

El Paso Independent School District
Minutes of Board Finance Committee Meeting
September 30, 2003
4:00 p.m.
Education Center-Boeing

- Present: Mr. David Dodge, Board Member, Board Finance Committee Chairperson
Mr. Sal Mena, Jr., Board President¹
Miss Leonor Garcia, Board Member
- Vacancy: Trustee District 1
- Administration: Mr. Charles Tafoya, Superintendent
Ms. Martha Piekarski, Director, Accounting Services
Mr. Richard Romero, Director, Budget
Dr. William Wachtel, Senior Researcher, Finance
Mr. Walt Byers, Treasury Manager
Mr. James Damm, EPISD Consultant for Finance
- Guests: Mr. Carlos Cordova, Board Secretary
Dr. Lorraine O'Donnell, Board Vice President
Dr. Charles Roark, Board Member²
Mrs. Frances Wever, El Paso Federation of Teachers and Support Personnel

The meeting was called to order at 4:07 p.m. by Mr. Dodge.

The topics discussed were as follows:

- 1A. Discussion of Standard Reports for Board Members and Board Finance Committee
- a. Monthly budget progress reports
 - b. External Funds Reports
 - c. Other Reports

Dr. O'Donnell indicated interest in information on trends and patterns.

Mr. Dodge indicated his preference for the pattern of the Special Revenue (External Funding) Report rather than the monthly Unaudited Internal Financial Statements. He requested a simpler format and information on how funds "dwindle."

Miss Garcia commented that the Special Revenue Report is less detailed and suggested that reports be provided to the Board in packets on off-weeks of Board meetings.

Mr. Cordova indicated his preference for the simpler format of the Special Revenue Report.

The consensus of the Committee was that the Special Revenue Progress Reports and Monthly Unaudited Internal Financial Statements are to include a Balance Sheet; Statement of Revenues, Expenditures and Fund Balance Changes; and Comparative and General Fund Expenditures and Encumbrances. The reports will be developed and "tweaked" as needed.

¹ Mr. Mena arrived at 4:15 p.m.

² Dr. Roark arrived at 4:25 p.m.

1B. Procedural Changes

a. Budget transfers (no increase)

- (1) discussed setting limit of \$2,500 for cross-function transfers that must be approved by the Board as soon as possible
- (2) suggested quarterly approval by Board rather than at every Board meeting

The Committee concurred with the recommendations.

b. Budget amendments (increase total budget)

New recommended process by Budget Review Committee (BRC) on budget amendments to safeguard Fund Balance

- (1) would take approximately 90 days for amendment approved (through BRC, Board Finance Committee, and three readings by Board prior to approval)
- (2) allowing Superintendent to take emergency amendments to Board

The Committee concurred with the recommendations.

c. Purchase order approvals (Board no longer to approve)

Recommended that the Board approve purchases on six-month basis or semi-annual bid process rather than individual purchases in order to speed up process

The Committee concurred with the recommendation.

d. Grant approval process

- (1) recommended approving grants and budget amendments concurrently
- (2) recommended setting up entitlements for department/school expenditures, with list and budgets to go to Board Finance Committee for review and approval

The Committee concurred with the recommendations.

e. Items for 2004-05 budget process

(1) incentives for non-expenditure of funds

Recommended that predetermined percentage of balance of funds at year end be rolled forward with remaining to go to Fund Balance (amount to be determined at a later date)

The Committee concurred with recommendation.

(2) planning for major expenditures

Incentive for non-expenditure of funds will encourage better planning for expenditure of funds.

1C. Specific Information

a. Preliminary close of fiscal year 2003

- (1) reviewed preliminary numbers from August 31, 2003, financial statements
- (2) projected Fund Balance was realized

b. Identified fiscal year 2004 concerns

- (1) reduction in Central Office travel, substitutes, and equipment (may need to put some back)
- (2) recommendation to be forthcoming

1D. Proposed Changes in Investment of Bond Fund Earnings

- a. Administration recommended placing 1992 Bond Fund interest earnings in Interest & Sinking (I & S) Fund and possibly placing 2003 Bond Fund interest earnings in I & S Fund
- b. Discussed implications of placing Bond Fund interest in I & S Fund (increasing Fund Balance of I & S Fund in fiscal year 2004, which could reduce 2004-05 tax rate)

The Committee concurred with the recommendations.

1E. Possible Discussion of Other Finance-Related Issues

Possibly decreasing employee contribution into Health Care Plan

Meeting Adjourned

The meeting was adjourned 5:30 p.m.

Date Approved: October 28, 2003