

FINANCE COMMITTEE MEETING

MEETING DATE: TUESDAY, JANUARY 12, 2016 AT 4:30 P.M.

Members:

Ms. Annette Johnson, Chair
Mr. Alex Arroyo
Mr. Ken Darby
Ms. Christi Tyler
Dr. Michael Popp

Attendance

Yes
Yes
Yes
Yes
Yes

Agenda

1. Roll Call
2. Public Comments/Questions
3. Bidding/Purchasing
4. Closed Session, if needed
5. New Business
6. Adjournment

Consent Agenda

1. Next meeting—February 9, 2016 at 4:30 pm, School Service Center
2. Motion to approve the monthly financial report(s):
 - a. List of Bills
 - b. December 2015 Financials
 - c. Fund Balance Report
 - d. Investments Report
 - e. Payroll Report
3. Motion to accept the following donation(s):
 - a. Scarves, hats, gloves, and mittens valued at \$200.⁰⁰ for District 131 students in need from XPO Logistics
 - b. Seventeen Walmart gift cards valued at \$680.⁰⁰ for social workers in District 131 to be used for expenses associated with necessities of District 131 students from the Aurora Junior Women's Club
 - c. Christmas presents for ten District 131 families in need from The Renaissance Foundation
4. Motion to accept the following grants:
 - a. "Dart" grant in the amount of \$2,145.⁰⁰ from Dart Foundation for Simmons Middle School robotics and engineering students
 - b. "Adventure to Fitness" in the amount of \$250.⁰⁰ from Adventure to Fitness for Beaupre Elementary School's after school tutoring program

Action Items

5. Motion to approve issuance of bonds not to exceed \$13,000,000
6. Motion to approve adoption of a resolution authorizing and directing the execution of escrow agreement.
7. Motion to approve resolution authorizing bank signors at Old Second National Bank

Informational Items

8. Bidding/Purchasing: Board consensus to reduce the purchasing threshold to obtain multiple quotes to \$2,500. 00
9. Benefit Summary

Minutes

The Finance Committee began promptly at 4:30 pm. There were no public comments or questions.

Bidding/Purchasing: Ms. Christi Tyler presented District 131's purchasing procedures. Ms. Tyler mentioned that the procedures were originally presented by herself and Bernie Weiler at the June 1, 2015 board meeting. Ms. Tyler stated there seemed to be some confusion regarding what the purchasing threshold for obtaining quotes is. Currently the District has a procedure for obtaining three quotes on any purchase over \$5,000.

Ms. Annette Johnson stated that the list of bills shows purchase orders are being entered after the fact. Ms. Johnson said in the private sector you write a purchase order first, call your good in, and then receive the goods; we are not following that, why isn't the accounting department not rejecting these purchase orders? Ms. Tyler responded that the procedures have been relayed numerous times to both administrators and office staff. Ms. Johnson suggested that all vendors be advised that if they continue to process an order without a purchase order they will not be paid. Ms. Tyler informed everyone that open purchase orders are limited to recurring charges.

Mr. Ken Darby asked to review the steps involved for obtaining a purchase order. Ms. Tyler gave an example of an administrator purchasing a desk. The administrator would let the secretary know what item he/she wanted, the secretary would then enter a requisition, and the requisition begins the approval process beginning with the administrator. Then it comes to the purchasing manager who reviews the documentation and reviews the approvals. After this last step a purchase order is created.

Mr. Darby asked at what point the purchasing manager obtains three quotes. Ms. Tyler responded if someone asks the purchasing manager to assist with obtaining quotes, she will. Ms. Johnson said she is not seeing additional quotes included as documentation when she reviews purchase orders. Mr. Darby asked what dollar amount requires a purchase order; Ms. Tyler replied everything needs a purchase order, even P-cards. Ms. Johnson said she will lobby the board to vote "NO" on the list of bills "to teach somebody a teachable lesson." By the first board meeting in March Ms. Johnson expects to have issues corrected; and procedures followed.

Ms. Johnson gave the example of a Platt Electric invoice not having the proper documentation. The bill did not have any detail on it, it did not indicate how many hours of labor were used, there also were no quotes attached. The bill was over \$4,000. Were quotes obtained? Mr. Darby asked why our staff couldn't have done it. Ms. Tyler replied they may not have had the proper equipment to complete the job; she also added this is a one-time expense.

Ms. Johnson stated that corporate America does this every day for \$50 transactions. Mr. Darby said he didn't think a quote needed to be done for \$50, but there needs to be more accountability. Ms. Tyler suggested that items \$50 or less a P-card should be used. The P-card does offer a 1% rebate on all purchases. Both Ms. Johnson and Mr. Darby agreed to reduce the purchasing threshold for obtaining quotes to \$2,500, it was agreed to bring this topic to the full board.

Ms. Johnson inquired if the beginning of the year office and classroom supplies will be bid out. Ms. Tyler said this would be difficult to bid given the size of our District, and multiple people's preferences on supplies. Currently we receive a discount from Office Depot, and they have a wide variety of items. They also offer the availability for teachers to make carts and place orders within their building by the building secretary.

Ms. Johnson asked if the year-end audit was done, Ms. Tyler answered the final draft will be here by Friday, she will then forward it to Dr. Popp who will include it on the Friday update. The auditors will present at the February 1 board meeting, this will provide board members an opportunity to review the report beforehand. Ms. Tyler indicated the auditors have

tested accounts payable, payroll, how employee contracts are input, and have gone to three schools to test student activity accounts.

New Business:

- Ms. Tyler presented a resolution authorizing bank signors at Old Second; this is to remove Joan Glotzbach as a signor.
- The Benefit Contribution Summary was reviewed.
- A resolution for refunding and restructuring of bonds will be presented at the next board meeting by Mr. Bob Lewis from PMA.
- Ms. Johnson asked if the District has had its investments reviewed, and if Ms. Tyler has talked to Rob Grossi in regards to a lower renewal rate for Infinite Visions. Ms. Tyler responded not yet, with all the changes that happened at the beginning of the year it was put aside, but she will reach out to Mr. Grossi.
- Ms. Johnson asked if a cash flow analysis has been done or if the bank offered a rate of return on the sweep account. Ms. Tyler replied no, the money sweeps in and out. Ms. Johnson also asked if the checking account is being reconciled, Ms. Tyler answered yes, it is reconciled every month.
- Ms. Johnson asked if the District was up to date with Medicaid, Ms. Tyler replied yes.
- Ms. Johnson stated when the Community Eligibility Option program first began there was a \$600,000 grant to assist with equipment and paying staff; is that yearly or was it for initial startup of the program. Where are we with this? Ms. Tyler said she would check into this.
- Ms. Johnson asked what the status on the grant writer is; Dr. Popp answered there is an agreement with Gloria Hunter, since they have struck out with hiring someone.

The meeting adjourned at 5:22 pm.