

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 3, 2014 at 9:38 p.m., pursuant to notice with Mr. Medio presiding and the following members present: Mr. DeWinne, Mr. DiGiorgio, Mr. English, Mr. Jennings, Ms. Morello and Mr. Ulrich. Absent: Ms. Rios.

Also present: Dr. Guccio, Superintendent, Mr. Frey and Mr. Frangipani, Assistant Superintendents, Mrs. Haley, Interim Board Secretary, Dr. Rossi, Executive Director of Personnel, Mr. DeSanto, Board Solicitor, press and public. Absent: None.

Mr. Medio 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 to be sent to the following, announcing time and place thereof, agenda, etc.: The Daily Journal, the Atlantic City Press, Clerk - City of Vineland, and Administrative Office Public Bulletin Board.

Flag salute:

Resolution: None.

Special

Presentations: Dr. Guccio introduced Mr. Purvesh Patel, Sodexo Director of Food Service, to discuss the PayPAMS Service.

Mr. Patel said on October 16, 2014 the Food Service Department introduced a new tool that gives parents the ability to view and pay for their child's school meals online. He discussed the PayPAMS Service, which is an online system that integrates with our current PCS System and our student data base.

Mr. DeWinne asked if the \$1.95 fee for online payments could be negotiated away. Mr. Patel responded that they already waived the \$800 set up fee. Mr. DeWinne asked how many students have signed up. Mr. Patel said approximately 630 students.

Ms. Morello stated that there would be no fee if funds were sent to school. Mr. Patel agreed.

Mr. English asked what the policy was when parents have not sent in funds. Mr. Patel said we serve a cheese sandwich until attempts have been made to pay the balance. Mr. Patel added that letters re sent home when the students' account balances reach \$10.00.

Ms. Morello asked if parents can check to see what purchases the children are making. Mr. Patel responded yes.

Mr. English said in the future he would like to discuss CEP with Mr. Patel. Mr. Patel said the purpose of the CEP was to eliminate the paper application but with our district we receive a numerous amount of paper applications for free and reduced lunch in addition to the direct certified students.

Mr. Ulrich asked what the audit rate is for free and reduced lunch. Mr. Garcia, Auditor, said 3% of the applicants and it varies from year to year.

Ms. Morello asked if at the time of registration parents are encouraged to fill the paperwork out for free and reduced lunch. Mr. Patel said absolutely.

Mr. DiGiorgio asked if the software determines who is actually utilizing credit cards. Mr. Patel said yes he believes there is a tool that breaks it down by payments.

Dr. Gruccio introduced Mr. Michael Garcia, Audit Partner, from Ford Scott & Associates, LLC to present the 2013-2014 Audit Report.

Mr. Garcia said he is here tonight to present the results of the audit for the year that ended June 30, 2014. He said as part of the audit there are two documents the Comprehensive Annual Finance Report (CAFR) and the Auditor's Management Report (AMR). Mr. Garcia said in last year's audit there were five recommendations. He said one of them was quite severe and related to the general ledger needing significant adjustments to be brought into balance. Mr. Garcia said this year there were three recommendations and the issue with the general ledger has been resolved. He said the Interim Business Administrator has done a terrific job in making sure it was addressed.

Mr. Garcia reviewed the following findings in the Auditor's Management Report (AMR):

Finding No 1: There are Homeless Tuition Accounts Receivable from various other School Districts totaling approximately \$230,000 that have been outstanding for more than one year. These amounts relate to fy 2012-2013.

Mr. DeWinne asked if this \$230,000 was originally picked up as revenues in 2012. Mr. Garcia said it was 2012-2013 revenue. Mr. DeWinne asked if we were to lose this money would it create a larger hole in surplus. Mr. Garcia said it would charge off to surplus. Mr. DeWinne said as part of the audit you determined the money is still collectable. Mr. Garcia said in the audit it is still listed as a receivable and has not been written off. Mr. DeWinne asked if there are any methods to do this without a collection commission. Mr. Garcia said frequently the districts that owe money will deny it is their student. He said hopefully we have the county intervening on our behalf to help the process along and it may be something the attorney will have to handle if we do not get a resolution from the county. Mr. DiGiorgio asked if he has ever recommended writing off this receivable. Mr. Garcia said they rarely recommend this. Hopefully a letter from an attorney will help with the collection before it gets to that point. Mr. Medio said this is not an audit problem that Mr. Garcia has to explain this is a problem administration is dealing with and has to explain. Mr. DeWinne said if we owe these districts money for other things then that is our bargaining chip.

Finding No 2: For Student Activity Funds on some occasions receipts were not deposited in a timely manner, support was missing for some of the disbursements selected for testing, and bank reconciliations were not always accurately completed.

Ms. Morello asked if this is something that could be addressed in the upcoming VEA contract. Mrs. Haley said we have an employee in the business office that works with the people in the schools who handle student activity accounts. She said he is going to hold workshops to show them how to do things hands on.

Finding No. 3: Enrollments reported on the district's ASSA did not agree with the enrollment per the district's work papers.

Mr. Garcia said those were the findings and he would like to briefly discuss some of the financial numbers that are in the Comprehensive Annual Financial Report (CAFR). He said page 64 is the final page of the General Funds Budgetary Statement. Mr. Garcia said the beginning of the year fund balance was \$24,798,057.46 and we ended the year with \$23,298,056.97. He said it was a reduction of 1.5 million dollars.

Mr. Garcia said the fund balance is broken down into several components. He said the first is Capital Reserve, which we ended the year with \$727,175 and it could only be used for our local share of Capital Projects. Mr. Garcia said that money was budgeted and used in your 2014-2015 budget. He said we have \$8,202,919.18 that is the Reserve for Excess Surplus and set aside to be used to fund your 2015-2016 school budget. Mr. Garcia said there is additional excess surplus titled Designated for Subsequent Year's Expenditures in the amount \$7,207,174.43. This is the amount from the June 30, 2013 year that you were over the 2% and has been utilized in the 2014-2015 budget as a funding source. Mr. Garcia said you have encumbrances of \$1,920,235.40, which is a reserve for unpaid bills and invoices at the end of the year. He said it is perfectly normal for school districts to have outstanding bills where the cash does not get disbursed until July or August. Mr. Garcia there is \$1,961,590.57 in Designated for Subsequent Year's Expenditures. He said this is additional fund balance that the district had on hand when the 2014-2015 budget was drafted. In the Unassigned Fund Balance there is \$3,278,962.39, which is 2% the maximum amount you are allowed to retain from one year to the next. Mr. Garcia said these amounts total the \$23,298,056.97 that he mentioned in the beginning of the discussion. He feels the fund balance recap is the part that Board members are most interested in a presentation.

Mrs. Haley said the C-1 Schedule that Mr. Garcia reviewed is the same one that she presented to the Finance Committee. She said the \$8.2 million that Mr. Garcia referred to we had already used in the budget projection for 2015-2016.

Harassment, Intimidation and Bullying (HIB Report), Suspension Report, Cunningham Alternative School Report/Average Daily Attendance – No discussion.

Comments by

Board Solicitor: None.

Public Comments

on Agenda Items:

Lee Burke

Mr. Burke said he was involved in the Strategic Plan. He did some statistics on the hourly rate for the work on the plan and it came to \$30,000 in free time. Mr. Burke said the process was one of the most gratifying experiences he had compared to his professional career. He said when you plan you are trying to make projections into the future. Mr. Burke said over the three sessions we collaborated, understood and agreed on basic things. He said the hardest part of the process was doing the strengths, challenges or weaknesses.

Mr. Burke said we had more challenges than strengths. He felt that all the goals are something you should see in any school district's Strategic Plan and are legitimate educational goals that should be strived for and followed.

Items for Review:

A. Superintendent

1. **PERSONNEL**

1.1 **Personnel Items** – Mr. Morello expressed her concern on the amount of people who are out on medical leave and asked if we have any wellness programs in the district. Dr. Guccio said we had a health fair. Mr. DeWinne said one of his concerns is people who put in for retirement and all of a sudden are taking time. Ms. Morello said you do not know what came first the illness or the retirement. Mr. Ulrich said he thinks medical documentation from a doctor is needed in order to be on an extended illness. Dr. Rossi said it is a complicated issue and it is a shame, in his opinion, that the medical officials do not regulate these kinds of things. Ms. Morello asked if we have any discounts through our insurance for health clubs. Dr. Rossi said there are programs of that nature. Mr. Medio asked if we have an Administrator out on a leave. Dr. Rossi's confirmed that there was an administrator on leave.

2. **PROCEDURES & OPERATIONS**

2.1 **Travel** – Ms. Morello said she hopes that the teacher who is going to Italy for educational purposes returns with lots of information.

2.2 **Bus Evacuation Drills** – Ms. Morello asked if there was a monitor for bus evacuation drills. Dr. Guccio said this was shared with the principals.

2.3 **Strategic Plan 2014-2019** – Mr. DeWinne said he asked Dr. Guccio what the cost would be to implement this plan. He said that Dr. Guccio's response was it would not be too significant of a cost. Dr. Guccio said there are a lot of things in the plan that we feel can be accomplished at no cost. She said as we go through the plan certain things will have a cost accrued to them. Mr. DeWinne asked if there is anything with a high expense. Dr. Guccio said the most expensive would be technology, which is budgeted currently at the school level.

Ms. Morello asked if the indicators of success will be brought up to be more measurable. Dr. Guccio said we will put more detail in as we collect the data. Ms. Morello said she likes the part that addresses our staff receiving the support they need to develop their own instructional practices and technological literacy in a more orderly way.

BUILDINGS & GROUNDS – None.

4. FINANCE

- 4.1 **Budgetary Transfers** – Mr. Medio asked if this is the number reflected in the audit for what was budgeted. Mrs. Haley explained that in the audit we cannot have anything ending in a negative. She said the transfers throughout the year are summarized in the audit. Mr. DiGiorgio asked how we end up with so much excess in one area to transfer to another area if it is a budgeted area every year. Mrs. Haley said you need some surplus so we do not run out of money in June.
- 4.2 **Placement of Special Education Students** – No discussion.
- 4.3 **21st Century Community Learning Center Additional Funding** – No discussion.
- 4.4 **Authorization to Purchase Rock Salt from the County** – Mr. Jennings asked if this means we are not going to go above \$36,000. Mrs. Haley said correct.
- 4.5 **Amended Race to the Top Grant** – Ms. Morello asked if this is the last year of this grant. Mr. Frey said there is one more year. Ms. Morello asked if there is anything in the grant that is a recurring expense. Mr. Frey said consumables for Project Lead the Way are a recurring expense. He said major pieces have been taken care of for the academy such as robotics, tables, chairs, technology, and classroom equipment. Mr. Frey said online textbooks are outsourced for 5 year.
- 4.6 **Board of Education Meeting Schedule** – Ms. Morello asked if it is normal to have the meeting to swear in the new Board members right before the work session. Dr. Gruccio said they are sworn in usually the week before the work session.
- 4.7 **NJ Youth Corps Funding** – No discussion.
- 4.8 **ECPA Five-Year Preschool Plan** – No discussion.
- 4.9 **ECPA Budget 2015-2016** – Mr. DeWinne said this was presented to the Board at the last Finance Committee meeting. He said the \$20,092, 691 will be part of our budget piece for the following year. Mr. DeWinne said that equates to \$14,455.17 per student, which are three and four year old full day students. He said there is also a line item in the budget that includes rent/utilities for the Almond Road School. Dr. Gruccio said Mr. Weaver will be meeting with the state tomorrow and hopefully we will get some answers in regards to if they are going to give or allow us to purchase the building.

Ms. Morello asked if in this budget the parent choice portion is now at 60%. Dr. Guccio said 50%. Ms. Morello asked if this is for savings in transportation that would roll into the budget. Dr. Guccio said correct. Ms. Morello asked if this is for the same number of classrooms that every provider presently has. Dr. Guccio responded yes.

Mr. DiGiorgio asked if these classroom numbers can ever be decreased. Mrs. Haley said it is in their current contract.

Mr. Medio asked if he is correct in saying that the amount of classrooms that every provider has today will be the same for next year. Dr. Guccio said this is based on the exact number of rooms that they presently have. Ms. Morello asked if a letter has gone out to the providers stating that. Dr. Guccio said she will ask Mrs. Bleistine.

4.10 **Preschool Community Assessment Form for 2014** – Ms. Morello asked if the results of this assessment form are shared with the Board. Dr. Guccio said she has not received them but when Mrs. Bleistine receives them she will ask her to share them.

4.11 **NAPA Auto Parts Contract Award** – Mr. DeWinne asked for an explanation on this. Mrs. Haley said we purchase parts at NAPA and because we are getting close to exceeding \$36,000 in buying these types of parts we wanted to approve the National Contract. She said this does not mean we have to purchase solely from NAPA.

4.12 **Comprehensive Annual Financial Report (CAFR) & Auditor’s Management Report** – Mr. Jennings said it was good news that we went from five recommendations to three recommendations.

4.13 **Corrective Action Plan (CAP) for CAFR** – Mrs. Haley said this will be presented next week.

2. ITEMS PROPOSED FOR REGULAR AGENDA:

- a. **Report by the Secretary of the Board of Education** – No discussion.
- b. **Monthly Bills Incurred** – No discussion.

B. Proposed for review or discussion or adoption by Board Members: None.

Committee Reports: Mr. DeWinne said the Finance Committee met a few times and at one of the meetings ECPA was discussed. He said that he has started the process on the budget for the following year which is a give and take process. Mr. DeWinne said a meeting is scheduled for December 15, 2014.

Mrs. Haley said Mr. Musterel will be going to all the schools beginning December 8th to meet with each principal on their individual budgets.

Unfinished Business: None.

New Business: Ms. Morello said that Cumberland Regional School was closed the entire week prior to Thanksgiving because they did not take Veterans Day or Election Day off. She is wondering if we can look at our calendar differently for something that benefits us as a district for energy savings or something else. Ms. Morello said the County office wants the districts to do the same thing all the time because that makes their life easy. She said that it is a beautiful thing unless it gets in the way of us doing something that works better. Ms. Morello said if we have school on Veterans Day then we can consider having some kind of service learning. Dr. Gruccio said we have gotten negative feedback in the past when we tried to do that but it has been several years so we will try again.

Mr. DeWinne asked what the plan or process is for the vacant Board seat.

Mr. DeSanto said the process involves the advertisement in the local newspaper of prospective interested persons to appear before the Board. He said interviews are scheduled and it is generally a special meeting. Mr. DeSanto said the interviews are public and the Board's deliberations of the qualifications of each candidate are held in executive session and then the vote to appoint the individual takes place in public. He said the individual who is appointed is appointed until December 31 of next year and at the November election any interested person can run for the one year remaining in Mr. Baruffi's term.

Ms. Morello asked who creates the advertisement for the newspaper, the Board Secretary? Mr. DeSanto responded yes. He said the Board should set the time table as to when they want the advertisements and interviews.

Mr. DiGiorgio asked when the clock starts ticking. Mr. DeSanto said the 65 days started on the effective date of Mr. Baruffi's resignation which he believes was November 17, 2014. He said January 22, 2015 would be the 65 days. Mr. DeSanto said that 65 day period is there in the event there is impasse or lack of cooperation with the Board. He said it is a good idea to set the process in motion.

Mr. Ulrich said we should advertise and when the new Board reorganizes they can address it.

Adjournment: The meeting was adjourned by voice vote at 11:19 p.m.

Respectfully submitted,

Helen G. Haley
Interim Board Secretary

HGH:df

