

# FINANCE COMMITTEE MEETING

MEETING DATE: WEDNESDAY, MARCH 16, 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 (*arrived at 4:32 pm*)  
Yes  
Yes  
No

## Agenda

1. Roll Call
2. Public Comments/Questions
3. Old Business:
  - a. Food Service bid update
  - b. Transportation bid update
  - c. Levy update
4. Motion to approve the following resolution(s):
  - a. Resolution Authorizing Sale of Personal Property
5. Motion to approve the following grant(s):
  - a. "Donor's Choose" grant in the amount of \$900 from Donor's Choose to O'Donnell School for iPads
  - b. "Let's Move Salad Bars" grant from Let's Move Salad Bars in the amount of \$5,500 to Allen, Beaupre, BKC, Brady, Dieterich, Gates, Johnson, Hermes, O'Donnell, Oak Park, and East High schools
6. Investments and business office services
7. Digitizing Student Records
8. E-Rate RFP:
  - a. E-Rate RFP for Internet Fiber
  - b. E-Rate RFP for Access Points and Switches
9. Budget Amendment
10. Funding request for The Light of the Heart: A Community Art Therapy Project
11. BOE Policy 4.60-Operational Services-Purchasing and Contracts
12. New Business
13. Closed Session, if needed
14. Adjournment

## Consent Agenda

1. Next meeting—April 12, 2016 at 4:30 pm, School Service Center
2. Motion to approve the monthly financial report(s):
  - a. List of Bills
  - b. January 2016 Financials
  - c. Fund Balance Report
  - d. Investments Report
  - e. Payroll Report
3. Motion to accept the following donation(s):
  - a. \$2,446.00 from Ginger Creek Community Church to O'Donnell School for the December 2015 Gift Mart
  - b. \$2,500.00 from Bob's Discount Furniture to Bardwell Elementary School
4. Motion to accept the following grants:
  - a. "Donor's Choose" grant in the amount of \$900 from Donor's Choose to O'Donnell School for iPads
  - b. "Let's Move Salad Bars" grant from Let's Move Salad Bars in the amount of \$5,500 to Allen, Beaupre, BKC, Brady, Dieterich, Gates, Johnson, Hermes, O'Donnell, Oak Park, and East High schools

### **Action Items**

5. Motion to approve Resolution Authorizing Sale of Personal Property
6. Motion to award E-Rate Fiber Backbone RFP to Advanced Wiring Solution in the amount of \$177,031.00
7. Motion to award E-Rate Switch and Wireless RFP to Netrix (HP/Aruba) in the amount of \$1,007,906.64

### **Informational Items**

8. Food service bid update
9. Transportation bid update
10. Levy update
11. Investments and business office services
12. Digitizing student records
13. Budget amendment
14. Funding request for The Light of the Heart: A Community Art Therapy Project
15. BOE Policy 4.60-Operational Services-Purchasing and Contracts

### **Minutes**

There were no public questions or comments.

*Food Service Bid Update:* The food service bid is currently waiting for approval from ISBE; once they have reviewed and approved it, it can be released to vendors. There will be a mandatory pre-bid meeting with a tour of some of the buildings. The hope is to have a three week turn around. The bid will have two options: (1) prepared on-site meals for all grades PK-12 and (2) pre-plated meals for elementary schools and prepared on-site meals for secondary schools. Ms. Johnson asked if cleanup was included, Ms. Tyler replied yes.

*Transportation Bid Update:* After further review of the current special education transportation contract it was discovered that the renewal rate for the third year is tied to CPI, this year the CPI rate is .8%. Durham would not be able to perform another year of service at that low level of an increase. The renewal rate for the kindergarten, STEM, field trip and athletics transportation is 2.5% with Durham, Ms. Tyler reached out to them and Durham proposed a 4% increase. Both transportation contracts will be bid. The bid will be opened on Friday, March 18, 2016.

Ms. Johnson asked what was going on with the potential transportation secretary. The position has been discussed at Policy and Personal Committee as well as Executive Cabinet. At this time there is a possibility of restructuring current positions and filling the position within.

*Levy Update:* Ms. Johnson asked where the District was at in regards to the levy if we continue to hold the line flat. Ms. Tyler replied that final EAV numbers have not been received yet. The current CPI is .7% an increase to revenue will be mostly on new property. Ms. Tyler asked if a formal resolution was needed, since there was one in the past. Ms. Johnson replied that the attorneys were supposed to be working on one. Ms. Tyler said that final EAV numbers were usually issued sometime in March and she has not received them yet. Paperwork for the abatement of the two million dollars has been filed with the County, and this will be noted in the February Investments reports. Ms. Tyler added that when the final numbers come in from the County the levy can be adjusted within the parameters of the levy. She also reminded that if we don't levy now we lose it. Mr. Darby asked if final new construction numbers have been received, Ms. Tyler responded no.

*Resolution Authorizing Sale of Personal Property:* Technology items that are no longer in use in the District will either be sold or recycled. These items are no longer needed for school purposes.

*Grants update:* Two grants were presented for approval.

- a. "Donor's Choose" grant in the amount of \$900 from Donor's Choose to O'Donnell School for iPads
- b. "Let's Move Salad Bars" grant from Let's Move Salad Bars in the amount of \$5,500 to Allen, Beaupre, BKC, Brady, Dieterich, Gates, Johnson, Hermes, O'Donnell, Oak Park, and East High schools. The committee wondered why Bardwell, Krug, Rollins and the middle schools were not included in the grant.

*Investments and Business Office Services:* Ms. Tyler spoke with Mr. Rob Grossi of Bloom Township Trustees of Schools in regards to services offered. The quote previously given in 2015 for managing District 131 investments is still good at a flat fee of \$36,000.00 per year; he estimates District 131 is currently paying \$47,000 based on the range of 12-15 basis points. His company offers a better yield since they will pool District 131 money with other school districts which allows for longer term investments.

Ms. Tyler also discussed the possibility of Bloom Township taking on some of the business office functions. This price varies depending on the scope of the work that will be done. If the District follows the West Aurora 129 model, Bloom Township would pick up at printing payroll checks and running all the corresponding reports including tax filing and wire transfers. Data entry/input would still be done at the District level. Price is based off of enrollment, the proposed price is \$198,000, and this includes the annual IVisions renewal, which is \$103,000. Bloom Township would pay for the software, licensing fees, and they would host IVisions.

Mr. Darby asked what the benefit of this would be; Ms. Tyler replied they would take over some of the work that is being done at the business office. Ms. Johnson said that West Aurora had less staff in the business office and wondered how we could get to that level. Ms. Tyler answered their business office does not have less employees; it is almost the same amount of employees. The only thing we have is an extra payroll person and that person is also a Level 1 tech support for IVisions. It was discussed if there would need to be a cut in staff, but Ms. Tyler felt that it would be more beneficial to restructure a position to include position control. This is greatly needed in the district and it would assist with budgeting positions. There would be a change in responsibilities but not in salary. The committee would like to see a job description of this position.

The committee agreed to move forward with the investment proposal and see how everything progresses as well as spend some time looking at the budget.

*E-Rate RFP:* Ms. Beatrice Reyes-Childress presented the results of the E-Rate RFP's for the Internet Fiber and Access Points and Switches. Both RFP's are contingent on receiving E-Rate funding and vendors have been made aware of this. Ms. Reyes Childress said E-Rate runs on a five year cycle and we are currently on year two. Funding at the highest rate is most likely within the first two years of the E-Rate cycle. The normal funding rate is 90%. Ms. Tyler added the grand total will be budgeted in expense and the E-Rate will be budgeted in revenue for fiscal year 17.

- RFP for Internet Fiber—Ms. Reyes Childress indicated this RFP is for upgrading the internet fiber at the high school and elementary schools. Three vendors submitted RFP's and the lowest most responsive bidder is Advanced Wiring Solutions.
- RFP for Access Points and Switches—This RFP is for the procurement of local area network equipment and associated licenses for the majority of District 131 facilities. The Magnet Academy and Johnson School were not included since their equipment was replaced last summer. The SSC, ASC, and B&G facilities are not eligible for E-Rate. Ms. Reyes Childress noted that District 131 currently uses HP and Aruba; two vendors also use these products. It would be beneficial to stay with the same products, since the access point span is wider. This will also avoid incurring costs of new equipment. Seven vendors submitted RFP's and the most responsive bidder is Netrix.

Ms. Johnson asked how the preparations for PARCC testing were going; Ms. Reyes Childress said it was moving along. There will be a test on Friday for practice tests. PARCC limitations indicate that there can only be 100 students per building participating in the practice test.

*Digitizing Student Records:* The Special Education Department would like to digitize student records, since by law they need to be saved for 60 years after the student leaves the District. Ms. Tyler said this would be an expensive endeavor to digitize all records and suggested picking a year to start and then leaving the paper files to age out. Mr. Arroyo asked if the files can be donated to the historical society, Ms. Tyler replied no, since they have sensitive information. Ms. Tyler asked the committee if she could move forward with an RFP to price out how much this would cost. Ms. Johnson asked if E-Rate money could be used for this, Ms. Tyler said she was not sure but would ask.

*Budget Amendment:* A budget amendment is needed in three areas:

- a. The two million dollars that was budgeted in a contingency account in the education fund needs to be coded to the bond and interest fund.

- b. An application was submitted to use the health life safety funds for the Little Theater project, ISBE denied the application since work had started before submittal of the application. They did say that school code allowed a budget transfer that can be done from health life safety to site and construction.
- c. The District has exceeded the limit for admin costs, which is 5%; it is currently 8% in the budget. The reason for this is the conference room furniture that was recently purchased for the IEP conference rooms. The function code used for the purchase was 2330. Mr. Darby asked if this was purchased with grant money, Ms. Tyler replied yes but the function code doesn't look at the source code. The expense will need to be recoded to the appropriate function code, as well as a grant amendment.

A budget amendment follows the same process as posting the budget. A tentative budget will need to be posted for 30 days, and then the Board adopts the amendment 30 days later. Ms. Tyler clarified this is to move money between funds not to add new money.

*Funding Request for Light of the Heart: A Community Art Therapy Project:* Ms. Johnson received an email from Melissa Hedlund Nelson with the Light of the Heart Community Art Therapy Project. Ms. Hedlund Nelson expressed concern over losing funding in the amount of \$10,000 from the State and asked if the District could assist in picking up the cost. This project assists approximately 20 District 131 students. Ms. Johnson asked if anyone was aware of the services she provides. Ms. Tyler said she would reach out Dr. Waddell for more information on this. The committee would like to know what services are provided and in what building.

*BOE Policy 4.60-Operational Services-Purchasing and Contracts:* Ms. Tyler wanted to confirm what items/services would be exempt from the \$2,500 threshold needing three quotes. Ms. Tyler asked if items such as nursing services, which are contracted out, as well as services that are available by one vendor would be included. Ms. Johnson said we should follow the state code for special services, computer, and technology, this should be reflected in the policy. Policies have been posted online and discussed in principals meetings.

#### *New Business:*

- Ms. Tyler addressed concerns regarding the “perceived miscalculation of TRS.” The board does pay the 9.4% for the administrators but the teacher health insurance (THIS) is also picked; this brings the total rate to roughly 10.4%. When the board pays TRS a different formula is used because it becomes part of the compensation; the new multiplier in this instance is 1.103753.
- Ms. Johnson asked if there were issues with social security and how many employees have been affected. Ms. Tyler responded when the District transitioned to IVisions in 2013, temporary workers were hired to help key in data, they missed entering some deductions in the employee record. Neither the employee nor the District noticed on their paychecks that the social security deduction was not being taken. We have reached out to the auditors and the employees involved. The employee and employer portion will need to be made up; this will need to be addressed on an individual basis. This has affected about two to three employees.
- Mr. Darby asked what the status with W2's was. Ms. Tyler responded the error was corrected, and corrected W2's became available online. Paper copies will be available for distribution once IVisions sends the files. Mr. Darby asked how did this happen. Ms. Tyler answered when the year is rolled over in IVisions the tax table for the board paid life insurance didn't come over. We did not realize this, so the tax tables came over as zero. The value of life insurance over \$50,000 up to the maximum amount of insurance the Board pays of \$75,000 is taxable. Mr. Darby asked how many people this affected; Ms. Johnson and Ms. Tyler replied about 500. Ms. Tyler added the District will pay for corrected tax returns. The District has a system in place to avoid this for the next year.

The meeting adjourned at 5:47 pm.