

SCHOOL BOARD FINANCIAL WORKSHOP

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

June 24, 2025

4:30 P.M.

The workshop was open to the public and electronically recorded.

The following Board members were present: Mr. Leroy McMillan, Ms. Cathy S. Johnson, Ms. Stacey S. Hannigon, 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 Chairman, Mr. Leroy McMillan, at 4:30 p.m.

2. Financial Information

• 2025 – 05 Board Revenue Summary Report

Mrs. Bruner stated that the finance department is working toward the district's year-end close-outs. She stated that PO's have been closed out. She stated that the purchase order process and ordering from Office Depot, Amazon, etc. has been closed. She stated that the department is trying to get all of the bills in for payment. She stated that invoices have been received well after the liquidation date and we can no longer pay for it once we've passed that liquidation date. She stated that we are pushing everyone hard to try to get those in a timely manner. She stated that in the board packet there is an agenda item for the truth in mileage TRIM timetable to get ready for the new budget year. She stated that the dates are presented based on the property appraiser certifying the tax rolls to the district. She stated that by July 1st if for some reason they do not get it to the district, there is a listing of dates based on when the tax rolls are certified. She stated that based on whatever day the tax rolls are certified, there are dates for the tentative budget hearing. She stated that the Board has 24 days after the tax roll is certified to advertise for the tentative budget hearing within 29 days. She stated that the district's do not have any way of knowing until the tax rolls are certified and then it's a calculation that runs in the Department of Revenue on their web portal. She stated that the property appraiser certifies the tax roll through the web portal and then she will have access to the portal, the calculations are run. She stated that the Annual Financial Report (AFR), the 348 and the 145 report managements are being discussed along with the notes section. She stated that the auditor general has requested that the district have the process completed by July 31st. She stated that the new AFR would be due September 11th. She stated that the previous year AFR will be completed by July 31st and then going right back to complete this year's AFR by September 11th (in a timely manner). Mr. McMillan asked Mrs. Bruner if the information presented for the revenue summary was within budget. Mrs. Bruner stated that yes. Mr. McMillan asked where the district was as far as being in compliance with the state requirement? Mrs. Bruner stated that once the AFR is complete for the prior year, then the new year will begin. Mr. McMillan asked how close the district was to the number? Mrs. Bruner stated that the district is very close. Mr. Frost questioned how close and if there was a number. Mrs. Bruner stated that the district was very close to the fund balance. She stated that the finance department is working very hard to find every avenue and every resource to make sure that the district does not go under that fund balance. Ms. Johnson asked for clarification on what AFR means because

sometimes others are listening and may not know what it means. Mrs. Bruner stated that the Annual Financial Report. Mr. Frost stated that he wanted to know how close was close to the fund balance. Mrs. Bruner stated that the percentage would be the district's goal to not go below the 3% range. She stated that the finance department is working to take time and due diligence to look at everything possible to keep away from the 3%. Ms. Johnson stated that because staff are not turning in their grant liquidations on time, bills are being paid through the general fund. She wanted to know if there was a process in place to ensure grant liquidations are in on time. Mrs. Bruner stated that yes. She stated that the finance department is making sure that staff are communicating with our partners in the grants office, making sure that they understand and there was some miscommunication or understanding of the purchase order process. She stated that they thought that just because they had a purchase order, that meant that the funds were safe, and they could spend it whenever they felt like. She stated that however, those grants have a very specific liquidation date, and that means that checks must be cut or that payment must be made by that date, not the date it can get to finance. She stated that some internal education and training has taken place. She stated that Ms. Deborah Young is the budget manager, and is responsible for looking at all that. She stated that our purchasing clerk (Mrs. Brandi Deese) is also making sure that the cost strips are correct. She stated that training and education is what the department is working toward, and hopefully next month we'll do some global group training to get that information across. Ms. Hannigon stated that she wanted to make sure that she heard correctly regarding the AFR and its relation to the fund balance. She stated that once the AFR is completed the Board will have a better idea of specifically where we stand. Mrs. Bruner stated yes. Ms. Hannigon stated that by the end of July we would be able to actually hear a number. Mr. Frost asked if the Board could have the names of the people in the finance department and their responsibility. He stated that he wants the finance department to be able to move forward. He stated that he did not want to hear anything about still cleaning up. Mrs. Bruner stated that the finance department's website has been updated with staff names and their responsibility. She stated that all of the business forms have been updated and any trainings are listed on the website as well.

Mr. Key stated to the Board that there was one issue that did arise last month putting Mrs. Bruner in a very tough situation with the cash flow. He stated that the district is in the building process, construction phases and everything else going on with the new school and when DAG or Allstate is billing us. He stated that money is not sitting there ready for the district to use. He stated that the district has to pay for those people demanding or asking for their money at that point in time. He stated that the district has to spend or try to pay that bill from our current cash flow which is not ready to be pulled. He stated that it brought up a real strain and Mrs. Bruner was like; how can I pay for this? DAG needs to be paid. He stated that there may be a time where we're going to have to ask for permission that when those major bills come up that we're going to have to tap into the insurance saving or something else to pay those bills. He stated that until the state reimburses the district on the other end for those funds, we have to get the bills paid. He stated that the bill for DAG at that point in time was like \$507,000, but was due at the same time payroll was getting ready to run. Mr. McMillan stated that as the Board get deeper into this construction process, the district is going to get bills that you can't handle financially. So, what are we going to do today? Mr. Key stated that he didn't think overall that those bills would be in the millions. He stated that those construction bills impact the cash flow because we only can get reimbursed when we send the things into the State asking for those monies. He stated that when it's dealing with construction, it's not like those other grants where you can pull down money, you must request or show that you've done things first. He stated that is what puts the district in a pickle of cash flow on how to deal with those things. Mr. Scott asked Mr. Key if the district could only touch the money awarded for the new school if there was actually a bill from the construction company or a bill from the architects, and then submit them to the State for reimbursement. Mr. Key stated that the money is sitting there, but you can't just pull it down. He stated that you can't pull it down like you do the grants. He stated that as a matter of fact, that's hitting a different total system. He stated that you have to send things up to request that money and the evidence that you've done whatever you have to send that up. He stated that it is not done like the grants. Mr. Scott stated that it was almost like FEMA where we pay the bills and then they pay us back for the bills. Mrs. Bruner stated that checks have to be cleared, must have invoices, you have to have a copy of

the check, you have to have all this information and then it's on a quarterly basis that they release those funds. Mrs. Bruner stated that she and Mr. Hudson would make sure they talk with all of the parties involved with the construction of the new school; so that she is looped in at the minute, they know that we have a bill coming or that they anticipate one coming, and that they can start working with our partners at DOE. She stated that this month there will be two payrolls for June and July and so it's going to be like that cash flow balance is a very tricky timing and are going to make sure that we are stepping through it very carefully. Mr. Scott stated that it seems to him like the district is not in the financial shape that we think we are. Mrs. Bruner stated that the previous two fiscal years the cash balance was hit hard. She stated that the district was overextended. She stated that the district spent more than our budget and so that's why this current fiscal year we have been fighting really hard to keep within those budgets and make sure that we're no longer over expanding. She stated that next year the district would have a clean slate to start. Mr. Scott stated that he did not feel secure with that answer. Mr. Key stated that DAG sent an email asking when are we going to get paid? He stated that DAG is looking for their payment at that point in time. He stated that Mrs. Bruner tried to figure out how to pay the bill and we have payroll hitting at the same time. He stated that the money for DAG is not a part of the budget. He stated that it's a part of the other monies. He stated that he was saying that if something happened in that situation like that again, how would the payment get paid without making the vendors upset. He stated that the vendors will be taken care of and when the reimbursement comes in it goes back to the general fund. Ms. Johnson stated that in other words, if we're undertaking the money from the insurance saving, we don't know what the turn-around time would be. Mrs. Bruner stated that the district has two saving accounts, one the insurance money that we received and the other is a general fund savings. She stated that every transfer in and out of is recorded. She stated that the minute we have a cash receipt that hits our accounts, saying the money has been received from the State, then we can make sure we have another transaction that's going. Ms. Johnson wanted to know what the tracking time for the district to get funds from the State. Mrs. Bruner stated that is something she would have to look into. She stated that it's not like it is in FLAGS where she can see it. She stated that she has to fill out a paper form and submit and wait for them to tell you when it hits your account, then go into this other portal to see if it is in the account. She stated that it might take about a week or so to get the funds back once they are submitted. Ms. Hannigon stated that after the work is done, you are billed, pay and is reimbursed. She stated that she was surprised knowing that work has been done even if not on site and maybe the planning, development schematics, all of that. She stated that maybe in a whole another category that is not a part of the figures that the Superintendent mentioned. She stated that she was surprised that we are at this juncture, saying we got a bill that we were not necessarily prepared to pay for. Mrs. Bruner stated that the bill arrived in her office at the same time we were making a big payroll run and because we just had a whole bunch of raises and it was retroactive for the entire year. She stated that it had to be figured out if there was cash in the bank. She stated that people are expecting to get paid because whoever received the original invoice didn't send it to finance immediately because they thought the finance department was copied on it. She stated that it has been worked out with the maintenance department to make sure that we will be notified when they're notified. Ms. Hannigon asked how far back does the invoices go. Mrs. Bruner stated that it is current work, it's recent, it's right now happening. Ms. Hannigon wanted to know if this was the first payment to both of those entities. Mrs. Bruner stated that there have been some preliminary work payments and those payments have already been made. She stated that it depends on when they send it to the finance department. Ms. Hannigon stated that the pre-invoices mentioned earlier are paid directly from the general fund and prior to current invoices that hundreds of thousands, have they been sent to the State for reimbursement. Mrs. Bruner responded they have not. Ms. Hannigon wanted to know how far back. Mrs. Bruner stated that they are very recent, the phase one draft plans. She stated that a quarter worth of work had not been completed to send to the State. Ms. Hannigon stated that she has been here since November and they are still working on the same things. Mrs. Bruner stated that not every aspect of the work comes from the school funding or the county. She stated that the district still has to put up some of their general fund. She stated that so far what we have been paid as those pieces that needed to come from our general fund. She stated that now as we're getting into the bigger pieces of it that are going

to come from the construction project, that's what we're going to send to them. Ms. Hannigon stated that helps a lot. She stated that you mentioned invoices coming to us and sending a request to DOE. She questioned whether or not the district has to necessarily pay out those invoices before being reimbursed. Mrs. Bruner stated no because the submission is already into DOE and the money is coming right back in a few days. Ms. Hannigon stated that what you're sending to DOE does not necessarily have to include a clear check right then and there. Mrs. Bruner stated that she had to verify with the State that the process works. Ms. Hannigon wanted to know if there were only two vendors (DAG and Allstate) that were being paid directly. Mr. Key stated that no ma'am, for example the abatement that's being done by another company and that is not a part of it. He stated that we're going to have to make that payment and then there are some things that Allstate is going to ask us to take care of, which still would be coming out of construction money for tax savings because there's no tax saving through them. He stated that there's some things that we're going to have to order and pay for, or would be ordered through the school district because of tax purposes. Ms. Hannigon stated that with that being said, where are we and the conversation that's been mentioned that we're going to have with DAG and Allstate, just so they understand what these time frames look like. She stated that those two are vendors that we're going to need to have a similar conversation with just to make sure that they don't put our backs against the wall expecting payment right now when we're not in the position to do so. Mrs. Bruner stated yes. Mr. Frost stated that he needed clarity on what abatement was. Mr. Hudson stated that abatement is primarily asbestos and dangerous material. He stated that it needs to be encapsulated to make sure that it doesn't go out into the environment. He stated that they have different methods to make it safe to finish the demolition of that particular area.

• 2025 – 05 Board Expenditure Summary Report

3. Facilities Update

Mr. Hudson stated that the district is in the first phase of demolition for the new school. He stated that the preconstruction efforts and the planning are at work. He stated that the retention pond will be behind the pool area. He stated that all the preplanning is coming into play. He stated that it is a process and it all starts with your preplanning. He stated that Mr. Kimmie Lewis is a key person in the underground utilities. He stated that Mr. Lewis along with Mr. Malone Barnes has been able to identify things such as chill water lines and underground electrical wiring. He shared with the Board some pictures of the new school project. Mr. McMillan wanted to know what would happen if Mr. Lewis retired. He stated that Mr. Lewis has a lot of history in plumbing. Mr. Hudson stated that the district does not have another position in plumbing. Mr. McMillan stated that someone can be hired that is teachable with very little experience. He stated that will save the district a lot of money hiring a trainee. Ms. Hannigon wanted to know if the issue at hand was that there is not currently another plumbing position. Mr. Hudson stated that there is only one plumber in the district and there is not another position. He stated that he would have to request for a position. Mr. Key stated that the position changed to a general maintenance position.

4. Educational Items by the Superintendent

Mr. Key stated that there was \$13 million allocated for the district in the new school project. He stated that as we look throughout the rest of the State, there were some districts that did not receive any money. He stated that it was really about the progress that we had started prior to this and there were pictures and other things that were sent to Senator Simon. He stated that during this time he was fighting for the district to get funding, but he was able to get \$13 million. He stated that as we continue to move forward, a legislative budget request for the final \$26 million will be made to finish the new school project. He stated that Mr. Winn had a conversation with him today and is already moving forward-looking for the budget request forms needed. He stated that Enterprise has provided some more information that we would like to present to the Board at some point in time in a workshop prior to the next board meeting. He stated that the district has to do something based on the aging of our fleet, as well as the wealth that deals with safety and everything else. He stated that just to ensure that our employees are not in vehicles where they cannot meet the demand for transportation as well as in maintenance. He asked Mr. Matthew Bryant to address the Board along with Mr. Gerard Moore.

Mr. Bryant stated that the information from Enterprise has been forwarded to the Superintendent who will get the information to the Board. He stated that the information that Enterprise provided will probably answer some of your questions or some of your concerns about the Enterprise leasing agreement. He stated that information was gathered from other school districts, one with Suwanee County and also, I think the other one was Columbia County as well. He stated that we are looking some vehicles that are older maintenance trucks. He stated that some of the vehicles have been assessed for repairs again and again. He stated that some of the vehicles are 20 years old, some 15 to 20 years old. He stated that those older vehicles are going to continue to break down as time goes by. He stated that some of the parts are hard to come by now. He stated that staff are using their personal vehicles to get to and from the different sites. Mr. McMillan stated that he would need an entire presentation from Enterprise on the cost and everything from the start before voting. Mr. Scott stated that a presentation has previously been made to the Board. He wanted to know what has changed since the last presentation. Mr. Bryant stated that he could not say that anything has changed. He stated that looking at the current state of the district's fleet; we are dealing with aged vehicles. He stated that safety plays an important part in it as well. One of the things that we're looking at is the worth of the vehicles that we currently have. He stated the district is looking at the value of vehicles that we currently have that are probably not even worth \$1200. So, looking at this program, we looked at it as a great benefit that would allow us the opportunity to get out of X number of vehicles a lot quicker, and also putting us in safer vehicles that we can use to continue to move forward not hindering the progress to getting work done. Ms. Hannigon stated that the last decision made by the Board was that we did vote in the majority to move forward with a pilot program. She stated that the next action was to be a decision made regarding the 16 vehicles that were presented, which vehicles were the Board going to gradually move into this program, or just jump all the way into the program. She stated that was the last decision made by the Board. She stated that this workshop discussion should pick up from there. Mr. Key stated that information was requested from Enterprise and was received a couple of weeks ago. Mr. McMillan requested that a workshop be scheduled to further discuss Enterprise Fleet Management.

5. School Board Requests and Concerns

None.

6. The workshop adjourned at 5:25 p.m.