



MINUTES - Amended
FINANCE ADVISORY COMMITTEE

Thursday, March 8, 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 1:33 p.m.

2. Attendance

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

II. FINANCE REPORTS

1. February Finance Report

Mr. Ed Ellison presented the February Finance Report. As of March 1, 2018, Operational Cash balance was \$9,474,431.76 and \$25 million was on deposit at the State Treasurer's Office as investments. Of the \$180,311,429 of Operational revenue budgeted for the year, the District has a balance of \$58,934,599.65.

Mr. Ellison responded to Ms. Simpson's question regarding Other Expenses. Other Expenses is comprised of the \$7 million-dollar cash balance reserve and \$1.5 million-dollar furlough payout reserve. The furlough payout reserve is for a one-time cash out scheduled for FY 18-19, after which time this reserve will become nonexistent. In its place, this reserve will be utilized for retirement annual leave payout.

Mr. Castro inquired about the recent reorganization and if this will generate realized savings. Mr. Ellison stated he would review the recent changes soon. Mr. Castro inquired as to how much we have spent this year in comparison to last year. Mr. Ellison stated the District has spent 56% of the Operational budget this year as compared to 54% for the same period last year. Mr. Frank requested comparisons for functions 2300 and 2500 between last year and this year, which Mr. Ellison will provide later.

III. BUDGET

1. Budget Calendar

Mr. Ellison presented a 90-day budget development timeline. This timeline will be sent out to committee members electronically. The 90-day time frame is from 2/15/18 to 6/20/18, which is the deadline for budget submission to the PED.

During the Spring Budget Workshop to be held April 4-6, 2018, the District will be updated regarding unit value, NMPSIA rates, etc. so that this information may be used to finalize allocations for teachers/schools. May 4, 2018 is the tentative deadline to send the budget to the Board, who will then tentatively review and approve the budget at the May 15th Board meeting.

2. Finance Advisory Committee meetings

Mr. Ellison stated that the Finance Advisory Committee meetings are the primary avenue for an open budget development process with public/stakeholder input. Mr. Frank stated he would like representation from all stake holders in the budget development stage (March 5 – early May). Representation will include community members, school administration, etc. and would need to be advertised. Ms. Simpson expressed concern that stakeholder involvement should occur earlier. Mr. Ellison stated that the starting date for discussion with stakeholder on the Budget Development Timeline is 2/15/18. The process did start at that time with needs assessments being solicited from the Superintendent, Principals and the Board of Education.

The Budget Development Timeline is designed to obtain input/concerns and suggestions from all community members in March and April possibly through public forums. Internal sessions for principals and central office and other stakeholder participation will occur within this timeframe as well. Sending out surveys may be another avenue with which to obtain feedback. Ms. Simpson suggested that someone other than a Finance Department representative be given the duty to gather public input and then the feedback would be brought back to the Finance Advisory Committee. Once all feedback is obtained, the budget will be finalized.

Mr. Castro inquired as to when we will receive our final allocation. Mr. Ellison stated that it is expected to be announced at the Spring Budget Workshop. There was discussion held regarding the Governor's approval of a merit pay increase. Since the details are not known at this time, Mr. Ellison does not anticipate the District participating in this. Mr. Castro suggested we gather public input and district's concerns to send to the State Legislature.

IV. OTHER

1. Budget Adjustment Request (BAR's)

Mr. Ellison presented and provided an overview of the three budget adjustment requests. There was a question regarding the Safe Routes to School budget adjustment request. Mr. Ellison explained that the unexpended funds as of 9/30/17 were required to revert to the Department of Health.

2. *Request for Proposal*

Mr. Ellison presented an RFP for the approval of an E-rate Technology Infrastructure Upgrade (Proposal No. 17-18-04P Category Two). This upgrade is necessary due to the District's aging technology network systems. Funding for 82% of the technology infrastructure upgrade will come from funding assistance from State and Federal agencies and E-rate eligible broadband related equipment and/or district-wide school and libraries application. By utilizing E-rate monies and assistance from State and Federal agencies, the cost to the district will be approximately \$200,000 instead of \$2.4 million dollars. The RFP Award Recommendation will be presented to the Board for their approval at the March 13, 2018 board meeting.

3. *Property Dispositions*

There were no questions regarding property dispositions.

4. *February Vendor Payments*

There were no questions regarding the February vendor payments.

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

The minutes from the February 15, 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 3:00 p.m.

—Minutes taken by Cindy Archuleta.