



MINUTES

FINANCE ADVISORY COMMITTEE

Thursday, March 9, 2017 • 1:30 p.m.

LCPS Administration Building • Conference Room B

I. INTRODUCTION

1. *Call to Order*

Melissa Zuniga called the meeting to order at 1:42 p.m. Ms. Zuniga chaired the meeting today as Crystal Valdez, CFO, is in Santa Fe.

2. *Attendance*

In attendance were: Mr. Ed Frank, School Board Member; From Administration: Ms. Melissa Zuniga, Mr. Ed Ellison, Ms. Sylvia Martinez, Mr. Will Manning, and Cindy Archuleta. From NEA-LC: Ms. Amy Simpson and Mr. Dean King.

Ed Ellison announced the passing of Mr. Chuck Davis, our past and long-time board member, whose invaluable contributions to our LCPS community were recognized. Members present concurred with Mr. Ellison's statements.

II. FINANCE REPORTS

1. *Financial Report*

Ms. Zuniga presented the year-to-date financial reports ended March 1, 2017. Mr. Frank inquired about fund 11000.12011 - Investments line which shows a \$10 million dollar opening balance and \$19 million-dollar amount in the receipts expense column. Ms. Zuniga and Mr. Ellison explained that these investment accounts are held for operational, capital and debt service items. The amounts in the Investments fund are sent to the State Treasurer's office so that LCPS can earn a little higher interest on these balances. The \$19 million in the receipts expense column is on reserve to pay off all contracts at fiscal year-end.

Ms. Simpson inquired as to whether these reports can be compared to last year reports. Ms. Zuniga and Mr. Ellison explained that cash reports are run on the first day of the month. It was not recommended that this report be compared to last year's report as it would not be a good comparative due to timing and it being unreconciled. The Quarterly Cash report is the preferred mechanism to compare the reports from year to year.

III. OTHER

1. *Finance Advisory Committee February Meeting Minutes*

The Finance Advisory Committee Minutes from 2/14/17 were approved by a unanimous decision.

2. *Budget Adjustment Request (BARs)*

Mr. Ellison presented the BARs. He explained that these BARs are to move budget between functions to cover our expenditure needs for our grant funds. Mr. Frank questioned why our supporting documentation for BARs have increased recently. Mr. Ellison explained that it was in response to increased scrutiny by PED.

3. *Property Dispositions*

Property dispositions were reviewed. Mr. Frank inquired as to why there are so many items being disposed of throughout the year. Mr. Ellison explained that the property being disposed are antiquated items. The cost shown on the disposition form is the original cost of all items being disposed of and not the current value. Most of the items being disposed are over 10 years old and are not carried on our current inventory. Inventory at our district sites is a continuous process throughout the year and that is how antiquated items are found. Mr. Ellison explained that fixed assets are items \$5000 or over. Ms. Simpson asked what the anticipated life of an iPad was. Mr. Ellison stated that the anticipated life of an iPad is 3-4 years.

Mr. Manning added that after items are approved for disposal by both the Board and State of New Mexico, our Purchasing department takes the items to auction so that the district can receive some proceeds for the disposed items. Currently Mr. Manning is researching a firm that would provide the district a set price for certain Information Technology equipment upon disposition. This would eliminate the difficult task of having to find someone to buy or dispose of the equipment.

4. *February Vendor Payments*

Mr. Frank inquired about the vendor Archway Company. Mr. Manning stated that Archway is an approved state vendor for instructional materials (textbooks). He explained that Archway's billing includes their fee for purchasing through various textbook vendors.

Ms. Simpson asked what the difference was between CES (Cooperative Educational Services) versus Archway. Mr. Manning explained that CES is a for-profit state contracted purchasing cooperative that handles many different types of vendors. Archway is a state approved vendor for our district state adopted textbooks and they charge a handling fee for processing through their vendors. Archway is used solely for district instructional materials purchases.

Mr. Ellison introduced the Finance Committee SharePoint site and demonstrated how to navigate within the site. Members will receive an email on how to access the site.

Mr. Frank inquired as to why American Linen had 11 lines listed on the vendor payment report and why some vendor amounts were \$0. Ms. Martinez explained that these were 11 different transactions and the \$0 amounts represent purchase order lines that were not paid upon for these transactions.

Mr. Frank inquired why InstaCopy services were being utilized instead of the in-district print shop. It was explained that InstaCopy handles our printing needs that our print shop cannot handle as well as handling office supply orders.

Ms. Simpson asked about the vendor payment to Southern Regional Education Board. Mr. Ellison explained that it is a vendor payment required by the Carl Perkins High Schools That Work grant for enhanced state networking fee for online training and coaching.

Mr. Frank discussed our eliminating the University of Virginia Turnaround Program next year to save money. It was explained that PED partially subsidized the training for this program for three years. Mr. Frank stated that LCPS could tap into NMSU and our local in-district talent to continue our turnaround initiatives

5. *Other*

Mr. Frank will present a report regarding the Finance Committee Meeting at the next school board meeting. He will explain to the board what the committee reviews and how the committee has progressed. Mr. Frank, Ms. Simpson and Mr. King expressed appreciation that they find this year's meetings to be much improved with better communication and transparency. Members now have a better understanding of the financial process which creates trust and they feel they can better participate in the meetings. Mr. Ellison explained that the purpose of the Finance Committee Advisory meetings was to educate members and to serve as an advisory team. He explained that in addition to the Finance Committee SharePoint site that was available to members only, he has also created a Budget Committee SharePoint site. Ms. Simpson asked if other districts follow our Finance Committee Advisory meeting format. Mr. Ellison said he believes that Santa Fe conducts their meetings in the same format we utilize. Albuquerque utilizes a more formal approach. Other districts around the state utilize their finance meetings as an opportunity to talk about other items such as budget issues.

The next scheduled meeting is April 13. Ms. Valdez, Ms. Zuniga and Mr. Ellison will be attending the Spring Budget Workshop at that time. The spring holidays are April 14th and 17th. Due to this, the April Finance Committee Advisory meeting will be cancelled and finance packets will be emailed out to committee members to review. If members have questions, they may contact Sylvia Martinez as she will not be attending the Spring Budget Workshop. Cindy Esqueda will send an email to committee members informing them that the April meeting is being cancelled. It was also mentioned that the Budget Committee will not meet on April 12th due to Spring Budget Workshop.

IV. PUBLIC INPUT

None

V. ADJOURNMENT

The meeting was adjourned at 2:44 p.m.

—*Minutes taken by Cindy Archuleta.*