

Financial Oversight Committee of the
Region 9 Board of Education
November 24, 2009

Filed subject to approval

Attendance: Poltrack, Gold, Karvelis, Cable, Gombos, Lewis, DeSalvo

Also in attendance: Fossbender, Sullivan, McMorran, Neidenbach

Mr. Poltrack called the meeting to order at 6:35 pm.

Mr. Karvelis moved to approve the October minutes. Mr. Lewis seconded. Motion passed unanimously.

Public Comment – There was no public comment.

Investment Policy – Mrs. Sullivan said the investment policy was given to the Region 9 Board for a second reading.

Refinancing of 2002 Bonds – Mrs. Sullivan distributed an analysis of refinancing of the 2002 bonds. Mr. Karvelis moved to recommend that the Region 9 Board approves the resolution as written by council. Dr. Gold seconded. Motion passed unanimously.

Conversion of Short Term Notes to Long Term Notes – Mrs. Sullivan said that \$1.63 M of short term notes will mature in July. She will ask Phoenix for an update and an analysis relating to rolling over the short term notes into 10 year long term notes at the appropriate time.

Approval of Invoices – Mr. Lewis motioned to approve four invoices: Atlas Track and Tennis for \$37,713.92; Gale and Associates for \$8,585.00; U.S. Bank for \$500.00; and Phoenix Advisors for \$2,500.00. Mr. Karvelis seconded. Motion passed unanimously. In addition, Mr. Lewis motioned to approve an invoice to Shipman and Goodwin for \$5,000.00 for legal services relating to the building project. Mrs. Gombos seconded. Motion passed unanimously.

Year-To-Date Results – Mrs. Sullivan presented the year-to-date results. Unemployment compensation was over budget by approximately \$6,000. Also, year-to-date results relating to special education tuition payments were discussed. These were operating lines 561 and 563. The Region is in the process of waiting for settlements and results of outplacements. The Region budgeted for a State reimbursement rate of 70%. Mrs. Sullivan also said that the electricity rate has been locked in for the next three years at 9.375 cents per kilowatt hour. This is essentially the same as in the past. She doesn't expect much variation in short term electricity costs. Mrs. Gombos suggested that the Region undergo an energy audit. Mr. Karvelis suggested that the Region review its communication rates and consider other vendors, such as, Optimum. Also, the bidding of property and casualty insurance was discussed. Mrs. Sullivan said the cost has been flat over the past several years.

Health Insurance Reserve Update – Mrs. Sullivan said that October claims were \$105,000. The average for the last four months was \$133,000 and the budgeted monthly amount was \$150,000. There was a discussion about accruing the unfunded liability for health insurance for retirees.

Mr. Lewis moved to add the building project to the agenda. Mr. DeSalvo seconded. Motion passed unanimously. The State approved \$33 M and based the Region's eligibility for reimbursement on that number. Mrs. Sullivan said the Region is in the process of documenting change orders to account for the \$38 M spent on the building project. This will make the Region eligible to receive additional reimbursement.

Operating Fund Surplus – In August, the Board moved to put \$20,000 of operating fund surplus into the Pension account. That recommendation was adjusted. Mr. Karvelis moved to recommend to the Region 9 Board to put the \$100,000 operating fund surplus into two accounts: 80% to Health Insurance Reserve and 20% to Capital Reserve.

Public Comment – Mr. Logie asked Mrs. Sullivan to compute the cost of health insurance per employee. Mr. Neidenbach suggested that Mrs. Sullivan creates a calendar that lays out future dates for negotiation of electricity and other operating costs.

Mrs. Gombos moved to adjourn the meeting at 7:25 pm. Mr. Karvelis seconded. Motion passed unanimously.

Respectfully submitted,

Roberta Cable, Secretary