the issues and be cognizant of where to go in the future.</p> <ul style="list-style-type: none"><li>➤ Mr. Wellman agreed; responsibility of budget preparation is that of the administration and the Board and shifting blame to the Director of Finance is no way to instill confidence in this Board or the administration. There is a critical problem of confidence in the administration and the Board with respect to this financial matter.</li><li>➤ Dr. Diamond noted the Board does prepare its budget; there is interplay between the Town and the Board. There should be more communication. A big part of the budget preparation is specified to be discussion with the Town. Dr. Paddyfote stated typically the Director of Finance and the Director of Operations would go over the budget. The Board did not know of the change from self insured to premium until the evening before the budget referendum. Also, the numbers reported in Mr. Jankowski's document were not the same numbers as in the Board's budget book for contributions. The insurance consultant gave anticipated claims the Board was responsible for, the claims were not that high.</li><li>➤ Mrs. Turk assuming this issue will go to the full Board, recommended inviting the Town's Finance Director to that Board meeting to ask questions and get answers. Mrs. Turk questioned Dr. Paddyfote's statement that rules changed. A collaboration between town and Board was held in January and again in May, however, no reports were available after April 2003.</li><li>➤ Mrs. Turk noted the Finance Director's letter indicated under estimates with retired teachers – can retired teachers be broken out; why did Mr. Jankowski feel a major portion of under estimates was with retired teachers.</li><li>➤ Dr. Diamond suggested meeting with the Town will help to figure out what went</li></ul> |  |
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|    | <p>wrong so as not to repeat it. Pointing fingers is counterproductive. There is a need for more communication.</p> <ul style="list-style-type: none"> <li>➤ Mrs. Faulenbach contacted Mr. Jankowski this morning and asked for the audit report which was supplied. She also encouraged him to attend the Operations Sub-Committee meeting.</li> <li>➤ Mr. McSherry has issues and questions that he intends on bringing to the Town Council. He feels that the Board did their review but he still has questions for the town regarding the town’s handling of this fund. If the Town’s Director of Finance controls the fund, what role does the Board play?</li> <li>➤ Mr. Wellman stated the fund has not been used as a slush fund.</li> <li>➤ Mrs. Faulenbach agreed.</li> <li>➤ Mrs. Faulenbach asked the Superintendent if the Board had ever received a report from the Town’s Director of Finance as stated in the Town’s Resolution. Dr. Paddyfote responded that to her knowledge, no report has ever been provided to the Board.</li> </ul> |  |
| 5. | Mr. McSherry moved to adjourn the meeting at 9:12 p.m., seconded by Mrs. Turk. Motion passed unanimously,   | Motion to adjourn at 9:12 p.m. passed unanimously. |

Respectfully submitted,

Wendy Faulenbach, Chairman  
 Operations Sub-Committee