

SCHOOL CITY OF HOBART
BOARD OF SCHOOL TRUSTEES
BOARD OF FINANCE
January 19, 2017

The Board of School Trustees of the School City of Hobart met in as the Board of Finance on January 19, 2017, in the Board Room at Hobart High School, 2211 East Tenth Street, Hobart, Indiana.

ROLL CALL: President Terry Butler asked Board Members to log in. The following Board Members and Administrators were present or absent as noted:

Board Members Present:

Terry D. Butler
Rikki A. Guthrie
Michael J. Rogers
Dave Bigler
Karen J. Robbins
Donald H. Rogers
Stuart B. Schultz

Administrators Present:

Peggy Buffington
Ted Zembala
Christopher N. King
William J. Longer
Jonathan Mock

CALL TO ORDER: President Butler called the meeting to order around 6:50 p.m.

BOARD OF FINANCE: President Butler indicated that the Board of Finance meeting was being held in accordance with I.C. 5-13-7-6, which requires the Board of Finance to organize yearly after the first Monday and on or before the last day of January. At the January 12, 2017 meeting, it was announced that the Board of Finance would meet January 19, 2017, prior to the regular session.

I. ELECTION OF OFFICERS: The minutes of the January 12, 2017, Board meeting indicated that the Board of School Trustees officers also serve as officers of the Board of Finance. President Butler called for a motion that the officers of the Board of School Trustees are the same officers for the Board of Finance and a voice vote.

Karen Robbins moved that the Board of School Trustees officers serve as the same officers of the Board of Finance. Stuart Schultz seconded. Vote on the motion: All aye (Robbins, D. Rogers, Bigler, Schultz, M. Rogers, Guthrie, and Butler). Motion carried 7-0 in favor.

II. REVIEW: Treasurer's Investment Report: At the annual meeting of the Board of Finance, the investing officer of a political subdivision was required to make a written report to the investing officer's local Board of Finance that summarized the political subdivision's investments during the previous calendar year, and the local Board of Finance is required to "review the report." The Board received the investment report as part of the electric meeting packet. The total interest earned was \$15,016.19 from six different accounts at MainSource Bank. The most interest was earned from the district's NOW Account in the amount of \$14,215.95. In addition, there were three graphs included for information purposes and are listed, as follows: School City of Hobart Interest Income 2007 through 2016, NOW Account Interest Rates – 24 months; and 2007 vs. 2016 Interest Comparison.

Stuart Schultz moved to acknowledge that the investment report has been reviewed and accepted by the Board of Finance. Dave Bigler seconded. Vote on motion: Aye – Robbins, D. Rogers, Bigler, Schultz, M. Rogers, Guthrie, and Butler. Motion carried 7-0 in favor.

III. REVIEW: Overall Investment Policy of the School City of Hobart: The Board received a copy of the school district's investment policy in their electronic meeting packet. The Board of Finance is required to "review the overall investment policy of the political subdivision." According to the Indiana Board of Depositories, local investing officers should have a written investment policy adopted for the Board to review, and the policy has to be consistent with Indiana law. The term "policy" actually refers to administrative procedures. In the absence of specific Board policy in this area, the Board policy instructs administrators to follow state and federal law. (A copy of the investment policy is attached to the minutes of this meeting.)

President Butler requested Board action.

Karen Robbins moved to acknowledge that the investment policy has been reviewed and accepted by the Board of Finance. Seconded by Rikki Guthrie. Vote on motion: Aye – Robbins, D. Rogers, Bigler, Schultz, M. Rogers, Guthrie, and Butler. Motion carried 7-0 in favor.

Included in the electronic meeting packet was information about depositories for the school corporation. The Board of Finance does not have to designate depositories, but the depository banking institution information has always been included for their information. MainSource Bank, JPMorgan Chase Bank, Centier Bank, Fifth/Third Bank, and Peoples Bank operate within the boundaries of the School City of Hobart and can be used for draft checking and investments of public funds by the School City of Hobart for the 2017 calendar year. In addition, TrustIndiana, Indianapolis, IN could be used as a local government investment pool for investment of public funds of the school district for the 2017 calendar year.

IV. DISPOSITION: Old Outstanding Checks: Ted Zembala, Business Manager, explained the disposition of old outstanding checks has to be done no later than March 1 of each year. The Treasurer shall prepare or cause to be prepared a list in duplicate of all checks outstanding for two or more years as of December 31 last preceding year. The original copy shall be filed with the Board of Finance of the school corporation and the duplicate copy maintained by the Treasurer. The Treasurer shall enter the amounts so listed as a receipt to the fund or funds upon which they were originally drawn and remove the checks from the list of outstanding checks. If the fund on which the checks were originally drawn no longer exists, or cannot be ascertained, the amount of such checks shall be receipted to the General Fund. The information listed on the report is as follows: 1) The date of issue of each check; 2) The fund upon which the check was originally drawn; 3) The name of the payee; 4) The amount of each check issued; and 5) The total amount represented by the checks listed for each fund.

The report indicated there were eleven outstanding checks from 2014 totaling \$922.36 from School City of Hobart accounts. Mr. Zembala indicated only School City of Hobart outstanding checks were reported last year. However, this year the old outstanding checks for the individual school extracurricular accounts were included, and that information is as follows: \$1,241.68 for Hobart High School; \$245.67 for Hobart Middle School; \$24.89 for Ridge View School; \$8.13 for Liberty School; \$105.53 for Joan Martin School, and no outstanding checks for the Early Learning Center at George Earle School. He indicated the Board received an additional list showing the expense involved for the checks from the school district, but they were not able to do that for the extracurricular accounts at the schools this year. However, he expected this information would be available next year for those accounts.

Mr. Zembala indicated Board action was not required since the checks are already void, but the Board should acknowledge the receipt of the Disposition of Old Outstanding Checks Report from the Treasurer.

Karen Robbins moved that the Board of Finance accept the Disposition of Old Outstanding Checks and for the minutes to reflect that the report has been provided. Rikki Guthrie seconded. Vote on motion: Aye – Robbins, D. Rogers, Bigler, Schultz, M. Rogers, Guthrie, and Butler. Motion carried 7-0 in favor.

ADJOURNMENT: There being no other business to come before the Board of Finance, President Butler adjourned the meeting around 6:57 p.m.

BOARD OF SCHOOL TRUSTEES
SCHOOL CITY OF HOBART

Terry D. Butler, President

ATTEST:

Michael J. Rogers, Secretary

Submitted for Approval: February 2, 2017

INVESTMENT GUIDELINES & RESTRICTIONS FOR THE SCHOOL CITY OF HOBART
IC 5-13-7-7

The investing officer may deposit funds only with financial institutions designated by the State Board of Finance as depositories for state funds. [IC 5-13-4-8]. Qualifying financial institutions according to IC 5-13-4-10 are defined as follows:

- (1) A bank, trust company, or mutual savings bank that:
 - a. was incorporated under the law of Indiana or any other state; and
 - b. has its principal office or a branch in Indiana.
- (2) A national banking association with its principal office or a branch in Indiana.
- (3) A savings association operating as a deposit association incorporated under Indiana law.
- (4) A federally chartered savings association with its principal office or a branch in Indiana.
- (5) A federally chartered savings bank with its principal office or a branch in Indiana.
- (6) A state chartered credit union in Indiana that is federally insured or privately insured and three million dollars (\$3,000,000) or more.

The investing officer is empowered by statute to invest in:

- (1) Deposit Accounts [IC 5-13-4-7].
- (2) Federal Securities [IC 5-13-9-2].
- (3) Repurchase Agreements [IC 5-13-9-3]
- (4) Certificates of Deposit [IC 5-13-9-4]
- (5) Other investments authorized by law.

All investments must mature within 2 years of date of purchase.

Investments Not Authorized by Statute

Pursuant to IC 36-1-3-8, a unit may only invest funds as expressly provided in the statutes.

Investments should be made in the following manner:

- (1) By fund, where any statute or the terms of any bequest, federal, state, or private grant, endowment or trust, make provisions for investments with the interest to accrue to the benefit of such fund.
- (2) By fund, if so determined by the governing board.
- (3) From the total monies on deposit, after giving consideration to (1) and (2) above.

Prohibited Acts

An investing officer may not purchase securities on margin or open a securities margin account for the investment of public funds. [IC 5-13-9-9]

ANNUAL REPORT

The local board of finance shall receive and review the written report of the investing officer that summarizes the political subdivision's investments during the previous year. The report must contain the name of each financial institution, governmental agency or instrumentality or other person with whom the political subdivision invested money during the previous calendar year. [IC 5-13-7-7]

AUDIT AND REVIEW

The State Board of accounts is an independent state agency whose primary function is to audit and examine the accounts and records of all state and local departments, institutions, offices, or other agencies. As part of these audits, the Annual Report is verified for accuracy and compliance to statutory requirements. This investment policy is also subject to their review during an audit.

POLICY AMENDMENT

Amendment to this policy can occur by:

- (1) State statute
- (2) Changes approved by the Board of Finance agreeable with state statute.