

Red Clay Community Financial Review Committee

Tuesday, February 4, 2008

Our Meeting Minutes:

The Community Financial Review Committee met on Monday, February 4, 2008 at 6:30 P.M., at the Linden Park Offices.

Members in Attendance:

Paul Lloyd, John Allison, Jane Rattenni, Michael Bank-RCEA, Jill Floore-Red Clay Finance Director, James Buckley-Red Clay School Board, and Gary Linarducci-Red Clay School Board.

Members Absent:

None

Public Attendance:

There were nine community members in attendance including Red Clay School Board President Irwin Becnel, Red Clay School Board Members Charles Cavanaugh and Marguerite Vavalla, as well as, State Representative Nick Manolakos.

The purpose of the meeting was to review January 2008 monthly financial report and the February 2008 Financial Position Report required by the Delaware Department of Education (DOE).

I. Introduction and Opening Comments:

Meeting started at 6:45 P.M.: Chairperson Paul Lloyd called meeting to order. The committee members introduced themselves to the community.

II. Meeting Minutes Approval:

Approval of minutes for the January 7, 2008 Special Budget Meeting and the January 15, 2008 Financial Review Meeting after requested corrections were made.

III. Old Business:

- A.** *Organizational Subcommittee Report* - The Financial Review Committee examined the proposed committee bylaws presented by Subcommittee Chair Jane Rattenni. Michael Bank suggested committee members review the bylaws between now and next meeting in March and put it on the agenda for committee vote.

- B.** *Report Subcommittee Report* - Due to scheduling conflicts and the Finance Director's deadline to complete the required February 2008 Financial Position Report for the DOE the subcommittee was unable to meet.

IV. New Business:

Committee member John Allison expressed concern that too much of the committee's time has been spent trying to address problems in FY2007 and prior years, but felt that the School Board's charge to the committee was to review current fiscal year finances and those going forward. However, Mr. Jack Wells commented that the committee was

to also consider historical financial data as part of the charge by the School Board. Mr. Wells had in his possession the exact wording of the Board's charge in the formation of the Red Clay Community Financial Review Committee. John Allison apologized and agreed with what Mr. Wells presented.

The need to record the meeting for the purpose of capturing public comments became an issue when Representative Nick Manolakos raised concerns that the meeting minutes did not properly reflect the in-depth public comments. John Allison, Recording Secretary, remarked that because the public has been engaged during the committee meeting session rather than at the end of the meeting during the scheduled public comment time, the public comments are getting mixed in with the committee member's meeting discussion. The public tends to speak out during committee discussion and engage in committee business. John Allison also informed the committee that Red Clay School District has neglected a request for a recording device. Meeting minutes to date are based upon brief notes taken by the Recording Secretary and from memory. Representative Nick Manolakos suggested the minutes be more in transcript form. John Allison expressed that he was not qualified to take meeting minutes to that extent. John Allison said he personally liked spontaneous engagement of the public, however, felt it was impossible to take such detailed minutes and still be able to participate as a committee member himself. Committee Chair Paul Lloyd made note to communicate to the school district a need to request a recording device and that he will relay this critical need to School Board President.

During this discussion other community members wanted to inject their concerns. Red Clay School Board Member Charles Cavanaugh shared with the committee that the district did in fact have a Financial Review Committee back in the early 1990's and the committee dissolved because of lack of organization among its members. Mr. Cavanaugh also stated that during that time the Board had a successful financial policy that would measure monthly district department expenditures based on a line item accounting system that was in place. If a department's expenditures exceeded a certain percentage at given points during the fiscal year the School Board would require the department manager to provide an explanation.

Red Clay Board Member Ms. Marguerite Vavalla expressed a desire that the School Board revisit this policy. Mr. Cavanaugh informed the review committee that the Board is in the process of locating this previous policy and that it appeared to have not been archived.

Committee member John Allison commented that if that policy was so effective, why wasn't it still being used; and wanted to know if the Board had voted to repeal the policy. Mr. Cavanaugh indicated that once the former policy documentation was located he would provide more details in regards to those questions.

The topic of replacement of Mr. Thomas Shopa's committee position was brought to the floor suggesting the School Board fill that vacant position. Community member Mrs. Yvonne Johnson suggested the committee itself interview potential members and make

the replacement selection. School Board President Irwin Becnel interjected in reminding that this is a special School Board-appointed committee and that Board policy and protocol require all such members be appointed by the School Board. Committee member Jane Rattenni suggested that maybe the committee can appoint one member at large.

Committee Chair Paul Lloyd suggested that the committee get back on track and address agenda items.

V. Review of Financial Reports:

Jill Floore led the committee in the review of January 2008 Monthly Financial Report and other handouts provided. Copies of all reports and handouts were also made available to the public. One important handout was a list of object codes used by department managers in the itemized record keeping of various expenses.

Approximately 8:45 PM Recording Secretary John Allison departed meeting due to illness. Committee Chair Paul Lloyd assumed responsibilities of Recording Secretary at that point.

The committee continued further discussion and reviewed the Financial Position Report. The DOE requires the document be filed three times per year. The purpose is to provide DOE with a projected balance of local revenue at the end of a current fiscal year. The Financial Position Report submitted by Red Clay for February 2008 shows that the revenue and expenses are closely tracking the FY 2008 Board approved budget.

VI. Public Comment:

The committee revisited the concern with public comments, and the consensus was that all public comments be made at the appropriate time scheduled on the agenda. It was also suggested that committee members themselves be required to raise their hands when wanting to be recognized, and that they will be called upon in order of hands raised.

Other public comments were centered on the following:

- FY 2008 Budget Reductions – Preliminary estimates vs. actual
- Referendum Tax Rates – Did the percentage increase in the referendum tax rate take all factors into account

VII. Next Meeting:

Monday, March 3, 2008, 6:30-8:30 P.M. with location yet to be determined

VIII. Adjournment:

9:40 P.M.

Respectfully submitted,

John Allison, Recording Secretary