

Regional District #4 – Joint Board of Education Finance Committee

Minutes

October 16, 2018

Members present: Jennifer Clark, Rick Daniels, Tom Englert, Robert Ferretti, Imran Munawar and Mark Watson

Administration: Kim Allen

Audience: Virginia Carmony, John Joslow, Phil Schaller, Keith Crehan, Brooke Adamson and Richard Strauss

This meeting was called to order at 6:00pm.

I. Review Status 17/18 Audits:  
In progress

II. Health Reserve:  
The current balance in the reserve fund is \$420,000. A payment to the fund was made by one of the member towns, subsequent to the last meeting.

III. Finance Policy Review – 3160 (transfers):  
The proposed policy change in policy 3160(a), in regard to the transfer of surplus funds to a district reserve fund was discussed. After a lengthy discussion it was felt that surplus funds should be returned to the member towns, according to current policy.

A motion was made by Rick Daniels and seconded by Jennifer Clark to make no changes to the current policy. (see attached policy) APPROVED Unanimously

IV. Finance Policy Review – 3323 (soliciting prices – bids and quotations):  
The proposed policy changes were discussed.

A motion was made by Rob Ferretti and seconded by Tom Englert to approve the policy, as proposed. (see attached) APPROVED Unanimously

V. Finance Policy Review – 3300 (purchasing authority):  
The proposed policy changes were discussed, including a delegation of authority.

A motion was made by Imran Munawar and seconded by Rob Ferretti to approve the policy, as proposed. (see attached) APPROVED Unanimously

## **Business**

### **Transfer of Funds between Categories; Amendments**

The Board of Education may transfer any unexpended or unobligated portion of any appropriation for school purposes to any other item of such itemized estimate, but expenditures shall not exceed the total appropriation made by the fiscal authority combined with such money as may be received from other sources for school purposes, i.e., grants, reimbursements, etc.

The Superintendent is authorized to reallocate funds within the budget categories listed below. Reallocations, which result in an increase in staff, shall be approved in advance by the Board of Education. An exception is an increase in staff required by the Planning and Placement Team for special education purposes. An increase in staff required by the Planning and Placement Team shall be reported to the Board of Education.

All requests for reallocation of funds between budget line items shall be in writing from the staff to the Superintendent with sufficient justification to assess the need. The intention of this policy is to encourage school staff to operate within the adopted budget line items and categories, however, it is understood that a condition may arise which would necessitate the reallocation of funds. Any such transfer shall be subsequently reported to the Board of Education in the financial status report.

The Superintendent is authorized to transfer funds in an amount not to exceed \$25,000 from any budget category, under emergency conditions, if the urgent need for the transfer prevents the Board from meeting in a timely fashion to consider such transfer. All transfers made in such instances shall be announced at the next regularly scheduled meeting of the Board. If the Board is not scheduled to meet within 30 days, the Board Chair will be notified in writing.

The budget categories applicable to this policy are as follows:

- Personal Services - Salary and Employee Benefits (Object Codes 100 and 200)
- Purchased Professional and Technical Services (Object Code 300)
- Purchased Property Services (Object Code 400)
- Other Purchased Services (Object Code 500)
- Supplies, Textbooks and Library Books (Object Code 600)
- Property (Object Code 700)
- Other Goods and Services (Object Code 800)
- Debt Service and Transfers In/Out (Object Code 900)

The Superintendent will notify the Board of Education when expenditures are expected to exceed any budgeted category by five (5%) percent or \$5,000, whichever is greater. Board approval of transfer is required prior to the budget line item being over expended except under emergency conditions.

**Business**

**Transfer of Funds between Categories; Amendments**

Fund Balances (applies to Regional School District 4 and Supervision District only)

The Board of Education shall use any budget appropriation which has not been expended by the end of the fiscal year, once confirmed by the Annual Audit, to reduce the net expenses of the district for the following fiscal year, by check issued to each town on the basis of ADM allocation from the year in which the surplus was incurred. The Board of Education must maintain expenses within limits of the approved budget. However, it is possible that the district may operate in a deficit in a given year due to unforeseen circumstances.

In the case of the Board of Education confronting a deficit due to unanticipated expenses in the current school year, the Board must make every effort to reduce spending to assure that projected expenditures are maintained within the appropriated budget. Where additional funds are necessary beyond the appropriated budget, the board must secure approval of a supplementary budget for expenditures in excess of the appropriated budget through the procedures that apply to the annual budget process.

The Regional Board of Education may establish reserve funds for accrued liabilities for employee sick leave and severance benefits and for capital and non-recurring expenses, subject to specified conditions. The total of such appropriation may not exceed the actuarially recommended contribution for accrued liability or one percent of the operating budget for the capital reserve fund.

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It is the intent of this policy to comply with state regulations as amended from time to time.

Legal Reference:            Connecticut General Statutes  
                                         10-222 Appropriations and budget (as amended by Public Act No. 98-141)  
                                         Financial Accounting for Local and State School Systems 2003  
                                         10-51 Fiscal year. Budget. Payments by member towns; adjustments to  
                                         payments. Investment of funds. Temporary borrowing. Reserve fund.

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See also:                    Administrative Regulation 3160

## Business

### Purchasing Authority

~~All expenditures for school purposes from Town appropriations shall be requested through and handled by the Superintendent, or his/her designee.~~

~~The Superintendent shall have the power, within the limits of major appropriations approved by the Board of Finance and by the Town Meeting, to approve and direct all purchases and expenditures.~~

The Board of Educations confer authority and accountability to the as defined below to make expenditures within the amounts and scope of the accounts allocated in the budget that is approved by the Board of Finances and by the Town Meetings.

Delegation of Authority shall be established along the lines of the Board’s organizational structure at the highest practical positions. Signing authority is delegated by virtue of appointment to a position. Regardless of any delegation of signing authority made, financial accountability rests with the individual with the original signing authority. Signing officers will not authorize procurements or payments when they are the direct or indirect beneficiaries, or for expenses that may have a personal benefit to them (e.g., travel expense claims). The person of next higher authority must approve such transactions. Signing officers must comply with the intent of this policy. In particular, staff shall not circumvent the established limits by subdividing payment, invoices or contracts into smaller amounts. The district is the custodian of trust and fund accounts. The operation of these accounts is governed by the policies and standards established by the Boards of Education.

#### Signing Authority Levels

Position	Up to \$5,000	Between \$5,001 and \$25,000	Between \$25,001 and \$50,000	Over \$50,000*
School Administrator/Principal	Y			
Business Manager		Y		
Superintendent of Schools			Y	
Board of Education				Y

*\*all capital expenditures regardless of amount.*

## **Goods and Services Purchasing**

All purchases from Town appropriations shall be approved by the Superintendent or his designate **in accordance with the established Delegation of Authority.**

## **Expense Reimbursements**

The Superintendent is authorized to approve travel and travel expense within budget appropriations, by employees on official business.

**3323**

## **Business**

### **Soliciting Prices (Bids and Quotations)**

#### **Purchases less than \$5,000**

All contracts for, and purchases of supplies, materials, equipment and contractual services under \$5,000.00 shall be made in the open market, but shall, when possible, be based on at least three competitive quotations or prices. Quotations may be verbal or in writing; however, all purchases made in the open market shall be consummated after careful pricing and shall be made in the best interest of the Towns of Chester, Deep River and Essex.

#### **Purchases for more than \$5,000 but less than \$10,000**

All contracts for, and purchases of supplies, materials, equipment and contractual services over \$5,000.00 but less than \$10,000.00 shall be made in the open market, and shall be based on at least three competitive written quotations or prices. Requests for quotations do not need to be advertised. All purchases made in the open market shall be consummated after careful pricing and shall be made in the best interest of the Towns of Chester, Deep River and Essex.

#### **Purchases for \$10,000 and Above**

Purchases for \$10,000 or more shall be made through a formal bid process. When bidding procedures are used, bids shall be advertised in the area newspapers for at least one day. Suppliers shall be invited to have their names placed on mailing lists to receive invitations to bid. When specifications are prepared, they will be mailed to all merchants and firms who have indicated an interest in bidding on the items or services being bid.

All bids must be submitted in sealed envelopes, addressed to the appropriate school and plainly marked with the name of the bids and the time of the opening. Bids shall be opened at the time specified and all bidders and other interested persons shall be invited to be present.

All contracts and all open market orders will be awarded to the lowest responsible qualified contractor or supplier, taking into consideration all of the factors set forth in policy #3320.

The Chester, Deep River, Essex and Regional School District No. 4 Public Schools reserve the right to reject any or all bids and to accept that bid which appears to be in the best interest of the Towns of Chester, Deep River and Essex. The Chester, Deep River and Essex Public Schools reserve the right to waive any informalities in, or reject, any or all bids or any part of any bid. Any bid may be withdrawn prior to the scheduled time for the opening of bids. Any bid received after the time and date specified shall not be considered.

### **Exceptions to Formal Bid/RFP Process for Purchases \$10,000 and above (Sole Sources)**

**Definition:**

**Sole Source Purchases:** A sole source purchase is one where a good or service can only be purchased from a single source. This situation makes it impossible to obtain competitive bids

There are a few circumstances and items excluded - in all or part from the competitive bid policy. Failing to anticipate needs resulting from poor planning is not an exception to this policy. Certain situations which may justify purchases without following the competitive bid procedures are as follows:

- Items purchased from current state, federal, or other cooperative contract or pricing agreements.
- Emergency purchases when:
  - Human life, health or district property is in jeopardy.
  - Repairs of equipment involve hidden dangers.
  - Repairs are immediately needed for equipment where delay would lead to higher expense.
- Items procured solely from a government or educational agency.
- Library acquisitions (books, periodicals and films).
- Items which are proprietary (software, etc.).
- OEM (Original Equipment Manufacturer) requirements for equipment under lease, rental, warranty or maintenance.
- District specified vendor.
- Design compatibility with existing equipment.

The district administrator or department manager must retain on file a written, clear, but concise statement that justifies waiving the competitive bidding process. Final responsibility in determining whether an item is a proprietary item and may be purchased from a sole source rests with the Superintendent of Schools or his/her designee.

VI. Five – Year Budget Projections:

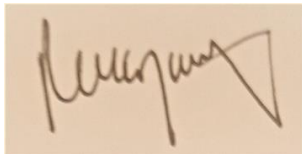
Current processes will continue for establishing the five-year budgeting projections, as requested by the towns. The five most recent ADM projection graphs will be superimposed into one graph to compare the changes over time.

VII. Future Agenda Items:

Review of the Health Plan Reserve

Information on joining the Consortium Health Plan, including benefits and costs.

There being no further business, a motion was made by Jennifer Clark and seconded by Tom Englert to adjourn this special meeting. APPROVED Unanimously. This meeting was adjourned at 7:38pm.

A handwritten signature in brown ink on a light brown background. The signature is cursive and appears to read "Richard R. Daniels, Jr." with a large, stylized flourish at the end.

Richard R. Daniels, Jr.

Member – Finance Committee