

# Finance Committee Meeting Minutes: August 2, 2006

- Location:** Assembly Room, Career Development Center
- Education Committee Members Present:** Kevin Goodhue; Frank Lamb; Ed Letourneau, Chair.
- Finance Committee Members Present:** Claude DeLucia; Robert Kobelia (arrived 4:15pm); Frank Lamb, Chair.
- Staff Present:** Greg Lewis, Business Manager; Neal Hogan, Teacher (left 4:30pm); Wendy Klein, Teacher (left 5:00pm); Bob Montgomery, Asst. Director (left 5:00pm); Donna Oyama, Director; Sandra Redding, Office Manager (left 5:00pm) ; Dick Addison, Teacher (left 4:30pm)
- Heritage Family Credit Union Staff Present:** Julie Choinier; Jamie Falco; Matt Levandowski (all Credit Union Staff left at 4:30pm)
- Recorder:** Richard Bump

Lamb called the meeting to order at 4:00pm, noting that the Finance Committee and the Education Committee are meeting jointly to discuss items 1 and 2 below, and that each committee will then meet separately after those discussions conclude.

1. Credit Union Branch at the CDC: Levandowski noted that the Heritage Family Credit Union, which merged with the Bennington County Credit Union in January 2006, is a community based financial institution headquartered in Rutland VT with 83 employees, 22,000 members, and assets in excess of \$134,000,000. Levandowski noted that the Union currently supports a fully functional student-run branch office for students and staff in the Stafford High School and that this location also functions as a training location for interested technical students typically enrolled in the business education and business math courses. Levandowski noted that the Union is very interested in opening a similar office in the CDC in the school store area, and further noted that

- members of the Union are also interested in partnering with business/office technology teachers to assist students in developing business plans and making oral presentations of those plans, writing résumés and practicing interview skills, understanding the importance of dress codes, etc
- the branch would consist of one teller and an ATM, and would be open probably only a few hours a day (and hours can be very flexible)
- although Heritage is not anticipating making any financial profit from the branch, this is another way the institution works within the community and provides an opportunity for young people to acquire financial skills, to begin developing a credit rating, and to gain exposure to the business community.

In subsequent discussion, Levandowsky and Falco noted that

- students are 'graded' using a standard employee evaluation form
- although this is not a typical co-op arrangement, students will be trained in all aspects of bank teller functions
- Heritage will provide a primary contact person to coordinate with teachers and students
  - students staff the teller station during class hours
- various products offered students 15-17 years old include a share draft account, overdraft protection, debit, credit and ATM cards, and a \$300 credit line
- although parental co-signing is not necessary for these products, parents will receive written notification of products selected
- for privacy reasons, only one student is allowed in the teller booth at a time ("privacy is always an issue, but never a problem")
  - several Stafford students have been hired as Heritage employees after graduation
  - Heritage staff will train CDC teachers
- CDC students would be covered by Heritage insurance, and no bonding would be necessary
- the branch hours could be very flexible, and the branch would not need to be open every day
- the only cost for the CDC would be to provide a 10' x 14' room with hook-ups, and the credit union will supply all other material and equipment
  - the ATM will be a cash dispenser only and would not accept deposits
  - it will take about 2 months to install and equip the branch
- even if a branch is not installed at the CDC, Heritage is still interested in partnering with the CDC to help students acquire financial skills and responsibility.

In closing action, members reached consensus to explore the Heritage proposal, and that Oyama, business teachers, and technology staff should work out the details with Heritage, with Choinier as the Heritage contact. Once that is accomplished, Heritage and staff should make a detailed proposal during a board meeting. Members thanked Heritage staff for their interest in the CDC and the Bennington community.

## 2. Program Innovation Grant:

- a. *Engineering Program:* Oyama reported that the upcoming year is the 3rd and final year the Engineering program will receive support through the Program Innovation Grant, and that the required Industry Scenario Assessment is being developed by a consultant.
- b. *Cosmetology Program:* Oyama distributed and then reviewed the grant application for a Cosmetology program, noting that the local cosmetology academy in Bennington was scheduled to close 7/30/06. Oyama further noted that

- students must pass a state test to obtain a cosmetology license and must also complete 1500 hours in training
- a two-year CDC program would satisfy, or come close to satisfying, that hourly requirement
- the owner of the now closed business is interested in talking with the CDC about donating or selling her equipment
- several people have expressed interest in being on the Advisory Committee for this program
- a recent MAU teacher is qualified to teach the course, but would need Vermont licensing
- the Program Innovation Grant funds up to \$50,000 for the first year of new programs (Up to \$50,000 for the second year and \$25,000 for the third year)
- there would be no significant plumbing or electrical complications for preparing space for the program (and the program could actually begin off-campus at the recently closed business location, or perhaps in Manchester or Arlington)
- cosmetology programs in other technical schools offer 1 credit each for math, English, and science, as well as 3 elective credits credit
  - state-approved curriculum will be used
  - the grant application needs to be submitted by 8/16/06
  - the Perkins Grant could also be used to fund part of this program.

In concluding action, Goodhue moved and DeLucia seconded a motion to move forward with the cosmetology program application and to recommend that the full board approve that application, and the motion passed unanimously

At 5:00pm, the joint meeting of the Finance Committee and the Education Committee concluded and each committee continued to meet separately, The Finance Committee in the Assembly Room and the Education Committee in the Conference Room.

3. MAU/CDC Allocation Agreement – Insurance Costs: Frank reported that Oyama, DeLucia and he met with the SVSU Superintendent, SVSU Business Manager, MAU Board chair, Sean-Marie Oller, and Greg Lewis, CDC Business Manager to discuss the remaining insurance charges for FY06. Members and staff reached agreement that CDC would pay MAU \$4,760 for additional FY06 insurance costs as a direct expense payment from CDC to MAU which is outside the MAU/CDC Allocation Agreement, and as detailed in Invoice 75A dated 6/30/06, a copy of which was included in the Agenda packet. After members noted that

- given CDC now has its own insurance coverage independent from MAU (except for property), this is a one-time expense,
- the Finance Committee and full Board should review the Allocation Agreement annually during the budget cycle
- the insurance agent indicated that the actual cost for CDC insurance was higher than the 12% cap included in the Allocation Agreement, primarily due to vehicle insurance

Kobelia moved and DeLucia seconded a motion to recommend to the full board to pay MAU Invoice #75A, as detailed, noting that this is a one-time payment of direct expenses for CDC insurance for FY06 and that this does not change the CDC/MAU Allocation Agreement nor the allocation agreement negotiation process, and the motion passed unanimously.

4. Wood Chip Heating System Financing: Lewis briefly reviewed his proposal for financing the wood chip heating system (a copy of which was included in the Agenda packet, along with related documentation from the SVSU Business Manager, the Vermont State School Construction Coordinator, and a copy of the Construction Contract) noting that

- CDC's portion of the total cost of the project is estimated to be \$107,480.47 which is 25% of the total cost of the project not eligible for state reimbursement
- the actual cost will not be known until 2008 and after the state has approved final project documentation
  - the CDC has a cash surplus for the FY06 year just ended
  - the total amount due MAU needs to be paid no later than FY08

and recommended that the Finance Committee consider paying 1/3rd of the amount due from surplus FY06 funds, the second third paid out of FY07 surplus funds (if any), and the remaining balance paid as part of the FY08 budget. After a brief discussion, Kobelia moved and DeLucia seconded a motion to recommend to the full board that a payment of \$35,826 should be made to MAU to be applied against the CDC portion of the wood chip heating system and to be funded through the Contingency Fund, and the motion passed unanimously.

5. Meeting Schedule: Given the upcoming FY08 budget cycle, members and staff agreed to schedule weekly meetings, on Wednesdays at 5:00pm, November-January, and to warn those meetings as needed. Oyama noted that she reviews department budgets in October.

At 6:00pm, Kobelia moved and DeLucia seconded a motion to adjourn, and the motion passed unanimously.