

TCGIS Finance Committee Meeting Minutes: April 13, 2010

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

Meeting was called to order at 6:30 pm.

First item of business was to approve March Finance Committee minutes. Renee Moelder motioned to approve the meeting minutes; Michael Dorneich seconded them; the March 2010 minutes were approved.

Second item was review of March financials.

- Mike Shapiro asked about the current ADM. Annika noted that it is at 191 today; the budget is based on 190. This means that revenues and estimated hold back should be reasonably close.
- Audit process identified that Federal Special Ed funds were overpaid by about \$5500 last year, and this is what the check register “repayment” was. Mike explained that you must spend at least as much in State Special Ed in the current year as the year previous which can result in a shift of dollars from Federal to State to get “maintenance of effort.” Because this money was/would be paid from the State and will/should be paid by the State, and is based on expenses, it is a budget neutral item.
- Mary Zellmer-Bruhn asked about FLAP spending. Annika noted that an extension is expected and that she is looking into the formal process. Regarding the \$7800 in federal indirect costs, Mike noted that they are mostly allocated to salaries and benefits. There is also money attached to FLAP on technology/equipment. Michael Dorneich asked about the amount of the indirect and it was explained that it was a percent of the expenditures and that we cannot claim any more or less.

ACTION item: Finish the FLAP extension process.

- Debra noted that the \$5,000 budget line in GIEF supplies had been moved to the correct spot. She asked if the expenses should be transferred to this line since they were originally slated for classroom setup and had been spent. Mike noted that we have received \$17,000 of GIEF money, but only spent/coded about \$7500 to GIEF so there must be coding errors.
- Annika says that more than \$7500 should have been coded to GIEF – for example, she says \$5000 in furniture was/should have been coded to GIEF. Mike pointed out that all the budget on GIEF was set up as supplies, but if

capitalized assets were purchases (furniture/equip) then these would have to go into equip/supply category and there is not an equip/furniture category in GIEF.

- Debra asked Mike if we could have a report of supplies expenses to review to determine what should be recoded and shifted to the appropriate budget. Mike said that a report could be done and this could be recoded, but there could be a need for coding oversight at the school.

ACTION items – SBA to run report on supplies. Annika will provide Mike with her report of what was spent on classroom setup and what should have been coded to GIEF for those furnishings.

- Mike noticed that we received another \$3000 of GIEF funds last month. Annika wanted to have that \$3000 count on next year's budget and Renee asked if it is possible to do that. Mike said if the grant specifies expenditures that are in the budget for next year, we could do so.
- Renee asked where the Target Red card is coded. Mike said he thinks maybe in donation and that Target presents a check once a year to the school.
- Michael Dorneich asked about miscellaneous revenue – Mike said \$1500 is the school sign rebate.
- Mary Zellmer-Bruhn asked about Transfirst Epayment services for which the service fees were \$203.62. This is Acceptiva; some 3% goes to this service fee. MZB suggested that we charge parents this fee.
- Mary Zellmer-Bruhn asked about the fees at Park Midway. Debra will send an email about what she learned about the fees.

Moved to discussion of a salary adjustment proposal by Annika; she presented a handout on salaries and compression. Three people were identified whose salaries needed this particular type of adjustment. The finance committee proposed that we take 80% of the difference before equity adjustment and grant that dollar amount in raises to the three employees. This proposal will go to the Board for approval.

Debra moved us along to the FY11 budget and noted the version changes she had sent with the agenda.

- To be prepared for the eventuality of a 5% or more cut in the future due to changes in hold back repayment down the road, the board decided that the FY11 budget should reflect a target net income of 5% of the FY11 total budget (positive) in order to be able to add approximately 5% to the fund

balance, thus creating a cushion for future reductions. This would require approximately a \$62,000 net income in the FY11 budget.

- With this in mind, the committee made adjustments to salaries to reflect the proposal made by Annika.
- The committee also decided to remove the assumed reduction in operational costs with the lease until we actually secure such reduction (had been assumed to be \$20,000).
- With these changes, the budget showed a deficit for FY11. The committee then considered our current enrollment estimates and decided that it is appropriate to assume 98% of total enrollment. With the corresponding increase in revenue, the budget is at about a \$28,000 net income.
- If we secure the \$20,000 reduction in operational costs from the landlord, the net income would be around \$48,000 which is getting close to the 5% target.
- The committee decided at this point to present this budget to the board.

Annika shared a proposal developed by a teacher to allow employees to pool sick days for employees who have longer illnesses. The committee discussed the financial implications and considered options including investigating the cost of short term disability.

- The committee determined that the additional/differential number of sick days that would likely be paid out under such a policy could cost approximately \$10,200/year.
- An alternative would be to consider employer paid short term disability, which would cost the school at least \$4000/year.
- A final option would be to consider the school adopting an employee paid short-term disability plan (for which there may be a minimum number of employees who would need to participate in order to offer). Annika will look into the requirements of such an employee-paid plan.
- At the moment the committee feels that no option that would increase the FY11 budget is appropriate.

Mike Shapiro was excused so the committee could discuss business/accounting service providers. Annika said we are securing bids and have met with some vendors of financial services but Annika said we are not yet at a place where we can decide. SBS's proposal is for next year is \$35,000 and we are currently paying about

\$2500 for payroll from our current provider (CMERDC). Care is being taken not to compare apples and oranges since vendors provide different services.

Debra is going to step down as treasurer. Renee has agreed to step in, but will run for the board to make the cleaner transition. Debra will be around for another month or two as this transition takes place.

Meeting adjourned at 9:23 pm.