

## SCHOOL BOARD FINANCIAL WORKSHOP

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

May 27, 2025

4:30 P.M.

This 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, 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 4:35 p.m.

2. Financial Information

- 2025 – 04 Board Revenue Summary Report
- 2025 – 04 Board Expenditure Summary Report

Mrs. Bruner shared with the Board an update on the revenue and expenditure summary reports. She stated that the district is wrapping up the year and trying to get everything complete. She stated that there are currently two sections of the ESSER Grant to finalize and to get forwarded to the State on their DOE 399 report. She stated that once that is complete funds would be available to draw down. She stated monies were used from the general fund account.

Mrs. Bruner stated that the FSBIT contract shows all the different insurances and dollar amounts. She stated that the district is recommending an additional \$2M in coverage, which will give the district \$3M in total coverage. She stated that it is an increase from the prior years because more of the district's properties are being covered. She stated that not necessarily the land but the buildings, portables, etc. are insured. She stated that many repairs have been done and some buildings that were not eligible are now eligible for coverage. She stated that a drone was used to get a detailed graph of the properties, which resulted in an increase in liability insurance. She stated that there was also an increase in the district's worker compensation claims. Mr. McMillan wanted to know why the district needed to buy additional liability coverage. Mrs. Bruner stated that the request was made before she was hired. She stated that the Board has the authority to make the decision. Mr. McMillan stated that he was the trustee for the district with FSBIT. He stated that he do not recall the Board having a discussion on additional liability insurance. Ms. Johnson inquired about the name and location of the properties that have been upgraded and repaired. Mrs. Bruner stated that she would contact FSBIT to get information on the list of properties. Mr. McMillan stated that by law the district must have facilities insured. Mrs. Bruner stated that there are portables, little out buildings and storages that were previously not listed as insured. Mr. McMillan stated that one of the issues with FSBIT is the district's employees. He stated that he understands, and is not saying that anyone was doing something illegal or unmoral. He stated that there are 57 worker's compensation claims. He stated that everyone must be educated about worker's compensation, and for employees to know that they are not hurting the School Board, but hurting the students with the ability to get students what they need. He stated that the frivolous claims needed to stop. Mrs. Bruner stated that it is costing as must as \$338,664.00 in claims. She stated that FSBIT talked about the number of claims the district has. She stated that she met with Mr. Bryant and Mr. Hudson to discuss a couple of items that needed repairing to help reduce the risk potentials. She stated that FSBIT would provide

the district with information weekly or sometimes monthly on the different things that can be done. She stated that getting information out to the schools and employees on how to avoid falls would help. She stated that it takes everyone to be part of the solution. She stated that the PAEC contract includes several different contacts (instructional services, human resource services, Gateway, which supports the district's financials, skyward support, and student data services. She stated that the PAEC contract is effective July 1, 2025 and total \$132,547.48. Mr. McMillan questioned Mrs. Bruner and asked if the district was above the required threshold. Mrs. Bruner stated that the district has been taking some very close hits financially. She stated that the finance department is doing everything they can to evaluate and make sure things are coded correctly. Mr. McMillan asked if the district was in danger. Mrs. Bruner stated that there has to be a hiatus on expenditures. Mr. Frost asked what the meaning of close was. Mrs. Bruner stated 3% to the threshold. She stated that code corrections have to be made. She stated that the Board requires that the district be at 4%. She stated that according to FSBIT many of the counties are moving to 10% because in the event there is a major catastrophe. She stated that facilities are very expensive to maintain, especially when things break down. She stated that the district is on the edge of that 3%. Mr. Frost asked if the State requirement was 3%, Mrs. Bruner stated yes. Mr. Frost asked Mrs. Bruner if she could provide that information. Mrs. Bruner stated that she will provide Mr. Frost with the information, and that the number varies depending on the total budget. Mr. McMillan stated that Mrs. Bruner made a good statement that the other districts do not fall below 10% according to FSBIT. Mr. McMillan stated that is an excellent idea not to fall below 10%. He stated that is what the district should do when things are together. He stated that some hard decisions would have to be made. Ms. Johnson asked about the account balances that were requested from the last meeting. Mrs. Bruner stated that she did not have that information with her. She stated that the district has to wait until the State release the district to draw down funds. She stated that she would provide the account balance information to the Board. Mrs. Hannigon stated that she wanted to know when and if there was a date for all of the coding to be corrected in order to give the Board a concrete number. Mrs. Bruner stated that the date should have been back in September. She stated that the finance department is working with the State to get that number. She stated that one of the grants were closed out today, and hoping to close two more by tomorrow or Wednesday. She stated that when the State reports are complete and everything is finalized, then the district would know what the final numbers are. Ms. Hannigon asked if there was a corrective action plan in place for the upcoming year. She stated that we know what the district is spending and are dealing with teacher shortage, building a new school, along with other obligations. Mrs. Bruner stated that the biggest negative impact we have seen were from the prior year bills in 22 and 23. She stated that recently IRS of some issues from the 21 – 23 year notified the district. She stated that if the district do not get the corrections made, this could result in a \$1.5M fine. She stated that moving forward the finance department would do things accurately and timely. Mr. McMillan stated that he was concerned about the \$1.5M owed to the IRS. He wanted to know if this was because the district did not get the 1099's out in time. Mrs. Bruner stated that this was related to payroll taxes in 2021. She stated that the finance department has to find and re-create information. She stated that in 2020 the district did not report the employer health insurance. She stated that she spoke with an IRS representative who will put the district in the right direction to make the corrections and litigate the findings. She stated that many of the general fund expenses are due to maintenance expenses. She stated that the Board would be asked to hold budget meetings to establish the budget for the coming year. Mr. McMillan questioned whether the Board had approved a budget. Mrs. Bruner stated yes, the Board approved a budget. She stated that the departments were spending and turning in invoices to the finance department for payment. She stated that the lack of communication has led to the issue of expenses. Ms. Hannigon stated that if it were just one mishap, she would not be that concern. She stated that all these different entities concern me. She stated that she was trying to wrap her mind around how it happened. She stated that when filing her personal taxes she receive a notice. She stated that maybe she should not look at Mrs. Bruner because she just got here. She questioned what had to be put in place moving forward so that the district does not have these problems again. She stated that the district is four fiscal years past. She stated that she wanted to know how the district would regroup from that. Mrs. Bruner stated that one of the reasons is to take the time and effort to make the corrections. She stated that grants and other things are being processed. She stated that it would take about three years to clean things up. She stated that currently each individual staff in the finance department is designated to their assigned area. Ms. Johnson stated that a lot that Mrs. Bruner mentioned goes with monitoring and reporting. She stated that the finance

department need to really come up with a plan to safeguard the system. Mrs. Bruner stated that the finance department will do a better job with the system. She stated that finance is ensuring there is good record keeping. Ms. Hannigon questioned whether it is identifying issues or staff knowledge issues. She asked at what point in the process is it identified, and where are the issues? Mrs. Bruner stated that in regards to the health insurance it was not done. She stated that taxes are submitted when payroll is run. She stated that when corrections are made with the W2's, the corrections were not submitted right away. She stated that when the numbers do not match, and when things are not submitted in a timely manner it causes the payroll to be run at different times. She stated that the finance department has been directed to make the corrections now. Ms. Hannigon stated that the finance department is trying to fix things, and staff are learning their positions. She wanted to know if additional help was needed. Mrs. Bruner stated that the finance department is working a lot with PEAC and other counties. She stated that once the cleanup is finished, a fresh start in the new fiscal year would make things a lot better. Mr. Frost stated that he believes that once the middle part is fixed the district will be good. He stated that the district has not had this problem in the past. He stated that he believes the finance department can get the job done. Mrs. Hannigon stated that this is mainly for HR, when an incident happens. She stated that she wanted to know what are the steps and the process. Mrs. Bruner stated that depending on the situation because sometimes things are not reported through the proper channels. She stated that whether it is a student, an employee, or anyone that is injured, the paperwork has to go to Mr. Matthew Bryant. She stated that sometimes the incidents are not reported. She stated that if the incident gets to the point of a lawsuit, then it is reported to Dr. Sylvia Jackson's office and then to her office. She stated that it starts with Mr. Bryant's office. Mrs. Minnis stated that student incidents are not workman's compensation. Mr. Key stated that everyone is given a form to fill out and turn into Mr. Bryant and Mrs. Laura Thomas. Mrs. Hannigon stated that she was just curious on what the district was doing proactively. Mr. McMillan stated that FSBIT has a program to help prevent accidents. He stated that FSBIT currently works with 13 counties and Gadsden is ranked #13 for usage of the prevention program.

### 3. Facilities Update

Mr. Hudson shared with the Board the following updates in maintenance: 1) MLD Architects – building an assessment to visually survey the gym and cafeteria at Carter Parramore Academy; 2) Maintenance of our athletic fields – the district has a vendor (Mark's Lawn Maintenance) that maintains the athletic fields at Gadsden County High School, West Gadsden Middle School and Havana Magnet School) with special equipment; and 3) Brightly Software – an updated software system that is used for work order repairs for the district; 4) Green Air Environmental – will provide 11 sustainable air handler units/HVAC coil cleanings, 6 BARD units, and 2 air cooled chillers. Dr. Sylvia Jackson stated that the district would not be able to move forward without the State's approval. She stated that she does not think the district would be in conflict with the FISH report or the use of FEMA dollars from Hurricane Michael. Mr. McMillan stated that he thinks it is a good idea if the district can do this without raising red flags. Mr. Frost stated the Board need to keep in mind that the district has softball and baseball fields that need maintaining. Ms. Hannigon stated that she wanted to know how the district came to this particular vendor (Brightly Software, Inc.) for approval of the services, what was the process. Mr. Hudson stated that this vendor was chosen before he was hired. He stated that the district continued the services for him to maintain the fields. He stated that the vendor would be with the district for two years in August. Mrs. Hannigon asked if this item was brought to the Board for approval each year. Mr. Hudson stated that the district would have to have the maintenance work order repair system updated each year. Mr. Hudson stated that Green Air Environmental was brought to the Board for approval about a year ago. He stated that the vendor provide maintenance for the district's AC services. He stated that when Green Air Environmental came aboard they were sent to George W. Munroe Elementary School. He stated that the district thought the AC Unit was gone but they were able to steam clean the unit for a cheaper cost rather than replacing it. He stated that once they were done the unit worked better and still works today. He stated that the maintenance department would like to continue to work with this vendor to provide service at other schools. Mr. Hudson stated that the owner was born and raised in Gadsden County and live in the Havana area. Mr. Scott stated that this was a lot of money for one school. Mr. Hudson stated that the owner is giving the district a deal for the price that it could be. Ms. Johnson stated that two years ago the district could have used ESSER funds for this. She stated that Havana Magnet School gym feels magnificent. She stated that the

district has to maintain its AC units. Ms. Hannigon asked how did the district get to here from a purchasing standpoint, how did this vendor come about? Mr. Hudson stated that this person came through the district and was referred by other people. Ms. Hannigon clearly stated that this was not a sole source vendor. Mr. Hudson stated that by his products and reaching out talking to other people, the district used his services to find that he was good, successful and a good fit for the district. Dr. Sylvia Jackson stated that she thinks the Board was asking why this was not bided. Mr. Hudson stated that this vendor did work for other counties, and the district used the piggyback system. Ms. Hannigon asked what does piggyback mean? Mr. Hudson stated that the district does not have to go by the purchasing policy to secure a vendor. Mrs. Minnis stated that the district's purchasing policy allows us to piggyback. She stated that the district will not be violating any policy. She stated that piggyback has been cleared by the State and used by other school boards. Mr. McMillan stated that preventative maintenance is very important.

4. Educational Items by the Superintendent

Mr. Key stated that he wanted the Board to keep in mind that the majority of the districts that are part of FSBIT have the ½ cent sales tax. He stated that it is going to be tough when talking about increasing the district's reserve. He stated that maintenance has been eating up the general funds because there were a lot of things that had to be repaired. He stated that the district is catching up on past due repairs. Mr. McMillan stated that now is the time to promote the ½ cent sales tax being on the ballot in 2026. Mr. Key stated that item #11a on the regular meeting agenda show the revisions for the adoption/approval of Board policy. He stated that the revisions were highlighted in yellow.

5. School Board Requests and Concerns

None.

6. The workshop adjourned at 5:50 p.m.