

SCHOOL BOARD FINANCIAL WORKSHOP

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

August 27, 2024

4:30 P.M.

This workshop was open to the public and electronically recorded.

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

1. Call To Order

The workshop was called to order by the Chairwoman, Mrs. Karema D. Dudley, at 4:30 p.m.

2. Financial Information

Mrs. Bruner stated that there was a lot to report. She stated that the finance department was in the process of getting everything cleaned up. She stated that the finance department is still working to close out the prior year. She stated that a lot of corrections and updates are being made. She stated that a lot of work discovered had not been done. She stated that the current fiscal year was open to the point that purchase orders can be done. She stated that payroll will be on schedule this week. She stated that employees who worked during the hurricane will receive pay this week. She stated that schools have been notified that teacher supply checks ready. Ms. Johnson stated that last year teachers received cards for their supply monies, and she wanted to know why they were receiving checks this year. Mrs. Bruner stated that last year the district worked with a company called Cash Wallet, this year the district made checks to the teachers. She stated that teachers are required to sign the paperwork that explains that they must keep records (receipts) of the monies spent for four years. Ms. Johnson stated that she would prefer teachers turn in receipts now and the district store them. Mrs. Dudley responded to Ms. Johnson that teachers are not required to turn receipts over, it is a part of their responsibility to keep up with the receipts but not turn them in right away. Ms. Johnson asked where the district was with reconciling accounts; Mrs. Bruner stated that there was still a lot of corrections and edits to be made. She stated that corrections and edits would be reported to the State. Mr. McMillan questioned why the teacher supply checks were not ready when school started. Mrs. Bruner stated that two years ago, the teacher supply checks went out in October, last year was September and this year in August. She stated that the district has made improvement.

Mr. McMillan asked about the ESSER funds. Mrs. Bruner stated that she did not have any ESSER information on hand. She stated that the district is working very hard to spend ESSER monies. She stated that the district must verify everything that it spends and the information would be given to the State. Mr. Frost wanted to know about the district's fund balance. Mrs. Bruner stated that she was able to draw down monies from State funds that were already expended out of the general fund. She stated that the general fund was reimbursed. She stated that for example \$5 million dollars was drawn down to pay for the furniture. She stated that everything is being reviewed, coded and put in place correctly. Mr. Frost inquired about the fund balance percentage. Mr. Key stated that technically all you can go by is what the State has given to close out the previous year, which is a 4.2% fund balance. Mr. Frost inquired about who was responsible for the purchase orders. Mrs. Bruner stated that currently the position is vacant. She stated that the responsibilities are shared among staff. She stated that the finance department is working on cleaning up the approval information and other things. Mr. Frost asked if vendors and invoices were being paid. Mrs. Bruner stated that all purchase orders that are submitted are active and getting paid. Mr. Frost stated that using the lawn service as an

example, at one time they would turn their PO's in and had to wait to get paid due to missing a deadline. He stated that was hard for small contractors. Mrs. Bruner stated that the current policy is vendors are to submit invoices to the finance department by 12 noon on Monday for payment on Friday. She stated that the district has a large volume of invoices and things that come in for payment. She stated that this process works for vendors to be paid in a timely manner. She stated that sometimes the vendor do not properly (endorse) sign the correct name on the back of the check, causing the bank to return the check. She stated that letters are being sent to vendors to correct their information with the proper business name.

Ms. Johnson stated that lots of information was presented, but she stated that nothing was in black and white. She stated to Mrs. Bruner that anytime you come before the Board something should be presented in black and white. Mrs. Dudley stated that she was expecting some type of financial report or statement. She stated that the Board requested a financial statement last month. She stated that it is the finance director fiscal responsibility to present monthly financial reports to the Board. She stated that the statute states that the Superintendent must submit monthly financial statements to the Board. She stated that she was concern that the Board does not have a financial report regarding ESSER funding. Mrs. Bruner stated that the reports could be ran out of Skyward but will not be complete. Mrs. Dudley asked about the bank statements. Mrs. Bruner stated that she could provide bank information. Mr. McMillian asked for an explanation of draw down funds. Mrs. Bruner stated that the Federal Grants system with the State has a website or web base for reporting. She stated that whenever districts have expenditures they have to be entered into a report and then entered into the State's website before funds are released. She stated that it takes approximately two weeks for the cash dollars to hit the bank. She stated that the district must make sure the cash flow is there with other funds to make the expenditures, or the district has to hold off paying bills until the cash actually hits the bank. Mr. Frost stated that the Board must have something in writing. He stated that Mrs. Bruner could provide the Board with what she has and then give an explanation. Mr. McMillan stated that the goal is to seek some information on insurance in order to support the rate increase. He stated that the Board does not know where we are financially. He stated that he was being asked to approve something when he does not have knowledge of, but need to make a decision. He stated that from his point of view, it looks like the insurance rate increase is going to be on the employees until the Board can get financial information. He stated that for the last three years, the Board has supported the insurance rate increase for employees and paid the full amount. Mrs. Bruner stated that she did not fully understand that the Board is required to cover at least 75% of the total cost no matter what that cost is. She stated that if the district covered the percentage base of 78%, the Board would still pick up a portion of that cost. She stated that the full burden of the insurance rate increase is not on the employees. She stated that the Board will be picking up some of the cost and the employees will be picking up some. She stated that is the recommendation to the Board. Mr. McMillan stated that he wanted to know where the Board was financially and did not want the insurance rate increase on the employees. Mrs. Bruner stated that the information was taken from the insurance committee per the guidelines of the Board policies. She stated that the Board still has the authority to do what the Board would like to do.

Mr. Key stated that all the district can do is go on the 4.2% fund balance. He stated that if Mrs. Bruner gives the Board updates or incorrect financial information, it's not going to help you make a very informed decision. He stated that when the Board talks about if the district can afford it or not, it is only saying that the district is 1.2% above the 3% fund balance according to the State. He stated that this recommendation was from the insurance committee. Mr. Frost stated that he did not know what the fund balance was until you stated that it was 4.2%. He stated that he still wants financial information in writing. Mr. McMillian stated that the insurance committee need to understand that everything has to come before the Board for approval. He stated that a decision was made on the 78% and the Board was not consulted. Mrs. Bruner stated that the goal is to try to find ways for the Board to pick up and cover more. She stated that the Board can come back at later time and change the amount that they want to cover. She stated that the district need to continue to move forward with open enrollment. Mr. McMillan stated that the recommendation came from the insurance company (Pat Thomas). Mrs. Bruner stated that Pat Thomas ran their calculations. Mr. McMillian stated that Pat Thomas ran the calculations for the Board, but they do not make decisions for the Board. Ms. Johnson stated that anytime a policy is referenced, the policy need to be brought to the Board. Mr. Key stated that Pat Thomas called and asked the question did you want to take this back to 75% or hold to where the current percentage rate is at. He stated that was the call that they made, they didn't arbitrarily just do this. He stated

that Pat Thomas called back and stated that the current rate was 78%, and I stated for them to leave it there. He stated that with the 78% the employees are paying about \$14.00 a month. He stated that 75% would have been more. He stated that it was not that Pat Thomas stated that we want 78%. He stated that they only asked if we wanted to go back to 75% or leave it at 78%. He stated that there was no increase from what the Board has done in the past. He stated that it was just maintaining what the Board has done for the past 2 -3 years. Mr. Scott stated that he was concerned about the Board not taking action on the insurance rate. He stated that the Board can make changes if they wished to at a later time. Ms. Johnson asked what account are we paying health insurance and what do we have in that account, can we afford to do this. Mrs. Bruner stated that it will come from the general fund, but she does not have the exact dollar amount due to the budgets not being entered into the system correctly. Mr. McMillian asked Mrs. Bruner if she could say to the Board that at the 78% the Board would be good. He asked the Board to determine by vote if that was acceptable. Mrs. Dudley asked if the AFR and PCR reports were going to be submitted to the State on time. Mrs. Bruner stated that the district will not meet the September 11, 2024 deadline, but the State is aware of it and is working with the district. In response to Mr. Scott's concern about what caused something like this, Mrs. Bruner stated that from what has been uncovered there was simply work that had not been done. Mr. Key stated that it's not things did not get approve, its things that were not placed in skyward. He stated that the State has helped him find out that a lot of the things you were told in detail were not done. He stated that Mrs. Bruner is catching many things that were not done and cleaning up. He stated that she is headed in a new direction. He stated that to help her out all Administrative Assistants have been asked to pitch in and help. Mrs. Dudley stated that moving forward, the Board is going to need paperwork, and bank account balances.

3. Facilities Update

Mr. Hudson stated that the facilities and maintenance department has coordinated three major projects this summer: replacing of Stewart Street Elementary School HVAC; coordinating the installation of the new school furniture; and coordinating the installation of the new playground equipment. He stated that in addition to these projects, the following activities have occurred: maintaining district facilities grounds; removing and discarding old district furniture; completing repairs and maintenance as needed; new K-8 groundbreaking activities; ensuring district facilities have required supplies; setting up on-going agreements for 2024 – 2025 facilities and maintenance operations; finalizing FEMA Hurricane Michael repairs of the maintenance office; and preparing for the Carter Parramore Academy FEMA Hurricane Michael renovation project. He stated that the new playground equipment installation schedule was as follows: August 16 – Stewart Street Elementary School; August 27 – Carter Parramore Bold Step; September 3 – George W. Munroe Elementary School; September 9 – Greensboro Elementary School; September 23 – Chattahoochee Elementary School; September 23 – Havana Magnet School. He stated that the maintenance department has been extremely challenged over the summer to maintain adequate air quality at James A. Shanks Middle School, George W. Munroe Elementary School, and Carter Parramore Academy. He stated that their HVAC units are very old and the problems that they are having are symptomatic of a lack of routine maintenance, which requires funding. He stated that this is why the half cents sales tax is so critical. He stated that without the sales tax funding, it is a matter of 3 – 5 years before Havana Magnet School, Gadsden County High School and West Gadsden Middle School are in the same shape as Stewart Street Elementary School, George W. Munroe Elementary School, and James A. Shanks Middle School. He stated that currently, the best the maintenance department can do is put out fires and come up with temporary fixes for facilities and maintenance issues. He stated that this is not a good long term plan for the district facilities.

4. Educational Items by the Superintendent

None.

5. School Board Requests and Concerns

Ms. Johnson thanked her constituents from district one for trusting and voting for her. She stated that she wants the best educational system for the district. She stated that she was grateful to be representing district one for another four years.

6. The workshop adjourned at 5:46 p.m.