

**MINUTES
FINANCE SUBCOMMITTEE
GUILFORD BOARD OF EDUCATION
NOVEMBER 3, 2008**

IN ATTENDANCE:

BOARD OF EDUCATION MEMBERS: Alan Meyers, Mary Beeman, Keith Bishop, William Bloss, Barbara Dudley and Ted Zuse

BOARD OF EDUCATION STAFF: Thomas Forcella, Andrew Potochney, Clifford Gurnham and Linda Trudeau

Mr. Potochney stated that the new IRS regulations regarding 403B Plans are effective January 1, 2009. Mr. Potochney noted that Hooker & Holcomb & Omni to administer the plan. Dr. Meyers questioned what the cost of hiring them to administer the plan. Mr. Potochney stated that the start-up fee is \$6,400 and that all others fees will be paid by the vendors.

Mr. Potochney reviewed the Early Retirement Plan that was requested by the Teacher's union. Dr. Forcella stated that the impact of offering the plan was reviewed and that a number of people are eligible. These employees are spread across all schools which could limit the impact in any one area. Mrs. Dudley questioned if there are other plans. Mr. Potochney responded that there are but the Ohio plan allows the Board to pay back over three years and it is run by the State. Mr. Potochney added that any employee participating in the plan would waive their sick pay buy-out which adds to the savings. Mr. Zuse stated that he was not in favor of offering the plan at this time. Dr. Meyers suggested that it would be best to wait a year. Dr. Forcella noted that it could result in a larger number of employees opting to take the plan.

Mr. Gurnham stated that the Security grant was presented to the Board awhile back and the Board had questions about the systems that would be installed. Mr. Gurnham stated that the \$12,300 of grant funds includes the installation of card access systems in Cox, Jones and Baldwin Schools. The total cost to install the systems is \$39,000. Mr. Gurnham noted that the security systems were bid out. Dr. Forcella stated that the Board's concerns were not using a buzzer system and a video system. Dr. Forcella added that he does not want to give the grant money back to the State. Mr. Gurnham detailed the security plans for all schools and the details of the security bid. The security budget was discussed. Mr. Zuse questioned if there was a five-year plan for security. Dr. Forcella stated that the Board's opinion of security plans is hard to judge and that this gives a two year plan. Dr. Meyers added that it also depends on what happens with Adams and the High

School. Mr. Bloss questioned if this plan was approved by the Police Department. Mr. Gurnham stated that it was.

Mr. Potochney provided an update on the Pension Plan. Mr. Potochney noted that in July 2007 the plan was over 100% funded. Mr. Potochney stated that the total plan in July was \$32,918,000 and in September it was \$31,340,000 which is down 1.5 million or 5%. Mr. Zuse noted that October was a bad month for investments. Mr. Bloss asked at what level is the plan considered fully funded. Mr. Potochney stated that it is 80 to 85% and that we have not been making the full actuarial contribution because we were funded at a higher level.

Dr. Meyers stated that he has spoken with members of the Board of Finance and that they are in favor of establishing a Capital non-recurring fund. Dr. Meyers added that the Board of Education would have to fund it through the budget process. Mr. Potochney added that the funds would be under the Town control. Mr. Zuse stated that the Board of Finance has told him that they would provide funding from some source. Mr. Bloss expressed that establishing the fund has advantages and disadvantages. Mr. Bloss stated that establishing a capital non-recurring fund will be on the agenda for the next Board meeting.

Mrs. Trudeau reviewed the financial reports for October 2008. Mrs. Trudeau stated that at the end of October 24.94% of the budget has been expended compared to 23.31% for last year. Mrs. Trudeau stated that the Salaries categories were higher than the prior year due to the inclusion of three payrolls in the month and that the Employee Benefits categories approximates the prior year. The over-expenditure of the unemployment account was discussed. The Purchased Services and Tuition account were discussed. Mrs. Trudeau stated that the current projection is that the Tuition account will be over budget. The Supplies and Materials and Capital categories were discussed. Mrs. Trudeau noted that the credit in the Equipment line item was due to reimbursement from the Technology Lease. Mrs. Trudeau noted that the Transportation budget is lower than last year due to the timing of invoices. The warrants for October were reviewed.

Mr. Zuse commented on the recent news report regarding Amity Public Schools Student Activity Fund and the missing funds. Mr. Potochney stated that the goal is to review the Student Activity Fund policies and procedures.

The meeting was adjourned at 7:25 p.m.

Respectfully submitted,

Linda Trudeau