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**

**Finance Oversight and Review Committee Meeting**

May 8, 2107

**Meeting Minutes**

In attendance: Mike Lofgren, Rafia Hasan, Anna Richards, Willie Mack, Jeff Mathis, Michelle Mangan, Keecia Broy, Lou Anne Johannesson

Absent: Carrie Hagner, Dr. Alicia Evans, Bob Spatz

Also in attendance via phone: Michael Arensdorff, Director of Technology

Chairwoman Hanger called the meeting to order at 7:14 p.m. She introduced new member, Rafia Hasan

**Public Comments:** There are no public comments. *Elizabeth Scott who resides at 632 Gunderson, oak Park was present but provided no comment.*

**Standing Items -** Approval of minutes *–* The meeting minutes from February, 2017 were unanimously approved, pending edits. The group asked if the minutes could be supplied within two weeks of each regular meeting.

1. **Technology Department Financial Report**

Mr. Arensdorff addressed the group during a conference call. He explained that the District usually has a three-year technology plan but it is reapproved and reevaluate after each year. He explained the normally this process would happen in January however this year it was delayed due to the referendum. He also explained that there has been a Technology Advisory Committee since he started in his position, however he felt that what was missing was input from students. This year the committee was made up of five members of the community, five students and six staff members. The group also held 16 different focus groups with the staff and students to come up with a comprehensive new three-year plan. Over the last three few years he has been able to come up with over $400,000 worth of cuts to the current three year plan. The first project upcoming for the technology department will be to do a refresh on all student devices. It will cost about $325,000, however if the department were too wait a year it will cost an additional $100,000 dollars due to the lease of the equipment. Mangan asked if he knew what the per-pupil price for technology within the budget was. He did not and said that he would certainly get back to the committee with the answer. Mangan also asked if the technology committee took into account equity, adequacy, and inclusion in their plan. Aresendorff stated that with all decisions, the District’ goals are used as guidelines.

He concluded by stating that the 2017-18 capital expenditure will be $739,757. The revenue generated from selling our current fleet of devices is estimated to be $324,250. When budget cuts are considered, the overall impact will be $24,131.07, since cuts and savings total $391,375.93

Mathis asked Evans what she wanted FORC to do with this report. She stated that she was offering the information and needed no action. Mathis asked if in the future, action and information items be identified on the agenda. She agreed and asked the committee what they see their role as in the future. She stated that she and Chairwoman Hanger had planned on discussing this topic at length with the group. Mangan said that she was frustrated and she asked Evans to budget time better so that the FORC Committee can be a part of advisory. Mathis suggested that the committee was working in silo and asked if perhaps in the future they could be alerted to issues from the other committees that might be relevant to financial issues. The group asked that if the Board would allow them, prior to their committees charge change, to work within the framework of advisement using adequacy, inclusion and equity in all of their advisory decisions.

1. **Sale of Warehouse:**

Evans reported that there is due diligence period, but that if all goes well the plan is to be moving to our new warehouse space in the public works building by the end of July.

1. **Referendum Post Mortem:**

Evan stated that the goal the first year post referendum is to stress fiscal responsibility. She plans to keep a tight budget. The first year in the operations referendum the district will pull $13.3 million in the second year 19 million and again 13 million in the third. The goal is to put aside a cash reserve. The district will continue ongoing conversations with the community as the money is pulled and spent on operations.

In terms of the capital referendum which was $57.5 million, the District will wait until 2019 once the middle school bonds fall off to pull any funds. In terms of the work that will be done in fiscal year 2017 for summer and fiscal year 2018 for summer the DSEB bonds of $16 million will be used. The first 6 million have already been issued and will be used for life safety projects and accessibility projects throughout the elementary schools this summer. Another 10 million will be pulled from the DSEB for summer of 2018 for continued life safety work as well as the Holmes edition. Lofgren asked why the DSEB bonds were issued in the first place Evan stated that this was supposed to be for the Holmes edition which should have been built in summer of 2017 as well as the two year cycle of life safety work. All of this work would have had to been done with or without a referendum. He stated that his concern is how long we really try to make a $60 million last. Evans believes it can be controlled. At this point his concern is that if they were emergencies moving forward we’ve already exhausted DSEB for the time being.

Evans stated that the next school that will be looked at for in additional be Lincoln. STR is waiting to draw any plans until a demographic study can be completed. She emphasized again that there is no way that the district can control enrollment and that the DSEB bonds were vital in that Holmes is bursting at the seams and we needed an additional in the next two years with or without a referendum.

1. **Budget Committee Timeline:**

Evans stated that the budget committee will be formed with citizens from the community as well as the FORC group. She and Dr. Kelly will be examining the information from that Let’sTalk tour which will end on May 31. The committee decided that it would certainly welcome the idea of advising on the budget. Dr. Evan said that she would have a draft available as soon as June 5. Johannesson will send a doodle to fix one date in June and perhaps a second one if it is warranted to complete the budget process. Mack offered to host a budget workshop to explain how school budgets work and all the key areas that the group should look at in order to advise on the budget. The group decided they would like to have the workshop sometime in late May. Johannesson and will send a doodle for this as well.

1. **IMET Updates**

The updates were made available to the Committee in their packets.

1. **Transportation**

Evan stated that as part of a review of the transportation contract, she would like to conduct a route review or route audit. I will cost approximately $8000. Evans asked fork to vote whether or not they felt it was a good expenditure. The committee unanimously approved spending $8000 out of transportation route audit.

1. **Auditor Interviews**

Evans thanks that you committee members that helped assist her in sitting in on six auditor interviews.

The requests for proposals (RFP) were due March 27, 2017. The RFP invitation was posted in the newspaper and sent directly to 12 auditing firms. Ten of the firms were included in the IASBO resource guide and two firms were referrals from FORC members.

Responses were received from six auditing firms. First year bids range from $24,000 to $50,000.

Since price is not the only factor to consider when selecting an auditing firm, a subgroup of FORC and Dr. Evans interviewed the firms on the following dates: 4/4,4/12, & 4/13/17.

The firms were answered a series of questions. They were scored by the following categories: Experience, Price, Knowledge, Process and Value added.

The firms that received the highest overall scores were Baker Tilly and Miller Cooper. Both firms had extensive knowledge of our District and the financial statements. They were also able to articulate their ability to add value and offer professional development opportunities to business office staff free of charge.

1. New policies

Evan stated that the board would like for to draft language for a capitalization policy, fraud policy, transparency policy as well as the bonding policy. Mangan, Mathis and Mack agreed to be part of the work group on a transparency policy. Mangan remarked that all policies should be aligned with the District’s goals. Johannesson will do some research and send examples of transparency policies to the workgroup. Broy stated that the board is very interested in having a transparency policy in terms of all financial decisions large and small.

Evan stated that in drafting new policies, the work would begin within FORC then it would passed to the policy committee. Final language would be put onto the board agenda for one meeting to consider and then voted on at a second meeting. A draft of each policy needs to be completed by August.

Evan stated that she would like to wait on the other policies until Spatz returns from his vacation.

Mangan feels that the liaison reports to the Board are inaccurate. She asked about having a monthly time at a Board meeting for FORC.

1. **TSA**

TSA will be discussed at the next meeting.

The meeting was adjourned at 9:38pm

**Next Meeting: Johannesson will send a doodle to determine the next meeting date.**