

Las Cruces Public Schools Board of Education

AGENDA ITEM EXECUTIVE SUMMARY

1. Board Meeting Date: June 20, 2017
2. Item Title: May 11, 2017 Finance Advisory Committee meeting minutes
3. Name of Presenter(s): Crystal Valdez
4. Proposed Motion (Action Items Only): Review only
5. Executive Summary:

The following minutes were taken at the May 11, 2017 Finance Advisory Committee meeting. They were presented and approved at the June 15, 2017 Finance Advisory Committee meeting.



FINANCE ADVISORY COMMITTEE MINUTES

May 11, 2017 • 1:30 p.m.

LCPS Administration Building • Superintendent's Conference Room

The meeting began at 1:35 p.m. In attendance: Crystal Valdez, Chairperson and Chief Financial Officer; Dean King; Ed Frank, School Board Vice President; Amy Simpson; Ed Ellison; Will Manning; Sylvia Martinez; and Jo Galván

I. Finance Reports

1. 2017/18 LCPS Budget – Crystal Valdez, CFO

Ms. Valdez said she was willing to explain any portions of the proposed 2017/18 budget. Mr. Frank said he had previously met with Ms. Valdez and his questions have been answered. Ms. Simpson asked for clarifications on a few matters, including the “miscellaneous expenses;” she asked whether this is considered the cash balance. Ms. Valdez said it is the definition used by PED but the actual line item by LCPS will be termed “restricted cash,” which at this time includes \$1.5 million for furlough restoration. Approximately \$10,103,000 is anticipated for the cash reserve by the end of the fiscal year.

Regarding the general supplies and materials budget, there is an increase of nearly \$1 million compared to last year. Ms. Valdez explained that when the district was anticipating the possibility of returning funds to the PED, virtually all spending stopped throughout the district. Although it seems like more is being budgeted for 17/18, the amount is not that dissimilar to what was budgeted in 16/17. The budgeted amount for 16/17 was \$5,922,990 with only \$3.1 million expected to be spent. For 17/18, the budgeted amount will be \$4,082,000.

There was a question about an increase of \$200,000 for K-3+ transportation. Further information would be needed from the program administrator.

Ms. Valdez also confirmed that the NM Supreme Court is not going to take action against the Governor; therefore, a special legislative session will be held on May 24, 2017. This may have an impact on public school funding for next fiscal year.

2. LCPS 3rd Quarter Report

A third quarter (ending March 31, 2017) financial summary was provided. Ms. Valdez said based on what was budgeted, the estimate cash balance to be around \$10 million. She characterized this as a conservative amount. The district will have a large payroll in June, 2017, so a total of \$33,167,216 is budgeted.

Ms. Simpson asked about a balance of \$246,101 left over in Professional Development. Ed Ellison explained that although a line may have a balance there are other lines that are over-budgeted. He said this is why the Finance Department reviews overall balances based on functions and not by each line item.

There was a question of whether the district is spending less on legal fees this year. Ms. Valdez said legal fee expenditures are higher and may reach approximately \$347,000 by the end of the year. For 2017-18, \$400,000 is recommended.

3. *Financial Report*

The financial report was reviewed. As customary, it is not reconciled but is developed after the month ends. It offers a snapshot of financial information in the months when there's not a quarterly report.

II. Other

1. *Finance Advisory Committee March meeting minutes*

The minutes of the March 9, 2017 Finance Advisory Committee was presented. No comments were made. Ms. Valdez moved that the minutes be approved. The motion was seconded by Ms. Simpson. The motion was approved unanimously. The minutes will now be sent to the School Board for their information.

2. *Budget Adjustment Requests (BARs)*

The committee was provided documents detailing information on 10 BARs. Mr. Ellison said one is for Title II, moving funds into teacher training in June from support function, for a total of \$140,000.

3. *Property Dispositions*

The committee reviewed the list of obsolete (non-usable) equipment that the district will be sending to auction.

4. *April Vendor Payments*

The committee reviewed a report of vendor payments for April 2017; the report is broken down to show payments over \$10,000 during the month. It totals \$6,168,397.

III. Public Input

None.

IV. Adjournment

The meeting ended at 2:36 p.m.