

1 **Southwest Vermont Regional Technical School District (SWVRTSD)**
2 **Finance Committee Meeting Minutes: January 5, 2006**
3 Conference Room, Career Development Center

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5 Board Members Present: Claude DeLucia; Frank Lamb, Chair; Lance Matteson (left 6:05pm).

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7 Staff and Others Present: Greg Lewis, Business Manager; Donna Oyama, Director.

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9 Recorder: Richard Bump.

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12 Lamb called the meeting to order at 4:10pm.

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14 1. Allocation Plan: After distributing copies of the CDC/MAU *Allocation Plan for FY07*, Lamb
15 noted that it's his understanding that both the MAU Finance Committee and the MAU Board
16 have approved that plan and have sent it on to the RGB for review, comment, and approval.
17 Lamb noted that the current draft of the FY07 budget insurance allocation (line 684, Budget
18 Draft #7, a copy of which was distributed during the meeting) reflects a reduction of \$6,500
19 (from \$14K to \$7.5K, FY06 to FY07), although it remains unclear what specific insurance
20 coverage remains in that \$7,500. Members and staff also noted that several different
21 insurance policies are now included in the FY07 CDC budget for the first time in lines 635-
22 640 (auto, property-contents only, general liability, boiler, school board liability, and
23 umbrella). Lamb also noted that MAU wanted to separate the CDC insurance policies from
24 the MAU policies mid-way through the current year, and that the insurance agent advised
25 both boards to delay that division until the current policies expire at the end of the current
26 fiscal year (June 30, 2006). Regardless that advice, members noted that it appears that
27 MAU will bill CDC an additional amount for the remainder of the year, and that this is
28 regardless the fact that both CDC and MAU agreed upon and budgeted for the Allocation
29 Plan for FY06, which included all insurance policies at a \$14,000 charge for FY06 from
30 MAU. After members and staff noted that
- 31 - if MAU submits a bill for insurance to CDC in excess of \$14,000, this could be
 - 32 considered a breach of contract
 - 33 - MAU needs to state specifically what is covered by the CDC 12% FY07 insurance
 - 34 allocation of \$7,500
 - 35 - it makes sense for CDC to control and "own" its own insurance policies (except
 - 36 building) beginning 7/1/06, and the more this sort of thing happens, the better off
 - 37 CDC will be, and the less CDC will need to (re)negotiate items

38 DeLucia moved and Matteson seconded a motion to recommend to the RGB that, effective
39 7/1/06, the SVRTSD becomes the insured listed for automotive, property - contents only,
40 boiler and machinery, general liability, school board liability and umbrella, and the motion
41 passed unanimously. Matteson then moved and DeLucia seconded a motion to recommend
42 to the RGB to not accept the unilateral insurance bill from MAU which the RGB Finance
43 Committee considers to be at odds with the Allocation Plan agreement, which was
44 reaffirmed by the MAU board when approving the draft of the CDC/MAU Lease Agreement
45 in October 2005, and that the CDC should pay the allocation as agreed upon for FY06 in the
46 sum of \$14,000, and the motion passed unanimously. After a brief discussion and given
47 that MAU has not as yet submitted said bill, Matteson and DeLucia rescinded their actions
48 and the motion was withdrawn. Members and staff then engaged in a discussion about
49 options available to the CDC when and if such bill is received, and agreed that there should
50 be a discussion with the insurance agent to determine what the premium is that will be
51 charged to MAU, and how that amount compares to the 12% allocation as well as to the
52 \$14,000 budgeted. Lewis noted that in FY05 the amount charged, and paid, was based on
53 the actual invoice to MAU from the insurance company. Members also agreed that CDC
54 should have its own copy of all policies currently in place. In related discussion, members
55 expressed interest in knowing more about coverage and costs included in the SVSU
56 agreement with legal counsel, what legal services are covered by the various insurance

1 companies, and whether or not there are gaps in that coverage. Members also agreed to
2 discuss this topic with Knapp, SVSU Superintendent, during an upcoming board meeting.

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4 At 5:00pm, Matteson moved and DeLucia seconded a motion to enter Executive Session to
5 discuss contractual matters, and the motion passed unanimously. The committee returned to
6 Open Session at 6:04pm whereupon Lamb noted that the Committee will ask SVSU for
7 clarification on some of the services provided by it to the CDC.

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9 2. FY07 Budget: Lamb noted that there will be some 'breakage' in the FY07 budget as a result
10 of hiring a new instructor in the Forestry Program, and that \$40,000 will be raised specifically
11 in the budget for the equipment repair/replacement reserve fund. Lewis noted that draft #7
12 of the FY07 budget is 7.08% higher (including the Reserve funds, or 4.98% higher, excluding
13 the Reserve funds) than the current year budget, and that the FY07 tuition rate is up .03%
14 over the current year, pending no other changes in the FY07 budget. Lewis also noted that
15 the current budget includes an office position previously funded through Adult Education.

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17 3. Annual Report: Members briefly reviewed the most current draft of the Annual Report which
18 includes narrative information about budget and tuition increases and changes, as well as
19 program and administrative information.

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21 At 6:20pm, DeLucia moved and Lamb seconded a motion to adjourn and the motion passed
22 unanimously.