

F.O.I. Compliance

REGION 4 BOARD OF EDUCATION

Date: May 14, 2020

Subject to approval at a future meeting

Special Meeting – REMOTE MEETING held

(To view a recording of this meeting, please visit our website www.reg4.k12.ct.us and select “Remote Meeting Recordings” under the BOARD OF EDUCATION Heading)

Attendance:	<u>Region 4 BOE</u>		<u>Administration:</u>		<u>Other:</u>
(√ = attended)	Kate Sandmann	√	Brian White	√	Mike VanDeventer
	John Stack	√	Kristina Martineau	√	(Mahoney Sabol)
	DG Fitton	√	Richard Huot	√	
	Jane Cavanaugh (arrived 6:05)	√			
	Rick Daniels	√			
	Trisha Brookhart (arrived 6:05)	√			
	Jennifer Clark	√			
	Lori Ann Clymas	√			
	Paula Weglarz	√			

Call To Order: 6:00 p.m.

Items/Discussion:

Public Comment – Virginia Carmany of Chester asked why the return of unexpended funds was being capped at \$158,215 as she is concerned that a substantial deficit in the former sinking fund will still remain and would like to see the entire fund balance be applied. She requested a full discussion about options for additional deficit reduction; including how the Health Insurance Fund deficit is factored into future options and possible insurance options. She also asked that Board members demonstrate their understanding of these issues.

Chair Sandmann thanked Ms. Carmany for her comments. She then asked Superintendent White to provide a brief overview of what we’ve learned about what the Board can and can’t do with regards to the unexpended funds from 2018-19.

Superintendent White reported that after consultation with both our auditor and our legal counsel, State statute requires that the amount applied to the capital deficit be capped at \$158,215 as that represents the unexpended balance of the 2018-19 expenditure appropriation and complies with the 1% statutory limitation.

Mr. VanDeventer of Mahoney Sabol explained that the difference of \$43,065, between the \$158,215 amount and the full 2018-19 fund balance of \$201,280 was the result of higher than anticipated revenues and as such, based on his recommendation, the amount that may be applied to the capital deficit should be capped at \$158,215.

A motion was made by DG Fitton and seconded by Lori Ann Clymas to apply \$158,215 of unexpended 2018-19 funds to reduce the reported capital sinking fund deficit.

During discussion of the motion, Mr. VanDeventer stated that he had advised Superintendent White to seek legal counsel as to whether or not there was a way to apply a larger amount. Superintendent White reported that he had reached out to legal counsel, who also advised that the law requires the amount in this case to be capped at \$158,215, as that represents the unexpended portion of appropriated funds for 2018-19. The remaining \$43,065 must be returned to the member towns.

Legal counsel also advised Superintendent White that the only other option available to the Board would be to determine if the Board wishes to petition the towns to, once they are in receipt of the returned surplus funds (derived from the unanticipated revenue), give those surplus funds back to the Region 4 BOE through a special appropriation, for the purpose of further reducing the capital sinking fund deficit.

There was a desire by the Board to direct the Superintendent to approach the towns regarding this option. However, being unable to amend the motion on the agenda due to it being a special meeting, the Board instead reached a consensus to direct the Superintendent to reach out to the towns on behalf of the Board, to ask their willingness to give any returned surplus 2018-19 funds back to Region 4 as a special appropriation to further reduce the reported capital sinking fund deficit.

On motion duly made and seconded, the Board unanimously VOTED to approve the recommendation of the Superintendent to apply unexpended 2018-19 funds in the amount of \$158,215, for the purpose of reducing the reported capital sinking fund deficit of \$429,279, as of June 30, 2019, by \$158,215.

The Board moved on to the next motion listed on the agenda.

On motion duly made by Lori Ann Clymas and seconded by DG Fitton, the Board unanimously VOTED to approve the recommendation of the Superintendent, per the guidance of the auditors, to return surplus 2018-19 funds, derived from higher than anticipated revenues, in the amount of \$43,065 to the Towns of Chester, Deep River, and Essex based on the 2018-19 ADM distribution as follows:

Chester 22.57%	= \$9,719.77
Deep River 33.75%	= \$14,534.44
Essex 43.68%	= \$18,810.79
TOTAL RETURNED = \$43,065	

The Board moved on to the next motion listed on the agenda.

On motion duly made DG Fitton and seconded by Jane Cavanaugh, the Board unanimously VOTED to approve the transfer of funds currently held in the TD checking account known as the "Construction Account" (and formerly referred to as the Capital Sinking Fund) in the amount of \$94,146, the account balance as of June 30, 2019, to the Region 4 General Fund. This amount will not serve to reduce the current reported deficit total of \$429,729 (total prior to any monies approved for deficit reduction in an earlier motion this evening) as the reported deficit total already took into account the June 30th balance. This transfer will only serve to physically move the money into the general fund where it has already been accounted for.

The Board moved on to the final motion on the agenda.

On motion duly made by DG Fitton and seconded by John Stack, the Board unanimously VOTED to approve the transfer of the remaining balance of funds currently held in the TD Bank checking account known as the "Construction Account" (and formerly referred to as the Capital Sinking Fund) in the amount of \$25,319 to the Region 4 General Fund for the purpose of reducing the reported Capital Sinking Fund deficit. This amount was derived from a budgeted transfer from the Region 4 General Fund 19-20 budget and, upon transfer back to the General Fund, will further reduce the reported Capital Sinking Fund deficit by \$25,319. This transfer will also serve to zero out said TD Bank Checking account. Upon approval of this motion, the Board directs the Superintendent to oversee the closure of the TD checking account once the approved transfers of funds results in a balance of 0.00 dollars in the TD checking account.

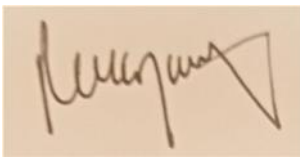
Prior to adjourning, the Board asked to confirm that Superintendent White will reach out to the three towns regarding their willingness to appropriate the returned 2018-19 surplus funds back to Region 4 for the purpose of further reducing the reported capital sinking fund deficit.

Superintendent White confirmed that he would contact the towns on behalf of the Board. He will report back to the Board with the towns' replies, as well as with information regarding any additional options the Board may have available to them within the current fiscal year for further reduce the remaining deficit, by way of a special meeting, as applicable.

ADJOURNMENT:

On motion duly made by Lori Ann Clymas and seconded by DG Fitton, the meeting adjourned at 6:28 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Rick Daniels", is written over a light-colored rectangular background.

Rick Daniels
Secretary – Region 4 Board of Education