

**TCGIS Finance Committee Meeting**  
**Minutes: March 9, 2010**

**Attendees:** Debra Haessly (Chair), Michael Dorneich, Christian Engelbrecht (GAI), Annika Fjelstad, Kim Kompel, Renee Moelders, Andrew Oxenham, Mike Shapiro (SBS), Mary Zellmer-Bruhn

Meeting was called to order at 6:37 pm.

First item of business was to approve February Finance Committee minutes. Kim Kompel motioned to approve the meeting minutes; Andrew Oxenham seconded; minutes were approved.

Mike Shapiro asked if there were questions about the February financials.

- Debra asked again about the accounting and lines for SCRIP in general – and specifically the one for \$5000 currently under non-instructional supplies elementary. It seems to have moved around, nothing shows up as spent against it, but other non-instructional lines are overspent. If this is money from GIEF, then perhaps expenses should be applied to it. Someone else noted that it seems like it could be an error because all the supply budgets in this section are \$500 and this one is \$5000. Mike says it was done in the revision and he'll check it.
- Andrew Oxenham then asked about why so much less has been received in lease aid. Mike said it is because the state is paying the lease aid through the general ed fund and it is not clear why. We are getting the amounts we are due.
- Andrew asked about the ARRA (Fed Stimulus) funds and if there is a reason why we haven't received revenue in some categories. Mike said we have received \$23,000+ this month in Fed stabilization; that is coming and more will be. With respect to the categories where we have received no monies, Mike said he met with Annika and they are going over ISIS and special ed to make sure we are doing what we need to do to get the funds. Annika then provided some context because she's been tracking the Federal stimulus money. There was confusion about which special education position in our school was using that money. Emily suggested that we fund the position through special ed and that accessing the Federal money wasn't possible because it is a split position; but it may be possible. Dave will review and revise the grant paperwork, and we should be able to have Mike draw down that money in the very near future. Kim asked for clarification, since we are getting that position paid through special ed anyway. Mike noted that there hasn't been much spent (\$8000) so far, and this might be shifted to state

special ed. Currently our state special ed dollars (which will be updated next week) will cover totally what has been budgeted. State has been paying based on updated in EDRS so state special ed dollars are covering Jennifer Nieter's position. Changes were made last week and those coding changes will come and be reflected next month.

- Renee then asked about the line on page 5 for consulting service fees – elementary and what it is. Mike thought it is substitutes, and this line is for the formal teaching temps. Annika says we have cut way back on the use of teaching temps. Mike pointed out that salaries on elementary subs are much lower. Renee then asked why that amount coded to the consulting fees \$299.25 didn't match the payment register for payments to Teaching Temps. Mike said those reflect items yet to be coded/detailed.
- Andrew Oxenham asked about field trip transportation. These were more questions about field trips in general. Revenues offset the costs of the items. Michael Dorneich again asked for a special report to track field trips.
- Title VIII is stabilization funds; we need to review the teacher salaries for KG. Only so much money has come from stabilization funds, so the extra had to get coded to the first teacher line under general fund which shows 83% but that is only because it is partially the second teacher until the stabilization funds are all received.
- Andrew Oxenham then asked about page 4 with respect why health insurance is so high versus the budget. This is because of the insurance problems and the premiums we paid which we are getting reimbursed slowly from the individual's payroll deduction.
- Michael Dorneich asked some questions about special ed spending. Mike Shapiro said expenditures will all get caught up as they get properly coded.
- Then discussion moved to supplies. We are at 101% for supplies in total now; Renee reminded the committee that we endorsed Annika to purchase supplies with some of the budget for furniture and equipment. Annika asked Sharon to make estimates and looks like we need around \$3000 for supplies which include cleaning and also some English books for 5<sup>th</sup> grade for next year. Annika noted that she is starting to save on supplies by having the PTO reimburse for some supplies – this is showing up under miscellaneous revenue. We also have received higher donations that in some cases are earmarked to certain curriculum materials.
- Michael noted that we may want to consider a revised budget or at least track things like the origination fee that is not currently in the budget. We discussed how to keep track of the changes we are making like the increase

in salary cost of \$5000 for SAM, the loan origination fee, the authorization for Annika to spend on supplies from a different lines. Renee will keep a running document of the changes to the budget/items/recodes. We will use this document in the event we do a revision.

- Debra noted that in the future we also should allow some flexibility for Annika to spend across certain categories, like within the supplies budget. Perhaps this needs to be cleared with the finance committee at the very least.
- Michael D. asked about utilities at 70% for operations; where is that in relation to the year. We are already at 70% of the year. This is on track because March rent was already paid.
- Michael D then asked about the loss in the fund 01. This is only showing up here because of the holdback. To understand the year end, must compare this against the hold back.
- Then, discussed the lease aid possibility move for K-plus fund. Mike S is shifting some of this in FY11, but this may not make sense in FY12. We need to talk about this in the budget discussion.
- Moved to the dashboard and discussed the improving cash flow projections. Why is this happening? Mike said that we are being paid on 192 but we budget on 190. Explanation is that payroll is under budget. We are not spending to budget; \$8000/mo additional cash adds up to about \$30,000 total. Discussion ensued about this. It seems surprising to Annika; no significant changes occurred in personnel. Current estimate is having around \$38,000 in cash remaining at the end of the year.

Discussion moved to line of credit. The paperwork is completed since the projections from our preliminary budget can be used to make the application. Mike says you should have cash reserves (including the line of credit) to cover three pay periods. We decided that Debra will seek a line of credit that is \$100,000, but if it will cost us more to get it in two segments to get to \$150,000, we told Debra to do the \$150,000.

Discussion moved to the FY11 budget planning.

- 235 ADM; the estimated budget is at current per pupil rates (i.e. does not reflect that 8.7% cut the board decided to base the budget). This is the rosy picture.
- With this rosy picture, we would end FY11 with a 14% fund balance. This is also based on full enrollment, not on our typical less than full enrollment (235 is a fair project on how many students we will really have). If we want

our typical conservative strategy would be 225, and that was \$50K in the hole).

- Class size assumptions:  
Maximum based on enrollment and re-enrollment which is 245.  
KG = 48 (44)  
1<sup>st</sup> = 48 (46)  
2<sup>nd</sup> = 38 (36)  
3<sup>rd</sup> = 39 (37)  
4<sup>th</sup> = 32 (30)  
5<sup>th</sup> = 23 (21)  
6<sup>th</sup> = 17 (15)  
Items in parentheses add up to 229 ADM. Reasonable estimate on how many really will show up is 235. If we took out 90% of maximum we have 221.
- Discussion ensued about this as too harsh. Last year FY10, budget approved at first was on 190. We were budgeting on 223.
- At 223 we have 66,000 deficit before any budget reductions.
- If we assume the 8.7% cut, then we have a 171, 000 operating loss with 223 students. We would still have a 5.7% fund balance.
- Renee noticed that there may be some workers comp insurance bump that we did. She doesn't think that is in the budget – would need to reflect up in benefits.
- Andrew asked a question about the German federation grant --- recalls that there were 2 grants in one year (08). No one can recall and Mike S and others will look into this.
- Renee asked about purchased services from \$6000 to \$2000 for admin. Annika noted that this was at least in part for Stefanie for Powerschool. Is this enough based on SAM's needs?
- Renee said supplies are down 27% -- probably because of the grant. She did a summary of supplies and detail of supplies. A lot of that was science lab, which is done. We are way down in elementary instructional supplies (74% less). Debra said we are counting on GIEF and ZFA coming back to cover supplies. Must be on the table. On page four of the budget the numbers and breakdown doesn't make sense. Need to discuss this.
- Debra pointed out that fundraising revenue is not in the budget, and often that is earmarked for supplies.

- We decided we need to put realistic numbers in the budget.
- Currently in the budget is the information from Marcy on what each class needs, and supplies that Sharon identified as office supplies.
- Michael suggested that take the budgeted items and bump it up an additional amount per classroom (e.g. \$300/400). We decided to (for now) add the 300 per class to non-instructional supplies.
- MZB noticed an error in the office admin position so we updated that which should save \$15000.
- Also decided to get rid of reading helper (2<sup>nd</sup> grade).
- Mike pointed out that the big money buckets are admin, gen ed instruction, and lease aid. That supported a move to the lease. We also discussed the lease. We pay more above the lease aid we get, we have nearly \$30,000 that we pay out of gen ed for the lease that is not covered by lease aid. We also could negotiate the amount for utilities payment. It looks like we could address this and save a big chunk of money.
- In the current budget, specialists are not cut. But, doing so cuts teacher prep time. It may save money in 4<sup>th</sup> and 5<sup>th</sup> grade, but in K-3, this would have an impact on preparation.
- Amity lowered costs are in the budget.
- We combined the English classes for 4<sup>th</sup> and 5<sup>th</sup> but not 3<sup>rd</sup> in the current proposed budget.
- Michael D. pointed out that we are nibbling.
- A 1% raise would increase the bottom line about \$6000.
- A discussion ensued about Q-comp. Annika pointed out that we could do it for next year, that we could do this, but it would be tough. The application is due in July.
- If do Q-comp get an extra \$240 per student. In addition to incentives for teachers, we would have to put into a position to coordinate it at about 25%.
- Our “Fachberater” said that we could perhaps be “given teachers” (maybe two teachers) as support but it is uncertain when this would happen, and the German government would decide which teachers.

- Looked at removing gym and music and lease which only got us to a \$75,000 deficit.
- Also looked at reducing the lease.
- Looked at ½ art, ½ phy ed, and music being removed.

We ended the meeting with a second version of the budget based on 225 ADM, an 8.7% reduction in aid, Q-Comp, some specialist time, and a negotiated 20% decrease in utilities. This budget version produced a net loss of \$31,000, and a fund balance of 13.2% at the end of FY11

Meeting ended at 10:15pm.