**FINANCE/PERSONNEL COMMITTEE MEETING**

Meeting Date: Tuesday, November 15, 2016 at 4:30pm.

**Members: Attendance:**

Ms. Annett Johnson, Chair Yes

Mr. Ken Darby Yes

Mr. Richard Leonard Yes

Mr. Michael Prombo Yes

Mr. Steven Megazzini Yes

**Agenda:**

1. Roll Call
2. Public Comments/Questions
3. FY16 Audit Presentation FY16 – Crowe Horwath, LLP
4. Tax Levy
   1. Tax Levy PowerPoint
   2. Certificate of Tax Levy
   3. Tax Levy Summary Sheet
   4. Truth in Taxation Certificate
   5. Certification of Tax Levy
   6. Resolution Authorizing and Directing Tax Levy
   7. Resolution Abating Tax on Taxable General Obligation Bonds Series 2016B (Qualified School Construction Bonds)
5. Local Government Travel Expense Act
   1. Expense form – Employees Expense Report Form from MyLearningPlan District 131 web portal
   2. Expense form – Mileage Reimbursement Form from District 131 Share Point portal
6. Old Second Bank Corporate Banking Resolution – signature cards for various accounts
7. Adult Meal Prices
8. RFP for Purchasing Infinite Campus Online Registration Module
9. Newsletter (Enlightener) Discussion
10. Acceptance of the following donations
    1. $197 donation for books and additional resources to Johnson Elementary School from Donor’s Choice
    2. $500 donation for East Aurora High School DECA’s Forgotten Teens from Aurora Fire Fighters Local 99
    3. $935 donation for Waldo Middle School’s Cheerleading from Klass Electric Company
    4. $1,000 donation for the East Aurora High School’s Children Account from Compass Mortgage
    5. $100 donation to Waldo Middle School from the Meemic Foundation
    6. Percussion bell set donated to Fred Rogers Magnet Academy from Mr. and Mrs. Ocasio
    7. Soccer nets, ball bags, and air pumps, estimated at $70 donated to Gates Elementary School from the Women’s Inclusion Network
    8. 43 sports balls, estimated at $240 donated to Gates Elementary School from Aurora and Lisle Farmers Insurance employees
    9. $270 gift card donation for Gates Elementary School’s teachers and staff from Farmers Insurance – Agent Ryan Watson
    10. Gloves and mittens donated to Krug Elementary School from the Montgomery Rotary Club and The Van Tieghem Family Foundation
11. Acceptance of the following grants
    1. “The Aurora East Education Foundation Grants” in the amount of $29,006 for Simmons, Hermes, East High, Waldo, Brady, Magnet, Gates, Rolling, Bardwell and the Child Service Center
    2. “Preschool Expansion for All” in the amount of $328,000 from ISBE for the Preschool Program and BKC
    3. “Mini-Valees” grant in the amount of $3,619 from VALEES for East Aurora High School
12. IASB PRESS (Illinois Association of School Boards Policy Reference Education Subscription Service) Policy Revisions
    1. 2:70 Board of Education-Vacancies on the School Board-Filling Vacancies
    2. 2:70-E Board of Education-Checklists for Filing Board Vacancies by Appointment
    3. 2:120-E1 Board of Education- Guidelines for Serving as a new Mentor to a New School Board Member
    4. 2:120-E2 Board of Education-Website Listing of Development and Training Completed by Board Members
    5. 2:125 Board of Education - Board Member Expenses
    6. 2:125-E1 Board of Education- Board Member Expense Reimbursement Form
    7. 2:125-E2 Board of Education-Board Member Estimated Expense Approval Form
    8. 2:125- E3 School Board-Exhibit-Resolution to Regulate Expense Reimbursements
    9. 2:240-E1 Board of Education-PRESS Issue Updates
    10. 2:240-E2 Board of Education- Developing Local Policy
    11. 5:60 General Personnel- Expenses
    12. 5:60-E1 General Personnel-Employee Expense Reimbursement Form
    13. 5:60-E2 General Personnel- Employee Estimated Expense Approval Form
    14. 6:100 Instruction- Using Animals in the Educational Program
    15. 7:10-E Students-Equal Educational Opportunities within the School Community
    16. 7:270 Students-Administering Medicines to Students
    17. 8:110 Community Relations- Public Suggestions and Concerns
13. New Business
14. Closed Session, if needed
15. Adjournment

**Minutes**

Public Comments – None.

Audit Presentation

Mr. Michael Prombo introduced Ms. Christine Torres, Partner and Ms. Hollis Hanson-Pollock, Senior Staff from Crowe Horwath LLP to present the District’s independent audit. Ms. Torres noted the District received an unmodified opinion and the entire audit process went more smoothly in the current year. Mrs. Torres explained that the net pension liability amount represents the amount the District could potentially owe if the State decided to not continue making their contributions into the pension funds. She also stated the District cannot control this number. Ms. Torres discussed the Education Fund and noted that while there was a loss in the current year, it was due to the state not remitting grant payments in a timely fashion. Ms. Hanson-Pollock spoke about the testing on the internal controls and federal grants and noted there were findings repeated from the prior year, but most had seen some improvement. There were two new findings. The first one related to Title I. There was a charge that was reimbursed twice, an employee that had 100% of the salary charged to the grant when only 50% of the salary had been approved, and retro pay was charged to the grant. The second new finding related to the purchasing process. It was noted that when a contract was approved by the Board, the Purchase Order was not created right away. Instead, the Purchase Order was being created once an invoice was received. The auditors’ concern is that invoices would be paid without the knowledge of whether or not goods were received or services were performed. The auditors noted that there was significant improvement on all control findings from the prior year, but due to the lateness of the findings being reported, new procedures were still being implemented during the year under audit. Ms. Johnson asked if there was improvement to the purchasing process during the year and if there was improvement in the controls. Ms. Torres answered yes. Mr. Leonard wanted to know if they would be presenting at the Board Meeting on Monday, November 21 so he would have more time to review the reports. The auditors confirmed they would be present.

Tax Levy

Mr. Mike Prombo presented the tentative 2016 tax levy.  Mr. Prombo reviewed two timelines, one timeline for the overall levy process and how it spans two fiscal years and two calendar year.  The second timeline summarized the Finance Committee and Board Meeting dates and the approvals that are needed at each meeting.

Mr. Prombo reviewed the Final 2015 tax levy and rates and stated that the District will keep the 2016 tax levy flat and equal to what was extended by the Kane County Clerk for the 2015 taxes.  Mr. Prombo reviewed the 2016 tax levy calculation sheet, showing that the District will be levying a total of $29,664,134 in the capped extension.   This is the same amount that the Kane County Clerk extended to the District for 2015.   Mr. Prombo pointed out that the District will be leaving $313,719.66 on the table due to the flat levy.  The estimated final tax rate for 2016 taxes is 5.9507%, down from the 6.72766% for 2015.

Local Government Tax Expense Act

Mr. Prombo explained that a new state law had been passed requiring additional transparency related to Board and Administrative travel. New policies will be required and discussed later in the meeting. Mr. Prombo presented tentative travel expense forms.

Old Second Bank Corporate Banking Resolution

Mr. Prombo noted we need signature cards for various accounts.

Adult Meal Prices

Mr. Prombo noted we are undercharging for adult meal prices. The Elementary Schools are undercharging $0.04 for breakfast and $0.09 for lunch. The Middle Schools and High School are undercharges $0.05 for breakfast. The recommendation is to increase the breakfast adult meal price in all of the schools from $1.40 to $1.45 and to increase the lunch adult meal price in the Elementary Schools from $2.30 to $2.40. Mr. Prombo noted these are the prices needed to breakeven in the programs and that no profit is being made. The new prices would go into effect on January 1st.

Ms. Johnson noted that Sodexo was not at the November Buildings and Grounds meeting. Mr. Prombo noted that they have requested to be at the December Buildings and Grounds meeting. Ms. Johnson noted there are complaints about there being no rescue food program anymore. Mr. Prombo noted he has discussed this with Preferred Meals and they are implementing in the next week or two.

RFP for Purchasing Infinite Campus Online Registration Module

Ms. Kristin Imberger presented the online registration process and noted the additional features if we choose this feature. She also provided a cost analysis.

Newsletter (Enlightener) Discussion

Mr. Tom Jackson presented information about switching from a paper newsletter to a new, e-newsletter to provide the community. The estimated savings to the District would be $50,000. Mr. Jackson and Mr. Darby discussed providing certain community members paper copies if they requested it and whether the paper copy would be a condensed version or a full version. Mr. Jackson also stated that videos could be included in the e-newsletter. Ms. Johnson said she’s heard contention among the community about the cost of provided these newsletters and thinks it will be well received. Mr. Darby suggested maintaining a database for those that request a paper copy. Mr. Leonard noted that the e-newsletter is a good idea, but there should be a few paper copies at the schools in case parents cannot afford internet at home.

Donations – Accepted

Grants

There was discussion on the Pre-K grant. Ms. Johnson wanted to know how much money was left on the table in the prior year. Ms. Margo Schmitt noted we left about $200,000 on the table from the prior year. She also noted the $145,000 of the current year’s grant would be used to open two new classrooms at the BKC and provide teachers for them. As an aside, Mr. Steve Megazzini noted that there would also need to be two new PE sections or Motor Skills Time that would require a teacher with a Type 04 Certification that would not be covered under the grant. These two additional teachers are needed since the classrooms will be all-day and the classroom teachers will require a planning period. The cost of this was estimated at $30 per day and the full costing analysis will be done in January.

Ms. Johnson expressed a desire to not leave money on the table. Ms. Kathleen Kogut explained that ISBE is awarding the grant based on the number of kids served in 2012. Currently, she cannot serve that number of children due to the lack of bi-lingual teachers in the market place. Mr. Megazzini noted that he’s been working with colleges on advising students to get the ELL and Type 04 certifications.

IASB PRESS (Illinois Association of School Boards Policy Reference Education Subscription Service) Policy Revisions

Mr. Steve Megazzini reviewed the policy revisions with the board. They will be presented as information on November 21, 2016 with action at a subsequent board meeting.

* 1. 2:70 Board of Education-Vacancies on the School Board-Filling Vacancies
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New Business

Mr. Prombo noted that he has been in discussions with Dr. Mark McDonald and Mr. Nestor Garcia about providing vans as part of the new collective bargaining contract. They have been discussing the types of vans, stocking the tools and purchasing new versus used vehicles. Mr. Leonard asked about the amount and if there was enough money in the budget. Mr. Prombo believes it will be anywhere from 4-6 vans and while there is money in contingency, it will depend on the final cost of the vans.

Mr. Leonard wanted to know about the applications for the new Buildings and Grounds Director and if non-certified employees must have a one-year contract or could they be an at-will employee. Mr. Megazzini will check on the contracts and noted the Dr. McDonald will be reviewing applications for the new director.

Ms. Johnson asked about time clocks. Mr. Megazzini noted that they are installed and being used. However, there is an issue with moving these employees from 26 pay periods to 24 pay periods. Mr. Prombo noted that during the switch, there will be a larger period of time for the employees to be without a paycheck. Mr. Prombo also noted that the CBA noted that this change must be as of July 1. Mr. Megazzini noted there are also software issues. Discussion ensued.

Ms. Johnson asked about investments. Mr. Prombo said he will try to review them by the end of December. Ms. Johnson also noted a desire to have a three-year rough budget to have an idea for future expenditures.

Mr. Leonard asked the about generating a resolution to dispose the lights that are at Gates from the old athletic field. Mr. Prombo stated that he will discuss this with Mr. Garcia.

Closed Session – There was no closed session.

The meeting adjourned at 5:42pm.