



**MINUTES - Amended**  
**FINANCE ADVISORY COMMITTEE**

Thursday, April 12, 2018 • 1:30 p.m.

LCPS Administration Building • Superintendent's Conference Room

**I. INTRODUCTION**

*1. Call to Order*

Mr. Ed Ellison, CFO, called the meeting to order at 1:39 p.m.

*2. Attendance*

In attendance were: Mr. Ed. Frank, School Board President. From Administration: Mr. Ed Ellison, Ms. Melissa Zuniga, Sylvia Martinez and Cindy Archuleta. From NEA-LC: Mr. Dean King. From Public: Glenn Landers.

**II. FINANCE REPORTS**

*1. March Finance Report*

Mr. Ed Ellison presented the March Finance Report. As of April 1, 2018, Operational Cash balance was \$1,097,277.09 and \$29 million was on deposit at the State Treasurer's Office as investments. Total cash assets amounted to \$30,404,456.45 which does not include fixed assets but only liquid assets.

Mr. Frank inquired about how current fiscal year expenditures, including salaries, for Central Office compared to expenditures last fiscal year. Mr. Ellison will compile this information and will provide a report at the May Finance Advisory Committee meeting.

**III. BUDGET**

*1. Budget Update*

Mr. Ellison presented information regarding the legislative bill passed to increase teacher salaries to an average of 2.5% and 2% for other employees. The New Mexico Public Education Department (PED) announced the unit value calculation will increase by \$74 but Mr. Ellison explained that this is less than the amount the district needs to pay for the mandated salary increases. The increase in unit value provides the district with an additional \$2 million in revenue but the district needs \$4 to \$5 million to comply with the legislative mandates leaving the district with approximately a \$2 to \$3 million-dollar shortfall. Mr. Ellison will be working on calculations to adjust the budget accordingly to accommodate these increases in salary.

Mr. Ellison has compiled and distributed an eight-question survey to seek employee/parent/community/stakeholder input on the district budget in addition to soliciting input from NEA and CSEC. To date, over 800 hundred survey responses have been received. Input regarding the budget has already been solicited from Principals, Executive Cabinet and the Board. Mr. Landers inquired if the survey had a place for comments and Mr. Ellison stated that he believes there is a section to list comments. A town hall meeting will be scheduled towards the end of May to further solicit community input. Mr. Ellison said the Board will have the budget two weeks before the June Board work session where budget approval will be sought, which will give the Board and community more time to review it than had been previously afforded. The Board will be provided a budget packet which will include Board priorities, survey results, town hall discussion summation, etc. to facilitate transparency. Mr. Frank commended the new budget process. Mr. Landers stated that he too appreciates Mr. Ellison's efforts to create transparency and increase input for budget formulation. Mr. Ellison stated that it is his responsibility to oversee the financial health of the district as he is a steward of public funds to facilitate a good learning environment for students.

#### IV. OTHER

##### 1. *Eligible Part-Time Employee Insurance Resolution*

Mr. Ellison presented the resolution for the district to offer insurance coverage for employees who are .5 FTE and working more than 15 hours a week but less than 20 hours a week. Without the passage of this resolution, the district will not be able to offer insurance coverage to this segment of employees. This resolution will go to the Board for approval on 4/17/18. LCPS will pay the employer portion of the insurance coverage the employee will pay their portion for insurance coverage. This resolution aims to provide .5 FTE employees with the same benefit options as a full-time employee.

##### 2. *Budget Adjustment Request (BAR's)*

Mr. Ellison presented and provided an overview of the five budget adjustment requests. Regarding the budget adjustment request for fund 24154, Mr. Ellison explained that this is carryover funds from the previous year. Mr. Ellison explained that it is standard procedure for the state to award the carryover the following Spring for federally funded grants.

There were no other questions regarding budget adjustment requests.

##### 3. *Property Dispositions*

Mr. Frank asked the meaning of the term "GFA" which is listed on the far-right column of the property disposition list. Mr. Ellison explained that GFA is the acronym for General Fixed Asset. A General Fixed Asset is the classification used for an asset which is over \$5,000 and is capitalized.

There were no other questions regarding property dispositions.

4. *March Vendor Payments*

Mr. Frank inquired about payment made to Walsh, Gallegos, Trevino Russo and Kyle PC in the amount of \$45,975.57. He asked if this was for services over a period of time or if this was recurring monthly payment. Mr. Ellison replied that it was for payment of multiple cases as we receive multiple bills each month. To provide clarity, Mr. Ellison will provide Mr. Frank with a year-to-date total of legal services by vendor.

Mr. Frank asked for verification of payment made to Bank of America. He wanted to substantiate that this payment was for the district's P-Cards which Mr. Ellison confirmed. LCPS has an indirect relationship with Bank of America as they are the district's P-Card administrator, as the merchants the district utilizes pays the merchant fee to Bank of America.

Regarding Mr. Frank's inquiry of payment to Nutrition Services in the amount of \$300, Mr. Ellison explained that this is for catering service by our Food Service Department. Payment is generally handled via journal entry.

Mr. Frank inquired about several other vendors. Mr. Ellison confirmed that payments made to Picacho Hills Country Club and to Sonoma Golf Course were for student golf teams and payments made to the El Paso Baseball Club was for a field trip to a Chihuahua baseball game which was paid for through activity funds.

The conversation concluded with Mr. Frank acknowledging Mr. Castro's previous statement that LCPS try to utilize local vendors whenever possible. Mr. Ellison stated that this is what the district tries to do and that P-Cards are utilized heavily at local vendors however, sometimes local vendors cannot be used when a competitive bid is required.

5. *Approval of March Finance Advisory Committee Meeting Minutes.*

The minutes from the March 8, 2018 Finance Advisory Committee meeting were presented. Mr. Frank moved that the minutes be approved. Mr. King seconded the motion. The motion was approved. The minutes will now be sent to the School Board for their information.

**V. PUBLIC INPUT**

None

**VI. ADJOURNMENT**

The meeting was adjourned at 2:43 p.m.

—Minutes taken by Cindy Archuleta.