

District 113a - Finance Committee
February 29 , 2012 Meeting Minutes
Old Quarry Middle School (Conference Room)

In attendance: Barb Germany, Kevin Doherty, Karen Siston, Al Malley, John Evers, Sue Ruane, Mary Corrigan, Duane Bradley, Steve Davis, and Tracy Simon

- I. Minutes from the 11/30/11 meeting were approved.

- II. Charge Statement Update. The chair updated the committee about the approval by the BOE of the charge statement. The BOE made two changes to the recommended statement. The charge statement will still require 3 board of education members rather than 1-3 members as the committee had recommended. The other change will require the committee to produce a report to the BOE withing two months of the close of a quarter. The committee had recommended not have "hard" dates in the charge statement)..

The chair updated the committee about expectations by the BOE from the finance committee including providing timely reports. The BOE agreed to allow the committee to have financial date prior to approval by the BOE and that the finance committee would assist with the preparation of a financial plan for ISBE.

- III. RFP for Phone system Mr Steve Davis went through a presentation about the need to upgrade our phone system. The cost of the system was much more than what was budgeted. Among the options discussed were an operating lease, a capitalized lease, or a deferred purchase either spanning two fiscal years or moving the entire purchase into the next fiscal year allowing the administration to budget for the cost increase. More research is needed to determine if our financial plan would allow for leasing as it may be considered new debt. The RFP has also expired and Mr., Davis agreed he would take the current rfp's to prepare a detailed rfp using the submissions as a guide.

There was discussion about upgrading the cooling system for the server room.

- IV. The chair shared a concept of reestablishing a working cash fund. The bond and interest fund has, over a period of years, accumulated excess funds through interest earnings and a loss factor, whereby the county assessor levy's more than necessary to make bond payments to account for tax bills that go unpaid. This has amounted to approximately \$1.6 million.

The process would require the district to issue a working cash bond in the amount to transfer. The excess funds would then be used to pay off the bond approximately one month later.

The newly established working cash fund would then be used to loan to other funds in anticipation of tax receipts. Also, since the working cash fund is considered an operating fund, it's balance is included in the financial profile.

While one member voiced opposition, the committee recommended proceeding with this option.

- V. The chair reminded everyone about the upcoming joint BOE/Finance committee meeting on March 13th.
- VI. Next meeting - March 28th