

NORTH EAST MULTI-REGIONAL TRAINING, INC.

Mobile Team Unit # 3

Minutes for the Quarterly Meeting of the FINANCE AND AUDIT COMMITTEE

July 13th, 2011 at 10:00 am
Lake in the Hills Police Department

I. ROLL CALL: The Quarterly Meeting of the NEMRT Finance & Audit Committee was called to order at 10:17 a.m. by Director James Wales, Chairman of the Committee.

II: ESTABLISHMENT OF A QUORUM:

A. Members Present: Committee Chairman: Director James Wales; Committee Members: Chief William Gallagher, Director Charles Ghiloni, Chief Daniel N. Hoffman, Deputy Chief Lou Fatta, Chief John Perkins, and *Ex Officio Member* Director Phillip Brankin.

B. Members Absent/Excused: Committee Members: Chief Michael Newsome and Chief Chuck Wernick.

C. Visitors, Guests and Other Invited Parties: NEMRT Staff members: Deputy Director Tom Reasoner and In-Service Training Coordinator Michael Schoenfeld.

III. APPROVAL OF MINUTES: April 13th, 2011: Chief Gallagher made a motion that the minutes of the April 13th, 2011 meeting of the Finance and Audit Committee be approved. After a second from Chief Perkins, the motion passed unanimously.

IV. REPORT OF THE DIRECTOR:

A. FY 11 Update:

1. "FY 11 Statement of Award":

a) Director Brankin provided members of the committee with the FY 11 "Statement of Award". The "Statement of Award" was received at NEMRT on June 29th with the instructions that it had to be signed by the NEMRT President, Treasurer and Director Brankin and then returned to the ILETSB by June 30th.

Brankin and D/Director Reasoner discussed with the Board members the changes they made to correct the draft copy received on the 29th.

The role and importance of the Statement were explained to the new members of the Committee.

- b) After review and discussion, Chief Perkins made a motion to recommend that the Advisory Board of Directors approve the FY 11 “Statement of Award”. The motion was seconded by Chief Hoffman, and passed unanimously.
2. “3rd Quarter, FY 11, Fiscal Report”: Director Brankin led the committee members in a review of the “3rd Quarter, FY 11, Fiscal Report”, including expenditures made and income received as of March 31st, 2011.
- a) Director Brankin noted that this report was made prior to the formal adoption of the Statement of Award. As such, the figures in the 4th Quarter Report will change slightly to conform to those of the official Statement.
 - b) After further discussion, Chief Hoffman made a motion to recommend to the Advisory Board the “3rd Quarter, FY 11, Fiscal Report”, with the understanding that some figures are inaccurate due to the current evolving state of the Statement of Award. After a second from Director Ghiloni, the motion passed unanimously.
3. “3rd Quarter, FY 11, Report of Outside Funds Collected”:
- a) Director Brankin then reviewed with the committee members the “3rd Quarter, FY 11, Report of Outside Funds Collected”. This is the report of all funds collected that were not previously disclosed in the FY 11 Fiscal Report.
 - b) After review and discussion, a motion was made by Director Ghiloni to recommend to the Advisory Board their acceptance of the “3rd Quarter, FY 11, Report of Outside Funds Collected”. With a second from Chief Gallagher, the motion passed unanimously.
4. FY 11 Expenditure/Revenue Update: Director Brankin then provided the committee with the June 2011 detailed report of “Revenues and Expenditures”. The discussion of the committee included a review of both the:
- a) Monthly Statement of Revenues and Expenditures; and,
 - b) Balance Sheet and Cash Flow Report:

As this report was for information only, no formal action was taken by the committee.

- B. *FY 11 Audit and Financial Report:* Director Brankin reviewed with the committee members the requirement that NEMRT have an annual audit and the recent history of the audit firm selection process.

For the past 7 or more years, our audits have been performed by Sikich LLP of Springfield at the direction of the ILETSB. In FY 10, NEMRT's Board selected Sikich to conduct our audit when no direction was received from the Police Training Board.

The ILETSB again opened up the audit process for FY 11 and asked each MTU Board to select it's own audit firm, subject to review and approval by ILETSB staff. Brankin then explained the complete process used to reach the recommendation for the committee.

1. Request for Proposal Template, with Listing of Accounting firms receiving the RFP: Director Brankin provided the committee with copy of the RFP and a listing of the various Accounting firms the RFP was sent to. From these firms, only three responded, one of which was a decline of services.
2. Response from Sikich: Director Brankin provided committee members with the response received from Sikich. While the RFP was sent to the Aurora office, it was the Springfield office that responded.
3. Response from Miller, Cooper and Co., Ltd. Director Brankin noted that Miller had performed Audit work for NEMRT in the distant past, but would be approaching an Audit of our files as if this was the first time.
4. Rating of two proposals, Staff Recommendation for Selection: Director Brankin provided committee members with a comparison sheet contrasting the Sikich and Miller proposals.
 - a) With the completion of the comparison, Director Brankin felt confident using either company. Due to the \$12,000 price difference and previous experience of Sikich, Director Brankin offered his recommendation that they be the firm chosen.
 - b) After further review and discussion Chief Perkins made a motion to award the FY 11 Audit to Sikich LLC. With a second from Chief Hoffman the motion passed unanimously.

- C. *Updated Report on the FY 12 Grant Application and Line Item Budget:*

1. MTU # 3 Budget Survey Response: Director Brankin reminded the Committee members that on Thursday, July 14th, he and Board President Director Pamela Church would travel to the Springfield offices of the ILETSB for our FY 12 budget hearing. He then reviewed with them the FY 12 MTU Budget Hearing survey form and our staff responses to that survey.

The committee accepted that report without taking formal action.

2. ILETSB Grant Agreement Contract for FY 12: Director Brankin then presented the members of the committee with the initial contractual agreement for NEMRT to provide training services on behalf of the ILETSB during FY 12.

The committee accepted that report without taking formal action.

V. REPORT OF THE COMMITTEE CHAIRMAN:

A. Approval of Expenditure Report and Elan (VISA Card) Summary:

1. Check Register for period 01 - 15 April
2. Check Register for period 16 - 30 April
3. Check Register for period 01 - 15 May
4. Check Register for period 16 - 31 May
5. Check Register for period 01 - 15 June
6. Check Register for period 16 - 30 June

The committee reviewed the Elan VISA Card Summary and Check Registers for the period of April 1st through June 30th, 2011. Director Brankin also provided a number of checks chosen at random by Chief Wales prior to the meeting. These checks and all supporting documentation were provided for the members in attendance to meet an audit finding that recommended a closer attention to be given the check registrars.

Checks selected and provided for Committee signature were as follows:

Check Number	Dated	Payable to:	Amount
• 44123	4/15/2001	Dale Anderson	\$3,405.30
• 44173	4/30/2011	Arunas Buntinas	\$638.60
• 44392	5/31/2011	Arunas Buntinas	\$638.91
• 44418	5/31/2011	Brian King	\$1,500.00
• 44468	6/16/2011	J.J. Keller & Associates, Inc.	\$123.12
• 44482	6/16/2011	John Touhy	\$100.00

After discussion and review, Chief Gallagher made a motion recommending that the Advisory Board of Directors approve the “4th Quarter, FY 11, Expenditure Report” and to approve the special selection of checks brought to the Committee for their review. After a second from Director Ghiloni, the motion passed unanimously.

B. Listing of NEMRT Advisory Board and Committee Meeting Dates for FY 12:

1. Director Brankin gave a brief review of the committee meeting dates for the remainder of FY 12. He requested that if possible, the members try to lock these dates on their calendars at this time. There will still be email reminders sent prior to the meetings. Brankin also noted that all NEMRT meetings are open and if any member wished to attend the meeting of another committee they were more than welcome to do so.
2. The committee accepted the report without taking formal action.

VI. OLD BUSINESS: NONE

VII. NEW BUSINESS:

A. Special Requests under Current Grant Conditions: Director Brankin gave an overview of the following three Special Requests under Current Grant Conditions.

1. June 30th Request to Spend Excess Funds:
2. June 30th Request to Transfer in Excess of 02% of Budget:
3. June 30th Request to Add Local, Surplus Cash to Budget

After some review and discussion, Director Ghiloni made a motion to approve all Special Requests under Current Grant Conditions. With a second from Chief Hoffman, the motion went on to pass unanimously.

B. Issue Paper, Supplemental Grant Awards for Current Fiscal Year:

1. Director Brankin informed the committee that back in FY 10 the ILETSB had contacted MTU's to seek their input and requests for additional funding for capital investments. Through this process NEMRT had been able to upgrade computer hardware for employees and purchase two new MEGGITT XVT systems.

In FY 11, the ILETSB again had a large surplus of unspent funds in their Basic Training Reimbursement line item. This year, the ILETSB asked the six certified academies to submit their requests for additional funding for infrastructure improvements.

2. While not directly requested to submit an issue paper, Director Brankin felt it was in NEMRT's best interest to seek additional funding for the purpose of improving our registration software. Brankin then provided committee members with a copy of the issue paper submitted to the ILETSB in mid-June asking for \$44,450 in supplemental funds under the infrastructure improvement program.

3. Director Brankin was proud to announce that while the entire cost of \$44,450 was not approved, NEMRT was awarded \$22,700 to cover half of the costs.
4. Committee members congratulated Director Brankin and the rest of the NEMRT staff for their hard work in securing this funding. As this report was for information only, the committee did not make any formal action.

VIII. ANNOUNCEMENTS:

A. Quarterly Committee Meeting Dates:

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| 1. | NEMRT Policy and By-laws Committee Meeting,
Downers Grove Police Department, Downers Grove, Illinois | 10/20/11 |
| 2. | NEMRT Finance and Audit Committee Meeting,
Lake in the Hills Police Dept., Lake in the Hills, Illinois | 07/13/11 |
| 3. | NEMRT Training and Curriculum Meeting,
College of Du Page Board Room, Glen Ellyn, Illinois | 07/20/11 |
| 4. | NEMRT Personnel Committee Meeting:
Roselle Police Department, Roselle, Illinois | 10/21/11 |

B. Quarterly Advisory Board Meeting Dates:

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| 1. | NEMRT Advisory Board of Directors Meeting:
College of Du Page Board Room, Glen Ellyn, Illinois | 07/27/11 |
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C. ILETSB Committee and Board Meetings:

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| 1. | ILETSB Committee Meetings:
Chicago, Illinois | 09/07/11 |
| 2. | ILETSB Quarterly Meeting:
Chicago, Illinois | 09/08/11 |

IX. ADJOURNMENT: Director Ghiloni made a motion to adjourn the meeting. With a second from Chief Perkins, the motion passed unanimously. The meeting was adjourned at 11:16 A.M.