

# Las Cruces Public Schools Board of Education

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## *AGENDA ITEM EXECUTIVE SUMMARY*

1. **Board Meeting Date:** August 15, 2017
2. **Item Title:** June 15, 2017 Finance Advisory Committee meeting minutes
3. **Name of Presenter(s):** Crystal Valdez, Chief Finance Officer
4. **Proposed Motion (Action Items Only):** Discussion/Report only
5. **Executive Summary:**

The following minutes were taken at the June 15, 2017 Finance Advisory Committee meeting. They were presented and approved at the August 10, 2017 Finance Advisory Committee meeting.



## MINUTES

### FINANCE ADVISORY COMMITTEE

Thursday, June 15, 2017 • 1:30 p.m.

LCPS Administration Building • Superintendent's Conference Room

#### I. INTRODUCTION

1. *Call to Order*

Crystal Valdez, CFO, called the meeting to order at 1:37 p.m.

2. *Attendance*

In attendance were: Mr. Ed Frank, School Board Member and Mr. Maury Castro, School Board Member. From Administration: Ms. Crystal Valdez, Ms. Melissa Zuniga, Mr. Ed Ellison, Ms. Sylvia Martinez, Mr. Will Manning, and Cindy Archuleta. From NEA-LC: None in attendance.

#### II. FINANCE REPORTS

1. *Financial Report*

Ms. Valdez presented the year-to-date financial reports ended May 31, 2017 which were unreconciled and cumulative. Transportation showed a \$1.9 deficit and it was explained that in June a journal entry will be processed to charge this deficit expenditure to Operational funds. In August, reconciled year-end figures should be available for review to provide a more solid cash picture.

#### III. OTHER

1. *Omni Bar Agreement 457B*

Omni currently provides the district with a 403B. Dr. Ewing requested that Omni provide district employees the option of a 457B as well. The 457B is a tax deferred compensation plan that offers flexibility. The option of a 457B will be presented at the June Board Meeting. The 457B is a type of nonqualified tax advantage deferred compensation retirement plan. The 457B does not penalize 10% for withdrawal before the age of 55 and they can allow independent contractors to participate. Ms. Valdez will present more information for comparison purposes at the June Board Meeting. The 403B has a maximum amount and the 457B will provide employees with an option to save more. Both plans are tax deferred but the 457 is easier to take money out of once an employee is retired versus the 403B. The 403B rolls into an IRA upon retirement whereas the 457B does not. During the June Board Meeting, a presentation will be given that lists the pros and cons of each plan.

2. *Budget Adjustment Request (BARs)*

Ms. Valdez presented the BAR's for the month. Finance had a deadline of 6/1/17 to submit BAR's to PED. The presented BAR's consisted of two maintenance Bar's and one transfer BAR. Ms. Valdez explained that these BARs are needed to move budget between functions to cover our expenditure needs for our grant funds. At year end it is critical that all function balances be positive and to insure this is the case, BAR's are needed to prevent deficit balances.

3. *RFP*

Mr. Manning presented the MHS Kitchen Renovation which is the last project on the bond list. Mr. Manning presented the competitive bids that were placed. The evaluation committee recommends ESA Construction for the MHS Kitchen Renovation based on the evaluation tool used to score the project. There were five evaluators. Price was not a consideration until the evaluators independently evaluated the vendors. The ranking of the technical proposal and pricing showed ESA Construction to be the top choice. ESA bid the lowest price at \$1,411,500. Without pricing, ESA ranked just short of first place. ESA has been used by LCPS for many years. Jaynes Construction ranked first by one point over ESA without considering price. The overall project estimate was \$1.9 million, hence using the competitive process decreased the price by \$500,000.

4. *Bids*

Mr. Manning presented four annual bids for Food Services. Annual bidding is utilized to entice local vendors to submit bids. The bids were based on nutritional standards governed by the USDA. Bids were awarded by section (ex. Dairy, Yogurt, Fruit Juice products, etc.) Shamrock and Prices were the two vendors selected for award of these items.

There was only one respondent for the Grease Trap bid. This entails pumping the grease trap which amounts to 42,000 gallons (which is the district total capacity) throughout the district, per year. The sole bidder was Southwest Envirotec.

There was only one respondent for the Portable Classroom Moving Services. The sole bidder was R. Little Enterprise. Mr. Manning stated that R. Little Enterprise has maintained their pricing over the last four years but this year their bid went up slightly as he needed to compensate for his increased expenses. Mr. Manning then added that our facilities are larger now and we no longer are as reliant on these services as we once were. This bid includes hookup and stabilizing.

It was questioned what happens to portables when they become obsolete. Mr. Manning stated that when portables become obsolete, the district can auction them off. Mr. Manning does not have knowledge of any portables the district has auctioned off.

Mr. Castro inquired if other school districts network with each other to find/sell portables. Mr. Manning stated that our district does network with other districts regarding obsolete inventory. Mr. Castro then inquired if our district could network with other districts to consolidated billing and cooperative agreements to drive down

the price. Mr. Manning affirmed that this is an option but there is an additional fee that is charged by the lead educational agency/district. Mr. Ellison stated that our district utilizes CES (Cooperative Educational Services) which is a cooperative service within the State of New Mexico so that our district receives the best price. Ms. Valdez stated that Mr. Manning is very good at testing the market to get the best price for the district. Mr. Manning utilizes TCPN (The Cooperative Purchasing Network), State of New Mexico Purchasing Division (SPD) and other cooperative agreements to test the market to obtain the best price for the district.

5. *Property Dispositions*

Property dispositions were reviewed. Ms. Valdez stated that \$205,403.30 was the original cost of the property. The items being disposed of now have minimal value. As a district, property is shuffled around the district as needed. Unused items are placed in the warehouse for anyone in the district to view and obtain for use. Once items are approved to be disposed of, Finance has 30 days to submit the property disposition form to the State of New Mexico. The warehouse has tried to advertise outside the district those items available for sale but it is hard to provide adequate staff to be available for interested buyers to view these items. If Finance sees a requisition being processed for an item that may be in the warehouse, they contact the school site directly to see if they have verified the availability of the item with warehouse personnel. A 22-year-old vehicle was noted on the property disposition list and it will be sold at auction.

6. *May Vendor Payments*

Mr. Ellison presented the May vendor payments. Non-payroll disbursements for May were \$5,765,645.19 of which \$3,700,380.37 were in checks and \$2,065,264.82 were automated clearing house (ACH) payments.

The checks greater than \$10,000 are listed by ACH items are not listed in this report. This report just lists checks over \$10,000.

The second report show the entire list of checks processed in May.

Ms. Zuniga suggested to the board members that they review the vendor payment listing at home since it is rather lengthy and if they have questions, to please feel free to contact the Finance office with their questions.

7. *Finance Advisory Committee Meeting Minutes*

The minutes from the May 11, 2017 Finance Advisory Committee were presented. Ms. Valdez moved that the minutes be approved. Mr. Franks seconded the motion. The motion was approved unanimously. The minutes will now be sent to the School Board for their information.

8. *Other*

The calendar for the Finance Committee Advisory Meeting will be published soon.

#### IV. PUBLIC INPUT

None

**V. ADJOURNMENT**

The meeting was adjourned at 2:30 p.m.

*—Minutes taken by Cindy Archuleta.*