

An open work session of the Board of Education of the City of Vineland was held in the Board Room, 625 Plum Street, Vineland, New Jersey, Wednesday, December 2, 2009 at 7:11 p.m., pursuant to notice with Mr. Giordano presiding and the following members present: Mr. Bernardini, Mr. DeWinne, Mr. DiGiorgio, Mr. Fanucci, Mr. Franceschini, Mrs. Phillips, Ms. Rios, and Mr. Ulrich. Absent: none.

Also present: Dr. DeGiacomo, Interim Superintendent, Dr. Gruccio, Assistant Superintendent, Mr. Franchetta, Board Secretary, Mr. DeSanto, Board Solicitor, Mrs. Polof, Director of Special Education, Ms. Greenfield, Executive Director of Personnel, press and public. Absent: none.

Mr. Giordano announced that in compliance with the New Jersey meeting law commonly referred to as "The Sunshine Law," the Vineland Board of Education has caused notice of this meeting.

Flag salute:

Special
Presentations:

Mr. Stephen Testa from Romano, Hearing, Testa & Knorr Accounting Firm presented the 2008-2009 Audit. He said that he will explain the format and contents of the report along with the related information that the board has received. Mr. Testa said the Comprehensive Annual Financial Report (CAFR) consists of four sections. The first section is an introductory section prepared by district management that discusses district goals, accomplishments and future outlook. A financial section, which includes the financial statements, schedules and notes to financial statements. The statistical section presents the demographic information, tax rates, debt information of the city and school district. Mr. Testa said the last section is the single audit section which contains the reports and schedules that are required. The Auditor's Management Report on Administrative Findings, Financial Compliance and Performance is the report on management and includes the audit findings and recommendations. Mr. Testa said the CAFR is over 250 pages and has a lot of information to absorb. He reviewed a few if the financial highlights of the summary. Mr. Testa said there are two ways a district can generate fund balance one is to have excess revenues and the other is to have unexpended appropriations. The district had an excess in budgeted revenues of \$323,000 and unexpended appropriations of 12.9 million dollars. Mr. Testa said the total fund balance generated was 13.2 million dollars. Included in that fund balance was 5.2 million dollars that was anticipated to utilize with an adjustment of prior year encumbrances of \$98,000. Mr. Testa said the net fund balance that was generated for the year was \$7,852,000. He said the composition of fund balance as of June 30, 2009 consists of reserves for encumbrances of \$104,000, reserves for excess surplus of 13.3 million and 8.6 million in reserves for excess surplus designated for subsequent year's expenditures.

Mr. Testa said we have \$1.00 in the capital reserve account, \$640,464 reserved for inventory and \$52,112 designated for subsequent year's expenditures. He said the net unreserved and undesignated amount including the final state aid payments of 13.3 million dollars is about 3 million dollars, which is the amount the district is allowed to have. Mr. Testa said the state requires districts to only maintain 2% of the general fund expenditures with some minor adjustments for any unbudgeted additional non-public school transportation aid. Mr. Testa said the total general fund budget appropriations were \$166,277,668 and \$153,370,000 was expended, which is 92.24% of the general fund expended. He said the district's revenues were \$168,802,000 with transfers from special revenue for school based budgets of about 2.1 million dollars. Mr. Testa said the total revenues and transfers in were \$170,927,000 and the expenditures out totaled \$162,838,000 with \$236,000 transferred out to the special revenue fund for preschool. The total expenditure transfers out totaled \$163,075,000 with an increase in fund balance of 7.8 million dollars.

Mr. DeWinne asked what we are classifying as inventory. Mr. Testa said primarily the maintenance and automotive supplies.

Mr. Testa reviewed the following findings and recommendations:

1. N.J.A.C. 6A:10-2.1(d)9 and N.J.A.C. 6A:23A-6.8 require that a Position Control Roster containing certain required components be maintained by the District. The District maintains a Position Control Roster and the information required to be included therein, and has made progress to incorporate the required components being maintained in separate reports into the roster. It was noted however, a few of the components are still maintained on separate reports and have not yet been incorporated into the Position Control Roster.

Recommendation:

The District should continue the progress it has made to incorporate into its Position Control Roster certain required information that is currently being maintained in separate reports.

2. The unexpended balance of prior year New School Facility Funding (Additional EOA) which was reported as a Due to Grantor balance at June 30, 2008 was not returned to the State during the year ended June 30, 2009 as required.

Recommendation:

Due to Grantor balances must be returned to the Grantor in a timely manner.

Mr. Giordano asked if it was an oversight that the unexpended balance of the prior year New School Facility Funding Due to Grantor balance was not returned to the State. Mr. Testa said he believes it was an oversight.

3. Semi Medicaid two instances were noted where services had been provided, however the required parental consent forms were not available for review.

Recommendation:

The District should be certain parental consent forms are obtained prior to eligible services being provided and should maintain the forms in the student's file.

4. Semi Medicaid there was an instance where reimbursements had been claimed for two annual IEP meetings for the same student. Only one annual IEP meeting per student may be claimed.

Recommendation:

The District should exercise more care when entering data for services provided and work with the billing consulting firm to be certain it can identify potential duplicate service entries.

5. N.J.A.C. 6A:23A, et.seq. requires boards of education to adopt certain policies, in particular the following: Travel and expense Reimbursement Policy, Public Relations and Professional Services Policy, Policy on SEMI Reimbursement, Nepotism Policy, Contributions & Contract Awards Policy, Policy on Exceeding Purchase Order Amounts and a Vehicle Tracking and Use Policy. While the Board of Education has had policies and/or procedures in place for most of those areas, and is in the process of updating all of their policies, they have not been updated to conform with the requirements of N.J.A.C. 6A:23A et.seq.

Recommendation:

The Board should adopt/update policies pertaining to Travel and Expense Reimbursement, Public Relations and Professional Services, SEMI Reimbursement, Nepotism, Contributions & Contract Awards, Exceeding Purchase Order Amounts and Vehicle Tracking and Use as required by N.J.A.C. 6A:23A et.seq.

6. During testing of free and reduced price lunch applications one (1) application was noted as reduced that should have been classified as paid. The misclassification resulted in a minor over claim which has been identified by the auditor on the Schedule of Meal Count Activity.

Recommendation:

The free and reduced lunch applications should be carefully reviewed by district personnel and properly classified as free, reduced or paid.

7. A few student activity cash disbursements lacked proper supporting documentation and/or approval.

Recommendation:

Proper supporting documentation and approvals should be maintained for all student activity cash disbursements.

8. The district under reported one (1) student for on-roll testing.

During the private schools testing it was noted that two (2) student classifications did not agree with the related IEP's.

There were five (5) students reported on the ASSA as resident LEP, not low income, and according to lunch applications qualified as low income, and as noted in the School Food Service section of this report one (1) student who was reported as resident low income, did not qualify as low income.

Recommendation:

The District should report student classifications consistent with those contained in the student's IEP's and be certain all students are reported in the proper category on the A.S.S.A. report.

Mr. Testa said with respect to the findings and recommendations there was really nothing substantial for a district of this size and a good job was done. Since there were findings and recommendations the board is required to prepare a Corrective Action Plan, which he understands has already been done.

Mr. Testa said after approval the audit needs to be sent to the county superintendent's office within thirty days. Mr. Testa noted that Mr. Franchetta, Mr. Smith and Mr. Rochetti along with the entire financial staff did an excellent job this year. He also commended the board and administration for continuing to recognize the importance of the financial reporting and compliance functions.

Mr. Fanucci thanked Romano, Hearing, Testa & Knorr for making the audit concise and easy to follow.

Comments by

Board Solicitor: None.

Items for Review:

A. Superintendent

1. **Personnel Items** – Mr. Giordano asked if there will be any additions next week. Ms. Greenfield responded yes.
2. **Placement of Special Education Students** – No discussion.
3. **Budgetary Transfers** – No discussion.
4. **Acceptance of Funds** – No discussion.
5. **Travel** – No discussion.
6. **Appointment of Public Agency Compliance Officer (P.A.C.O.)** – Mr. Giordano asked for an explanation of this position. Mr. Franchetta said the state changed the timelines and this now has to be approved in December.
7. **Cancellation of Checks** - Mr. Franchetta explained that these are payroll checks for people we are unable to locate and by state statute we are required to send the money to the Department of Treasury, Unclaimed Property.
8. **2009-2009 Comprehensive Annual Financial Report (CAFR) and Auditor's Management Report** – No discussion.
9. **Approval and Implementation of 2008-2009 Comprehensive Annual Financial Report (CAFR) and Auditor's Management Report in accordance with the Corrective Action Plan (CAP)** – No discussion.

10. **Standard Operating Procedures** – Mr. Franchetta said this is a manual on how the business office is run, which the state is now requiring us to have this on file by December 31.
11. **Community Health Care, Inc. Agreement** – Mr. Giordano asked if this was the office located at Brewster and Chestnut Avenue. Mr. Ulrich said yes it is the same organization. Mr. Giordano asked if there was a charge. Dr. DeGiacomo said no.
12. **Cumberland County College Clinical Education Agreement** – No discussion.
13. **Rate Change for Supplemental Educational Services (SES) Contract** – Mr. Franceschini asked why the Vineland district does not handle all of these services. Dr. DeGiacomo said we do not have enough staff.
14. **Action Research Project** – Mr. Giordano asked if this was separate from the mentoring. Dr. DeGiacomo said it is one piece of the requirement that needs to be done.
15. **Rennoc Corporation Jacket Donation** – Mr. DeWinne mentioned that we are receiving these jackets through the efforts of Mr. DiGiorgio.

Mr. Bernardini asked where the jackets are stored. Mr. DiGiorgio said they have been distributed to all the schools.

B. Board

1. None.

Review of Bills: Mr. Franceschini asked for an explanation on check #158. Mr. Franchetta said he will get back to him tomorrow on this.

Public Comments: Raheem Caldwell
Mr. Caldwell expressed his concern in regards to policies that he feels were not followed.

Travis Amstutz, Teacher & Coach

Mr. Amstutz said he hopes the board is fully aware of what is going on in regards to the head baseball coach position and a fair decision is made.

Committee

Reports: Mr. Franceschini said discussed at the Curriculum & Technology Committee meeting was the LEAP Program. The committee is starting to review the high school curriculum specifically at college level to make sure we are consistent.

Mr. Franceschini said we are going to revisit the structure of the Small Learning Communities to see if they can be modified and made more efficient. Also discussed was the new elective course AP Social Studies/Geography, which will be approved at the January board meeting. Mr. Franceschini said our concerns were responded to in regards to the K12 update and most will be corrected in the very near future.

Mr. Fanucci said discussed at the Finance Committee meeting was the audit and the committee wanted to compliment Mr. Franchetta and his staff for again a great job. He said the committee has been able to come up with some good ideas and will continue to explore options in regards to grant writing. Mr. Fanucci said Mr. Franchetta along with Mr. Smith have provided quite a bit of information for the 2010-2011 budget for the committee to review. Also discussed were alternate energy sources for money saving ventures in the district.

Mr. DeWinne said we need to discuss the Request for Proposals (RFP's). Mr. Fanucci said yes and he will schedule something in January.

Dr. DeGiacomo mentioned that there has been an initiative from the Department of Education about shared services and consolidation. She said each of the county offices are structuring committees to look at the various aspects. Dr. DeGiacomo said various Vineland staff members have been asked to serve on these committees because of their expertise.

Mr. Franceschini asked if it is a possibility that Vineland could acquire a smaller district or high school. Dr. DeGiacomo said the Department of Education is looking at districts that send students to a particular high school and the logical consolidation of those districts with the high school they send their students to now.

Unfinished

Business:

Mr. DeWinne asked what the status of the maintenance bid was. Mr. Franchetta said Mr. Cox is working with Mr. Weaver to have the bid put back out.

Mr. Giordano said a School Safety Committee has been established with an initial meeting and he is holding up on conducting a second meeting until the arrival of the new superintendent.

New Business: Mr. DeWinne said he has received several requests in regards to Johnstone School needing kick balls.

Mr. Giordano reminded everyone that next week's board meeting will take place in the Vineland High School South auditorium with the select choir performing. He said also a student disciplinary hearing will be held on Wednesday, December 16, 2009 at 6:30 p.m.

Adjournment: The Board adjourned to executive session at 7:56 p.m.

Respectfully submitted,

Kevin J. Franchetta, CPA
Board Secretary

KJF:df