SCHOOL BOARD FINANCIAL WORKSHOP

GADSDEN COUNTY SCHOOL BOARD
MAX D. WALKER ADMINISTRATION BUILDING
35 MARTIN LUTHER KING, JR. BLVD.
QUINCY, FLORIDA

October 27, 2026

4:30 P.M.

The workshop was open to the public and electronically recorded.

The following Board members were present: Mr. Leroy McMillan, Chairman; Ms. Cathy S. Johnson; Ms. Stacey S. Hannigon; and Mr. Steve Scott. Also present were Mr. Elijah Key, Superintendent and Secretary to the Board; Mrs. Deborah Minnis, Attorney for the Board; and others. Mr. Charlie D. Frost was absent.

1. Call To Order

   The workshop was called to order by the Chairman, Mr. Leroy McMillan, at 4:30 P.M.

2. Financial Information

   •2026 – 09 Board Revenue Summary Report

   •2026 – 09 Board Expenditure Summary Report

   Mrs. Bruner presented the district's revenue and expenditure report, explaining that additional budget information had been entered into the financial system and that some areas still required review and cleanup. She provided Board members with a one-page summary of the expenditure report, explaining that the summary contained the same financial information as the detailed report included in the Board packet but consolidated the figures at a higher level. She explained that the district's budget is organized by accounting codes, including function codes, object codes, and facility codes. She stated that while the detailed report reflects expenditures at the individual account level, the summary combines those expenditures under broader budget categories. She stated that this allows Board members to better understand the district's financial position without the numerous negative balances that appear in the detailed report because of how the budget was entered. She further explained that the district originally entered a budget of approximately $56 million, which was subsequently revised to approximately $57 million. She stated that some of the revisions may have resulted from corrections to the original budget rather than actual budget changes. She stated that she would review those entries to ensure their accuracy. She stated that the report reflected approximately $19.1 million in year-to-date expenditures against a $57 million budget. Ms. Hannigon asked whether the summary reflected the same reporting period as the financial report included in the Board packet. Mrs. Bruner confirmed that both reports reflected financial activity through September 30, 2026, and contained the same totals.

   Ms. Johnson expressed concern regarding the difference between year-to-date revenues and expenditures, noting that revenues totaled approximately $12.83 million while expenditures totaled approximately $19.19 million. Mrs. Bruner explained that the difference was consistent with the district's normal revenue collection cycle. She stated that a significant portion of the district's local revenue is received during October, November, and December when property taxes are collected. Therefore, the district's revenue collections were progressing as anticipated. Mr. McMillan asked whether the original $56 million budget would increase. Mrs. Bruner clarified that no additional budget increases were anticipated and that the increases would be reflected in actual revenue collections.

   Ms. Hannigon asked what funding sources the district was using to cover expenditures while awaiting the collection of ad valorem property tax revenues. Mrs. Bruner explained that the district was utilizing available cash balances while carefully monitoring expenditures and incoming revenues. She stated that the district receives Florida Education Finance Program (FEFP) funding twice monthly, along with other State distributions and local revenue deposits. She explained that the Finance Department attempts to coordinate accounts payable expenditures with anticipated revenue receipts to maintain sufficient cash flow. Mrs. Bruner also discussed expenditures associated with construction of the new school, explaining that the district had improved its process of receiving construction-related revenues before making corresponding payments. She stated that this practice has helped maintain a financial cushion during periods when revenue collections are lower. She further explained that some school districts obtain short-term loans in

anticipation of property tax collections to address cash-flow shortages during July, August, and September. She stated that Gadsden County does not currently use that approach and instead relies on available cash balances while awaiting anticipated revenues. Ms. Hannigon asked Mrs. Bruner to recall approximately how much money the district had in its bank accounts at the close of the previous fiscal year. Mrs. Bruner stated that the district's primary operating account at Capital City Bank contained slightly less than $1 million. However, she explained that the district's general ledger reflected additional restricted and designated funds and that approximately $2 million should be maintained to account for those obligations. She explained that the district maintains one primary operating account, a separate food service account as required by the state, and State Board of Administration accounts. Ms. Hannigon expressed concern that the approximately $7 million difference between revenues and expenditures did not appear consistent with the reported bank balance of less than $1 million. Mrs. Bruner explained that the financial reports reflected revenues and expenditures recorded in the general ledger and that the district anticipates receiving substantial revenues during the following three months. She acknowledged that the district may reflect a negative position on its financial statements during this period because expenditures, particularly salaries, occur before the corresponding revenues are received. Ms. Hannigon stated that she still had questions regarding the district's financial position and would request an additional discussion with Mrs. Bruner to obtain further clarification.

Mrs. Bruner informed the Board that the Finance Department would distribute a memorandum outlining revised deadlines for November and December because of the upcoming holidays. She explained that the holiday schedule affects vendor payments, payroll processing, and expenditure deadlines. She stated that the memorandum will provide employees with sufficient notice to prepare and submit required documentation. She also reported that the department was processing payroll adjustments resulting from the district's annual insurance open enrollment period. She stated that during the process, several employees reported that their Capital Health Plan coverage had been canceled without their intention to discontinue coverage. She stated that upon reviewing the enrollment documentation, the department determined that the employees had signed forms authorizing the cancellation. Mrs. Bruner stated that the district worked with its insurance enrollment vendor to correct the errors and restore coverage for affected employees. She emphasized the need for the vendor to improve the enrollment process by ensuring employees fully understand the documents they are signing and the effective dates of their benefit selections. She stated that all identified coverage issues were corrected. Mrs. Bruner further reported that the current month's payroll would include compensation for employees who worked at hurricane shelters, as well as performance-based payments.

Mr. McMillan asked whether the district's general fund operating account, which is used for payroll, earns interest. Mrs. Bruner confirmed that the account at Capital City Bank is interest-bearing. Mr. McMillan expressed concern that issuing payroll earlier than the regular end-of-month schedule could reduce the district's interest earnings. He clarified that he was not proposing to discontinue the district's traditional early payroll practice but wanted Board members to understand the financial implications. Mrs. Bruner explained that interest is calculated using an average daily balance formula. She stated that when the account balance remains above a specified amount, the district earns interest; however, balances below that threshold may result in charges. She acknowledged that processing payroll early in December reduces the average daily balance and may affect the amount of interest earned.

Mrs. Bruner announced that Ms. Lisa Chavers had been hired as the district's Food Service Coordinator. She stated that as a result of her promotion, the Chief Account Clerk position in the Food Service Department became vacant. She reported that the position had recently closed for applications and that the district would work toward filling the vacancy to provide additional departmental support. She also informed the Board that the Food Service Department was undergoing audits involving the summer food service program and the current year's food service operations. She explained that the State had implemented changes to the reporting systems used by the department and had reimbursed the district for certain software costs. She emphasized the importance of ensuring that all food service managers accurately enter financial transactions into the required system and that bank deposits reconcile with recorded collections. She stated that some reporting discrepancies had been identified, and Ms. Chavers was working directly with individual school sites to correct the issues and provide additional assistance.

Mrs. Bruner reported that the district recently conducted a training session for the entire Food Service Department. She stated that the training focused on operational requirements, reporting procedures, and mandatory professional development hours. She stated that nearly all food service managers had completed their required training hours, with only one manager remaining. She stated that the managers were also assisting their employees in completing training requirements while maintaining daily meal preparation and service responsibilities. She stated that an additional training session was planned for the following month at the district office, where employees would have access to the computer lab to complete required courses. She also reported that the state had funded additional in-person training opportunities that the district planned to schedule during the spring. She emphasized the district's commitment to expanding training opportunities and improving professional development for food service employees.

Mrs. Bruner provided an update on a recent meeting with the Florida School Boards Insurance Trust (FSBIT), which provides insurance-related services and support to the district. She stated that she would email Board members a summary of the meeting. She stated that the meeting included presentations by attorneys and insurance professionals regarding ways school districts can reduce liability, strengthen safety protocols, and provide safer environments for employees. She stated that topics included fraud prevention, employee training, workplace safety, hazardous materials, and risk management. She discussed the importance of implementing recurring employee training in areas such as fraud awareness, abuse prevention, and financial accountability. She noted that the district already has access to training resources and systems that could be used to establish these programs. She stated that the meeting also included discussions regarding the potential hazards associated with lithium batteries, including those used in wireless devices, power tools, and electric scooters. She expressed concern regarding fire risks associated with improper storage, handling, and disposal of lithium batteries and stated that the district would evaluate its procedures in this area. She discussed an incident involving a teacher's proposed use of pesticides purchased through Class Wallet funding for an instructional activity. She stated that the situation prompted a review of district procedures for the use, storage, and handling of potentially hazardous materials. She reported that the district worked with the teacher and principal to ensure appropriate safety measures and procedures were established. She emphasized that these situations demonstrate the importance of clear protocols, staff training, and risk management practices. She further reported that FSBIT was considering a possible reduction in member costs, which could be presented during its winter meeting in January. She explained that additional revenues generated through services associated with the FLEHT (Florida Educator Health Trust) insurance program could potentially benefit participating districts.

Mr. McMillan asked whether membership in the FLEHT insurance program had increased. Mrs. Bruner responded that approximately 12 districts were participating and that additional districts had expressed interest. She explained that some participating districts had expanded their coverage to include dental insurance and that future membership expansion would occur in groups of four districts. Mr. McMillan recalled that Gadsden County had previously been informed that it was not eligible to participate in the program. Mrs. Bruner explained that the program has financial eligibility requirements that the district does not currently meet. When Mr. McMillan asked how close the district was to qualifying, Mrs. Bruner stated that the district would need to demonstrate sustained financial stability, remain within its approved budget, and increase its reserves. She estimated that the district would likely need approximately two years of consistent financial performance before meeting the necessary requirements. Mr. McMillan expressed his belief that additional competition among insurance providers could financially benefit the district. Mrs. Bruner explained that she had reviewed health insurance offerings in other school districts participating in the PACE consortium. She noted that some districts offer Blue Cross Blue Shield and other insurance plans, while certain financially stronger districts, such as Walton County, provide full payment for a basic employee health insurance plan. However, Mrs. Bruner explained that those fully funded plans generally provide a lower level of coverage than the Capital Health Plan option selected by many Gadsden County employees. She stated that based on her comparison, she stated that Gadsden County's current health insurance benefits remain competitive and, in some cases, provide better coverage at a lower employee cost than plans offered by other districts.

Ms. Johnson asked about the district's federal grants and restricted funds, specifically whether any programs were out of compliance. Mrs. Bruner reported that the district was making positive progress in managing its federal grants. She explained that several grants had initially been placed under conditional release because of delays or restrictions associated with the State's receipt of federal funding. She stated however, most of those grants had since been fully released, allowing the district access to the approved funding. She identified the Individuals with Disabilities Education Act (IDEA) grant as the primary grant still operating under conditional release. She explained that IDEA funding supports Exceptional Student Education (ESE), including regular special education services and preschool programs. She reported that the district had recently received a response concerning findings from a previous audit. She stated that district staff would meet internally within the next several weeks to review the findings, determine whether corrective procedures had already been implemented, and identify any additional actions needed. She indicated that some findings appeared to involve documentation that had not been submitted to the State within the required timeframe rather than actual program noncompliance. She stated that the district would review the findings and provide supporting documentation where appropriate.

Ms. Hannigon asked whether the district had reached a point where its final fund balance for the previous fiscal year could be determined. Mrs. Bruner responded that the Finance Department was still finalizing the Annual Financial Report (AFR) and anticipated completing it by Friday (October 30). She acknowledged that the process had experienced some delays but reported that the district was not projecting a negative fund balance. She stated that the projected fund balance was better than originally anticipated, although it remained below the district's desired financial position. She emphasized the importance of achieving a fund balance above 2%, explaining that reaching that threshold would allow

the district to avoid declaring a financial emergency. She stated that the final fund balance will be determined upon completion of the Annual Financial Report.

3. Facilities Update

Mr. Hudson provided an update on the Facilities Department, reporting that the district was continuing its efforts to fill several critical vacant positions. He explained that staffing remained a priority because additional personnel were needed to support the department's daily operations and maintenance responsibilities. He stated that the department was now in a position to utilize its grounds crew to provide additional assistance with facilities-related tasks. He emphasized that maintaining proper indoor air quality throughout the district's schools remained an ongoing responsibility. He specifically identified Havana Magnet School as a facility requiring considerable attention. Despite limited staffing, he reported that two dedicated and motivated employees were working diligently to address maintenance concerns and ensure that necessary work was completed. He assured the Board that the Facilities Department was making every effort to meet the district's maintenance needs with the resources currently available.

Ms. Johnson requested an update on the replacement generator for Havana Magnet School. Mr. Hudson reported that the project was nearing completion. He explained that representatives had recently visited the school to verify equipment specifications and confirm that the replacement generator would meet the facility's requirements. He stated that the new generator would be a direct replacement for the existing unit. He confirmed that he had received a favorable report indicating that the specifications and requirements had been verified. Although an exact installation date had not been provided, he anticipated that the generator would be installed in the near future.

Mr. McMillan asked for clarification regarding the process used to designate schools as emergency shelters during severe weather events. Specifically, he asked whether the Gadsden County Emergency Management Department determines which schools are utilized as shelters. Mr. Key confirmed that Emergency Management is responsible for selecting and designating school facilities for emergency shelter operations. Mr. McMillan then asked whether Havana Magnet School had been selected as an emergency shelter. During the discussion, Mr. Key clarified that Gadsden County High School has a Havana physical address, rather than a Quincy or Midway address. Ms. Johnson expressed concern regarding emergency shelter accessibility for residents of Havana, particularly those without reliable transportation. She explained that transportation limitations had been a significant concern among Havana residents and emphasized the importance of ensuring that community members have access to emergency shelters when needed. The discussion highlighted the need for continued coordination between the school district and county emergency management officials regarding shelter locations and transportation accessibility.

Mr. Hudson provided the Board with a construction progress update for the new school project, using information from Mr. Chris Marshall, Senior Project Manager with Allstate Construction, Inc. He stated that the construction update outlined ongoing activities, completed work, and upcoming milestones. Project Timeline Construction duration – 699 calendar days, Remaining Project Timeline; 66 weeks as reported, Major Construction Milestones. The report identified the following major milestones:

- Beginning installation of brick veneer on the Central Utility Plant.
- Delivery of joists and decking materials for Areas A1 and A2.

Site work and Construction Activities
The following activities were reported as either in progress or completed:

1. South parking lot grading.
2. Storm water piping and structures.
3. Electrical and sewer rough-in.
4. Foundation placement.
5. Masonry wall construction.
6. Brick veneer installation.
7. Gun range abatement.

Mr. Hudson stated that these activities represent continued progress in site development, structural construction, and infrastructure installation for the new school.

Mr. Scott expressed appreciation for the progress being made on the new school construction project. He stated that it was encouraging to see the project advancing after a lengthy period of anticipation. Ms. Hannigon echoed Mr. Scott's comments, expressing satisfaction with the visible construction progress and acknowledging the work being completed.

During the discussion, Ms. Hannigon also expressed personal concern for Mr. Hudson, asking how he was doing and observing that he appeared to be carrying a considerable workload. Mr. Hudson responded by describing the dedication and determination of his staff, emphasizing that the team remained motivated and committed to completing its responsibilities despite the challenges. Ms. Hannigon acknowledged his response and thanked Mr. Hudson for his continued hard work, dedication, and service to the district.

4. Educational Items by the Superintendent

Mr. Key addressed the Board regarding school safety matters and invited Lieutenant Buckhalt to provide any additional information concerning the safety items included in the Board packet. Mr. Key explained that the information provided in the Board packet was appropriate for public review. However, he emphasized that certain school safety and security matters are confidential and cannot be discussed openly during a public Board meeting. He advised Board members that any questions involving sensitive security information would need to be addressed privately or in an appropriate setting to ensure the safety and security of district schools, students, and staff. He concluded his report without presenting any additional items.

5. School Board Requests and Concerns

Mr. Scott stated that he had no additional concerns but noted that Board members had only recently received the school safety information packet and had not been given sufficient time to thoroughly review its contents. He indicated that additional questions might arise after reviewing the information.

Ms. Johnson reported no requests or concerns.

Ms. Hannigon expressed concern regarding the limited time provided to review the school safety report before the Board was expected to take action. She asked whether the item could be tabled until the following month's meeting and whether there was a statutory deadline requiring action at the current meeting. She also requested that any information legally permitted for public discussion be presented to the Board before action was taken. Mr. Key explained that a deadline was associated with the report. He stated that Lieutenant Buckhalt could provide general information regarding school safety incidents and compliance matters; however, specific details involving school security could not be discussed publicly. Mr. McMillan reiterated that confidential information contained in the safety packet could not be discussed during a public meeting. Attorney Minnis clarified that while specific security details were restricted from public discussion, general information could be shared. Mr. Key further explained that the district could publicly discuss the number of safety incidents, general trends, and whether compliance concerns existed without identifying specific schools or disclosing sensitive security information.

Ms. Hannigon asked Attorney Minnis whether the school safety report qualified for discussion during a closed executive session. She expressed concern that Board members were being asked to acknowledge information they had not had sufficient time to examine and requested that a closed session be scheduled to allow a more detailed discussion with district staff. She emphasized the importance of providing Board members with an opportunity to ask questions, review findings, and fully understand the district's safety conditions and any identified deficiencies. She also requested clarification regarding the deadline for the Board's action.

Dr. Sylvia Jackson explained that the purpose of presenting the school safety report was to inform Board members of the findings from State inspections and district safety specialist inspections, including any identified deficiencies. She clarified that the Board was not being asked to approve changes or adopt new safety measures. She stated that rather, the requested action was an acknowledgment that Board members had received the required information.

Mr. Scott confirmed his understanding that the Board's action was limited to acknowledging receipt of the report and that the reporting requirement had a November 1, 2026, deadline. Attorney Minnis agreed, explaining that the acknowledgment was a procedural requirement and would not prevent the Board from scheduling a closed session at a later date to review the district's safety concerns in greater detail. She further clarified that the Board could acknowledge receipt of the report during the current meeting and subsequently schedule an appropriate meeting to discuss specific security issues.

Lieutenant Buckhalt confirmed Attorney Minnis's explanation and agreed that a separate meeting would be beneficial if Board members wanted a more comprehensive review of the report. She explained that the school safety packets contained confidential information and were not permitted to leave the district office. She stated that the packets would need to be collected following the meeting and could be made available again during a properly scheduled review session.

Ms. Hannigon expressed additional concern regarding the restrictions on the documents, comparing their handling to confidential student expulsion packets. She explained that because Board members could not take the documents home for further review, scheduling a separate meeting would provide an appropriate opportunity to examine the information

and ask questions. She clarified that she was not requesting an emergency meeting before the November 1 deadline. Instead, she wanted the district to establish a formal process allowing Board members adequate time to review confidential safety reports and receive detailed explanations from staff.

Lieutenant Buckhalt reiterated that the statutory requirement was to present the information to the Board by November 1, 2026, and submit confirmation that the Board had received it. She confirmed that a more detailed discussion could take place at a later date without interfering with the reporting requirement.

Mr. McMillan explained that he had spoken with Lieutenant Buckhalt before the meeting regarding the results of school safety inspections. He stated that his purpose was to determine whether the district's schools were in satisfactory condition and whether any significant concerns warranted an immediate closed session. He asked Lieutenant Buckhalt to share the general assessment she had previously provided regarding the inspections.

Lieutenant Buckhalt reported that the district's schools were in good shape based on the inspections conducted. She further explained that, at the Superintendent's request, she now conducts monthly inspections at each school to monitor safety conditions and compliance. She assured Board members that additional information could be provided upon request, subject to applicable confidentiality requirements.

Mr. McMillan asked Lieutenant Buckhalt whether she was satisfied with the Board proceeding with the agenda item that evening, given that the purpose was to acknowledge receipt of the school safety report rather than approve specific changes. Lieutenant Buckhalt confirmed that she was satisfied with the Board proceeding.

The discussion concluded with the understanding that the Board's action was intended to acknowledge receipt of the required school safety information and that a separate closed meeting could be scheduled for a more detailed review.

6. The workshop adjourned at 5:27 P.M.