

Lemont Bromberek CSD 113A
Finance Committee
Meeting Minutes
May 19, 2010
6:30 pm
Old Quarry LRC

In attendance: Al Malley, Duane Bradley, Kevin Doherty, Andy Taylor, Karen Siston, Sue Ruane, and Mary Corrigan

- I. Review Committee Minutes – Minutes from the April 21, 2010 meeting had been sent out via e-mail. Minutes approved with one change by Mr. Malley.

- II. Update on Policies

The attorney for the Board has reviewed the Fund Balance Policy, the Cash on Hand Policy, and the Revenue to Expenses Policy. Some minor changes were suggested and the new policies will be resubmitted to the Board for approval.

Mr. Taylor had a question regarding the Cash on Hand policy, specifically, why we would want to include an upper limit of 180 days of cash on hand? After discussion, it was determined that it may not be beneficial to keep more cash than 180 days. There may be a better use for the cash.

- V. Cogen report (skipped to #5 on the agenda to accommodate Mr. Batka) Mr. Rich Batka, Building and Grounds Manager, provided the report. The cogen is a natural gas driven generator that supplies the OQ/Dist. Office with electricity and generates waste heat, which is used to heat the building and provide cooling in the academic spaces. The cogen is the same age as the building, 13 years old.

Previously, the cogen had been running 5 days/week, 12 hours per day. However, a study was done by Johnson Controls, last year which determined that there would a savings of \$87,000 to stop running the cogen every day. Instead, we now buy electricity from Com Ed. At this

point, the cogen is only being run 2 hours/week to keep it running. Mr. Batka would like to continue to monitor this use of the cogen for one year to make sure it is the most cost effective way of heating/cooling/powering the building. It should also be noted that there is a separate cooling system for the District Offices and the LRC. The cogen's cooling was only used for the academic areas of OQ. Mr. Batka provided us with a statement of the last 3 years of Utility Costs for each building and the district as a whole.

Total costs of utilities for the district:

2007-2008 – \$540,473.00

2008-2009 - \$455,646.00

2009-2010 - \$412,000.00 (projected through June, 2010)

Savings have been realized through better use/monitoring of the utilities in the facilities and the cogen not being used this past year.

Mr. Batka also addressed an issue with the parking lot lighting that was broached by Mr. Madden, a Lemont resident, at the last board meeting. Mr. Madden had stated that the district could save approximately \$200,000/year by turning off the parking lot lights at night. However, Mr. Batka, disagrees with this statement. The savings, if all lights were turned off at all campuses every night, would be about \$9600/year. However, we need to consider the safety of our employees, who work until 12:00 am and the vandalism that is likely deterred by the lighting.

Mr. Batka stated that right now we are doing maintenance on an “as needed” basis for the cogen. This is not a concern at this time but it could be a concern in the future. There are some repairs that will need to be done in the future.

In addition to his reports, Mr. Batka also walked the members of the Finance Committee through the Cogen room to see the equipment.

III. Imprest Account review report

Al Malley reported that he and Duane Bradley focused their investigation on whether the fund/account is being used the way it was supposed to be used. They did find certain items that they felt should

have been presented to the Board rather than put through the Imprest Account. They would like to set up guidelines for the use of the account. When finished, they will have a flowchart and a draft policy on how the account should be used. There is no actual limit on the fund; whatever is spent during the month is reimbursed each month.

IV. Copier contract report

Duane Bradley reported that he has requested copies of the copier contracts from Bob Beckwith but thus far, has not received a response to his e-mail. Jay Tovia has said that he will get copies of the contract to Duane within the next two weeks and he will report back to the committee after that time.

VI. Parking lot lighting report

See discussion of this issue under V. Cogen report

VII. Finance Committee membership

New requirements for members: if 3 consecutive meetings are missed, the member will no longer be on the committee. Also, after 2 years on the committee, members will rotate off the committee, allowing for new members to join the committee.

VIII. Finance Committee Charge

It is proposed that we change the name to the Finance & Audit Committee. Kevin Doherty also asked us to submit any ideas that we may have on changes to the charter to him prior to the next meeting.

IX. Other Business

PMA needs to finish their work and then present their model for FY 2011.

A question was posed if it would be of benefit for the Finance Committee to make public presentations and/or a newsletter/e-mail blast to the public informed of our financial situation. The members of the committee like the idea but there are questions as to what form it should take, given our restrictions on spending. We would like to start our meetings with a Question and Answer session with the audience. This would be a factual presentation of our financial situation. We could

also answer questions about the role of our committee and the school district as a whole.

Also, Mario Mollo notified the committee that due to increased responsibilities in other areas, may have to resign from the Finance Committee.

Our next meeting is scheduled for Wednesday, June 23, 2010 at 6:30 pm in the Old Quarry LRC.