

Meeting Title: Policy Committee Meeting	Meeting Date: June 24, 2014
Meeting Location: KOSD Board Room	Meeting Time: 6:30 pm
Attendees: Annie Shaw, Daniel Domalik, and Eric Brandenburg	
<p>Agenda:</p> <ol style="list-style-type: none"> 1. Policy 610- Purchases Subject To Bid 2. Anti-Nepotism 3. Other Finance Related Policies (600's) 4. Update on Student Related Policies (200's) <p>Items in red were not discussed.</p>	

Next Scheduled Meeting: Aug 25, 2014 at 6:30pm in KOSD Board Room

Policy 610 – Purchases Subject to Bid

- Policy may be easier for the public to understand if the 2014 reference values were inserted into the wording for thresholds set for bidding by the state. These change every year, but don't want to have to update policy every year. We will always abide by what the state law says for that year. Insert numbers in [] to indicate a reference and not a stationary value.
- Policy should contain some reference to what is expected to be included in an RFP (Request for Proposal). In the past the district has published very vague ones. Mr. Domalik and Mr. Cesario will work on the wording for this.
- Discussed what "competitive auction bidding" was. Our district has never used this. Best to have it in the policy just in case we ever decided to do it. Would probably need some kind of special software.
- Should a vote by the board be needed if 3 quotes cannot be given? Some items are very unique. No, policy is good as written. A memo will be kept on file. Board members may always ask how many quotes were obtained before voting if they wish.
- Should there be specifications outlined in this policy for what should be included in a bid. A detailed price breakdown should be included in all bids received if it is a service. Could specify: hours, specific deliverables, report pages, drawings (how many?) etc. The policy may not be a good place for this information since prospective bidders aren't going to be looking at our policies. They should be told what the board will expect. Mr. Domalik and Mr. Cesario are going to look into this.

- All RFP's and the bids/quotes received for those RFP's need to be made available for public consumption within the bounds of the law. Some districts do publish all the bids they received after the opening date. These are not confidential and all openings of bids are open to the public.
- Need to re-write so that bids can be opened by a designee of the director of fiscal services or the superintendent if they cannot be in attendance.
- The wording "No substitution" should rarely if ever be used in a bid. There may be equivalent items that cost less. Many businesses use the wording "or approved equal" to indicate that substitutions may be acceptable but they need pre-approval. If there is an item where there can be "no substitution" on a bid; that needs to be justified and pre-approved before sending out.
- Check on reference for bid bonding requirements. These are state requirements.

Anti-Nepotism

- The word "best" should be removed with reference to "best qualified". The term "best" is hard to define. Someone may be the best qualified for a position but they may not be a good fit for the district.
- Some wording within the policy seems to contradict the purpose of the policy. This will need to be revised. In the first paragraph under "authority", the entire second sentence appears to contradict the intent. Also the section titled "Family Relationship Not to Otherwise Disqualify" seems to contradict the policy.
- While this policy would bar family members of certain people from being hired in the district it doesn't bar people with close personal relationships or business relationships. This can also be a problem. Not sure if there is wording that can be inserted to rectify this. Need to confer with the solicitor. It can be hard to define close relationships. The point is that we don't want anyone's favoritism for a candidate to cloud their judgment for hiring decisions or the appearance of. Can the board make a rule that disclosure must be made if the person is a close personal friend or they have a current business relationship.
- As written, policy only bars Superintendent, Asst. Superintendent, and Board members from advocating the hiring or bar the hiring of family members. This should also include staff like directors who report to the Superintendent. Refine definition of "management team".
- Exceptions may need to be made to this policy. Discussed what the voting threshold would be. Decided that requiring 6 votes of disinterested board members should always be required and noted in the minutes that this is a violation of the policy but that no other "qualified/experienced candidate" for the position in question. Don't like the wording: "the public interest would be served and not harmed as a result of the waiver". This is too low a bar

to set to waive the policy. If the board has to waive the policy, it needs to be the only option available.

Other Finance Policies

- Drafted policies: 626-Fund Balance, 623-Fund Balance, 609-Investment of District Funds, 621-Local Taxpayer Bill of Rights, 622-GASB Statement 34. Still need to draft: 624-Taxable Fringe Benefits and 625-Procurement Cards. These are all policies we should have but they are missing.
- Will discuss in more depth at next meeting.
- What should minimum unassigned fund balance be? Decided on 5%.
- GASB 34 policy refers to an inventory tracking database. Do we have one and do we use it? Mr. Brandenburg believes software we currently have can do this but he isn't sure how well everything thing is tracked across the district. Some departments may track better than others. This needs to be streamlined and enforced.