



FINANCE COMMITTEE MEETING
BOARD OF DIRECTORS
509 S. DUBUQUE STREET, IOWA CITY, IA 52240
2ND FLOOR CONFERENCE ROOM
WEDNESDAY, JUNE 1, 2011 @ 1 PM

AGENDA

- I. Approval of February 28, 2011 meeting minutes ([ENCLOSURE 1](#))
- II. Budget Goal: possibly looking at 5 FY year plan.
 - A. Considerations
 1. Governor's proposed 2 year 0% allowable growth plan
 2. Ed Jobs \$2.4 M total w/ \$1.8 for FY 2012
 3. AARA \$2,418,382 for FYE '11
 - B. General Fund
 - C. Voted PPEL (\$1.34) reauthorization required in 2015 but will require a vote by the people
 - D. SILO Revenue Purpose Statement (RPS) reauthorization
 - E. Instructional support levy expires June 30, 2015
- III. Getting back to a 5 – 10 % Unspent Balance Ratio Goal
 - A. General Fund
- IV. Printing RFP
- V. Vendor Analysis
- VI. School District Finance Education: Board and General Education



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MEETING OF THE FINANCE COMMITTEE
IOWA CITY COMMUNITY SCHOOL DISTRICT BOARD OF DIRECTORS
509 S. DUBUQUE STREET, IOWA CITY, IA 52240
SECOND FLOOR CONFERENCE ROOM
MONDAY, FEBRUARY 28, 2011 @ 1:00PM

MINUTES

Present: Tuyet Dorau, Gayle Klouda, Steve Murley and Paul Bobek.
Absent: Mike Cooper

Meeting Start: 1:06pm

Approve November 23, 2010 Minutes

Minutes of the November 23, 2010 meeting were approved.

Staff Updates

FTE Reporting

Murley explained that the budget cuts can't be an individual process as it is heavy lifting down the chain of command. The scale of reduction needs to be determined and targets, preferably multi-year targets, need to be set along with parameters. Departments would know how much needs to be reduced from their budget and it would be up to them to present different options as to how they would cut. The options would include dollar amount, meaning (people vs. stuff), pros/cons, and what they will do to prepare. Building administrators would work with the CAO administrators, but would own their cuts. Options would be vetted when presented to the Board. Murley stated his concern is that he is not sure to what degree administrators understand exactly what their budget. They know what accounts they are responsible for but don't know how much is budgeted for the account. He stated it is important for staff to own their departmental budgets. Dorau inquired of the time frame. Murley stated we should have known last spring so there is not much time left for planning. Klouda discussed the intended role of the Board. She stated that at points along the way options could be presented to the Board and for public input however what is done is ultimately a superintendent/administration decision. She discussed the Board Policy stating a 5% reserve and the obligation of the Board to question when

the reserve falls near or below that 5%. Dorau expressed her concern of the Board having any type of impression that they would be doing budget cuts and the importance for clarity that they do not make the decisions. She stated they need only know the broad strokes; how severe and what areas, not specifics. The committee agreed to start with a description of the process when the item is placed on the next Board agenda.

Legislative Update

Dorau suggested the Finance Committee find out how to best support the Legislative Committee and legislators as a whole. She stated the reality of budget guarantee has a general impact on what our programming can provide and essentially rewards shrinking districts. Bobek stated the budget guarantee equalizes funding on a per pupil expenditure across the state. Not less for our district, but yes, more for shrinking districts. Dorau suggested brainstorming talking points with the Legislative Committee. Klouda inquired of the process. Dorau suggested providing talking points on the web page for parents to use to write to legislators. Klouda suggested keying into what the Legislative Committee is doing and submitting the talking points to them. Dorau agreed the Finance Committee would be supportive roles to both the Legislative Committee and the Communications Committee. Dorau and Bobek will work together to develop talking points.

Committee Role

How to support the Board/Committee Charter

Bobek inquired how the committee creates value to support the whole Board and inquired of translating how to accomplish responsibilities in the committee charter. Dorau stated that currently the committee charter makes it sound as if the Board is actually doing the work. Klouda stated the actual role is being made aware of the process and asked in what way the committee could do that to be helpful to the Board. Dorau suggested being a sounding board for administration on the interpretation of superintendent limitations and ends policies. Klouda stated the distinction between monitoring reports and informational reports and suggested perhaps yearly Murley could provide a statement saying this policy means (fill in the blank) and I have been able to comply by (fill in the blank). The committee agreed that charter was ok as proposed at the last meeting. Klouda suggested the committee could define actions as to how to perform charter responsibilities.

Policy Governance

Review Financial Superintendent Limitations

The committee discussed the review of financial superintendent limitations. Klouda stated that administration needs to review and interpret the superintendent limitations first and then present to the Board for their interpretation. This would continue until both sides agree on interpretation.

Discuss Monitoring Reports

Jim Hyatt's Role

Klouda suggested one of the committees on Jim Hyatt's list was the audit committee however time did not allow for that discussion at the retreat. Klouda would like to hear his definition of what audit committee does within policy governance and would also like to hear more on financial oversight. She suggested the committee might consider having Mr. Hyatt present at a meeting. She feels it might help the committee function to see what it would look like when done properly. She stated a question Mr. Hyatt asked each member of the Board was what they viewed as areas of concern. This was viewed as an area of concern by the Board but it was unclear what the process is with a Board that operates under policy governance and facilities expenditure. She feels it would help the Board to talk it through with someone with more experience on policy governance model. The committee will recommend to the Board to have Mr. Hyatt back to meet with the Finance Committee. The committee could provide Mr. Hyatt with specific questions they want answered. If the Board does not agree to have Mr. Hyatt come back the committee could still email the questions to have Mr. Hyatt clarify. Murley will work with Mr. Hyatt to schedule if given the go ahead by the Board.

FTE Reports

Bobek distributed a report that identified district FTE, by employee group, and reflected changes from October 1, 2010 through February 28, 2011. Dorau inquired if previous years could be added to the spreadsheet. Bobek reported the district is looking into a new general ledger system that integrates the human resources side with the accounting side. This would offer significant improvement when generating these types of reports. Dorau stated historical trends would be helpful when looking at cuts and requested the have that data for the next meeting.

Bobek reviewed a handout of the 2011-2012 General Fund projections showing the magnitude of the budget reductions. The handout showed two different scenarios for expenditure levels at 98.5% and at 100% and included projected salary & benefit packages at 0-4%, general inflation estimate at 3% and projected allowable growth at 0-2%, and unspent balance ratios ranging from 1%-5%. Bobek indicated the amount of budget reductions would depend on allowable growth and how flexible the Board is with the unspent balance ratio. Board policy states a 5% reserve and Klouda stated the Board would need to decide soon how flexible they will be. Bobek stated the district will make application for SBRC in May seeking modified allowable growth for the opening of Garner and asbestos however that is only one time spending authority. Klouda stated two years ago was the first time below the 5% level. At that time the Board allowed it in order to not cut too deeply with the intent to get back above the 5% level over a period of time. In 2010

the level was back above the 5% partly by categorical and partly by a one time fix. Klouda stated the systematic problem of deficit spending was not addressed and asked how to keep from arriving at this point again. Dorau asked what the administration proposal for cuts was. Klouda stated that in the past Superintendent Plugge would give the Board an idea of different levels of cuts to get to certain points, (i.e. what a 4% threshold looked like and what a 5% threshold would look like.) Klouda stated that in order for the Board to determine how low they could go below the 5% level they would need to see this information to know the trade off. She emphasized that we cannot keep saying we need to get back to the 5% level we need to make it happen. We need to get back to the 5% level and not deficit spend. The committee requested information for the Board showing how deep the cuts need to go in order to get back to the 5% level. This information will be presented to the Board at the next budget review.

The meeting adjourned at 3:00pm.