

**PINCO EXECUTIVE COMMITTEE MEETING**

**MARCH 8, 2018**

**10:00AM**

**PINCO ADMINISTRATIVE OFFICES**

**44809 BEECH AVENUE**

**LANCASTER, CA 93534**



**MINUTES**

**1. SIGN-IN: Meeting Start: 10:13AM**

**2. ADOPTION OF AGENDA**

Adoption of March 8, 2018 Executive Committee Meeting Agenda as presented.

**MOTION: PANAMA SECONDED: DELANO ELEM. VOTE: YES X NO \_\_\_\_\_**

**3. ADOPTION: EXECUTIVE COMMITTEE MEETING MINUTES OF FEBRUARY 15, 2018**

**MOTION: LOST HILLS SECONDED: ARVIN VOTE: YES X NO \_\_\_\_\_**

**4. PUBLIC COMMENTS FROM THE FLOOR:**

Public Business from the Floor – Agendized Items and Non-Agendized Items: The public is invited to address items on the PINCO Agenda or any item that is within PINCO’s jurisdiction as constituted. Without taking action or entering into a dialog with the public, PINCO Board members may briefly respond to statements made or ask clarifying questions about topics not on the PINCO agenda. Individual speakers are limited to three (3) minutes each with the total time for public input on each item limited to fifteen (15) minutes. All persons requesting to make comments are asked to complete a public speaking form prior to the meeting. You will be asked to provide your full name, who or what you are representing and the topic as an item identified on the agenda or as a non-Agendized item.

**5. APPROVAL/RECOMMENDATION: PINCO REQUEST FOR PROPOSAL (RFP) #01-09/18-19**

Background: On March 6, 2018, the Lead Agency and members of PINCO’s Bid Sub-committee are scheduled to open responses submitted for USDA commodity processed, commercially purchased foods and non-food packaging supplies.

The Bid Sub-committee will report-out on responses and result(s) of Best Value Scoring of the following:

- RFP #01/18-19 Frozen Commodity Processed and Purchased Cheese Products
- RFP #02/18-19 Commodity Processed Bulk Tomato Paste Products
- RFP #03/18-19 Commodity Processed Bulk Fruit Shelf Stable Products
- RFP #04/18-19 Commodity Processed Pork Carnitas Products
- RFP #05/18-19 Frozen Purchased and Bakery Products
- RFP #06/18-19 Dry Purchased Cereal Bowl-paks and Wrapped Cereal Products
- RFP #07/18-19 Dry Purchased Cracker and Cookie Products
- RFP #08/18-19 Shelf Stable Individual Condiments Products
- RFP #09/18-19 Non-Food Paper and Packaging Items

Appreciations to the Bid Sub-committee and PINCO Staff for the time and effort put forward in their work.

It is recommended PINCO’s Executive Committee approve the recommendations of the Bid Sub-committee and forward the recommendations to PINCO’s Advisory Committee for approval.

**MOTION: BCSD SECONDED: PANAMA VOTE: YES X NO \_\_\_\_\_**

Samples being requested from vendors for tasting to complete Best Value Scoring in determining award(s) at the March 15, 2018 Advisory Committee Meeting (attached).

**6. RECALL REVIEW: CANNED PEACHES AND PROCEDURAL STEPS TAKEN IN RESPONSE (MOVED TO ITEM EIGHT)**

Background: PINCO Staff have revised its receiving procedures as a result of discovering non-domestic product as part of larger commercial purchase of canned products from a formal Request for Quote conducted this year. In addition to including the PINCO Buy American Declaration in future commercially purchased canned product solicitations, PINCO Staff will de-palletize any shipments that do not display product origin on outside container packaging.

**INFORMATION ONLY**

**7. APPROVAL/RECOMMENDATION: REMOVAL OF MANDARIN ORANGES FROM PINCO BUYING GUIDE:**

Background: With increased emphasis and monitoring of USDA's Buy American Provision, CDE has now asked PINCO to provide justification in use of Mandarin Oranges on behalf of all PINCO Member Districts with each purchase. This added task to the purchasing process would take valuable time away from PINCO Staff and not guarantee the "approval" of this product from purchase-to-purchase. The Mandarin Oranges are available through Sysco Foods of Ventura as an off-line item in its agreement with PINCO; Member Districts can request/receive certificate of origin documentation from Sysco Foods of Ventura to provide to their CDE Consultant for the necessary approval(s). The Lead Agency requests PINCO's Executive and Advisory Committees approval the removal of commercially purchased Mandarin Oranges for the PINCO Buying Guide.

MOTION: DELANO ELEM. SECONDED: PANAMA VOTE: YES X NO     

**8. APPROVAL/RECOMMENDATION: INTERNAL SWEEP POLICY (MOVED TO ITEM SIX)**

Background: On January 25, 2018, PINCO's Commodity Sub-committee met to review proposed revisions to the Internal Sweep Policy. The revisions include increasing usage percentage, clarifying language in responsibility of usage in the sale/transfer of entitlement between parties and notification of parties. It is recommended PINCO's Executive Committee approve the revisions to the Internal Sweep Policy and forward to PINCO's Advisory Committee for approval.

MOTION: BCSD SECONDED: ARVIN VOTE: YES      NO X

Second motion to table item and return policy revisions to Commodity Sub-committee to review and re-present at future meeting

MOTION: BCSD SECONDED: PANAMA VOTE: YES X NO     

**9. ACTION: USDA BUTTERNUT SQUASH**

Background: USDA's pilot of frozen Butternut Squash has been a disappointment for Member Districts. As of this Agenda, there are 1,160 cases (26 pallets) inventoried at PINCO. With less than twelve weeks remaining in the school year, there are concerns with continued impact on storage of cases that will eventually be sent to Districts as the product ages-out. The Lead Agency requests direction in taking one of the following options or an alternate option determined by PINCO Member Districts.

- Donate all product inventoried as of March 31, 2018 to an approved food bank/receiving agency (Authorized by CDE).

Or

- Schedule disposal at landfill with FoodSource Transportation (Following USDA protocols).

MOTION: PANAMA SECONDED: ARVIN VOTE YES X NO     

Executive Committee voted to donate unwanted inventories to Food Forward of Los Angeles and allow Districts to schedule local donations as desired.

**10. REVIEW: MEMBER ADHERENCE OF 2.5 MONTH MINIMUM BALANCE REQUIREMENT**

Background: Lead Agency to present information on PINCO Cash Balance Statement and Member District maintenance of 2.5 month operating expense minimum balance.

**INFORMATION ONLY**

**11. UPDATE: ELECTRONIC MEETING OPTIONS**

Background: J.P.A./Policy Sub-committee to provide update on upcoming teleconference meeting scheduled to discuss options for PINCO Executive-Advisory-Special Session Meetings.

**INFORMATION ONLY**

Sub-committee will report on its March 13, 2018 meeting at upcoming Advisory Committee meeting scheduled for March 15, 2018.

**12. REPORTS FROM EXECUTIVE COMMITTEE MEMBERS/LEAD AGENCY**

**13. UPCOMING MEETING DATES:**

**2017-2018  
PINCO Executive Committee**

April 5, 2018	PINCO Administrative Offices, Lancaster	General Business
May 10, 2018	PINCO Administrative Offices, Lancaster	General Business, Budget
June 7, 2018	PINCO Administrative Offices, Lancaster	Year in Review/Goals

**2017-2018  
PINCO Advisory Committee**

March 15, 2018	J&E Restaurant Supply, Bakersfield	Tasting & Bid Awards
April 12, 2018	PINCO Service Center, Bakersfield	2018-2019 Buying Guide
May 24, 2018	PINCO Service Center, Bakersfield	Budget/Calendar
June 14, 2018	PINCO Service Center, Bakersfield	Year-End General Session

**14. ADJOURN:**

MOTION: PANAMA SECONDED: EASTSIDE

**Meeting Ended: 12:50PM**

**Bid #1 Frozen Cheese Items**

	Schwann's	Tony Robert's	ConAgra	SA Piazza	Tyson/Bosco	Tasty Brands	Nardone Bros	Ardella's	Tabatchnick
Line #6	French Bread Pizza	Tony's 72671	78955				60WUM2	90164	
Line #7	Deep Dish Pizza 5"	Tony's 78368	74803	80550			5WRMNY2		
Line #9	Round Pepp Pizza 4"	Tony's 78367	78973	80649			M5WRMTP2		
Line #15	Cheese Breadsticks	Beacon #73338		11001			62001	90134	
Line #25	Cheese Lasagna Rollup				702210-1120		00801WG		99962
Line #26	Cheese Stuffed Shells						00803WG		

	ES Foods	Integrated	Bake Crafters	Element's	Dos Rojos	Tasty Brands	Fernando's	Michael Bs	MCI
Line #24	Grilled Cheese	16939	107000						
Line #28	Bean & Cheese 5.2oz			CBNCHSBUR			33212		71662
Line #32	Brkfst Cheese, Egg, Salsa Burrito 3.75oz							B5B420	98334
Line #33	Egg & Cheese Taco w/ Green Chile, 2.75oz							ECT23W	
Line #34	Breakfast Taco, Egg & Cheese, 3.0oz					55401		ECT23W	
Line #37	Flauquito, Anaheim Chile & Cheese, 5.16oz							FTD20	
Line #40	Quesadilla, Chix, Cheese, Grn Chile, 4.45oz							OCC94	43560
Line #44	Bean, Cheese & Salsa Verde Mexi-Pocket, 6.0oz				BCP-600W				71683

**Bid #3 Shelf Stable Fruit Cups**

	Del Monte	National Food
Line #1	Diced Pears 2004529	1780
Line #2	Diced Peaches 2004531	1740

**Bid #5 Frozen Purchased**

	Foster Farms	Don Lee	MCI/Los Cabos	Sysco
Line #15	Chicken Corndog 95150	CN34072WG		
Line #16	Beef, Bean Burrito 94541			5826

		Fat Cat	CookieTree
Line #12	Choc Chip Cookie IW	WGCCC140-1SW	3251WGR
Line #13	Snickerdoodle Puck	WGSC192-1S	5639WG

		Bake Crafters	Dave's Baking	Sky Blue	Father's Table	Fat Cat
Line #1	Breakfast Bun Bites	1717/1716	FT600	WGB272	1194	
Line #3	Banana Square		350	WBSBN270		
Line #8	Coffee Cake		360	CRC272		
Line #9	Breakfast Bar		WG1111	HWB5172		AFMB110-2GW

**Bid #7 Crackers & Cookies**

		Notables	Sysco	Darlington
Line #1	Cookie Graham	M72773	600237	71500
Line #4	French Toast Graham		#25082	

From: Vavrinek, Trine, Day & Co., LLP: Certified Public Accountants

To: Governing Board Partners in Nutrition Cooperative (A Joint Powers Authority) Lancaster, California

Re: 2016-2017 Financial Statement

In planning and performing our audit of the financial statements of Partners in Nutrition Cooperative (PINCO), for the year ended June 30, 2017, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 15, 2017 on the government-wide financial statements of PINCO.

**Observation**

As of June 30, 2017, the reconciliation of member cash balance on the in-house system to the cash in county treasury was off by \$5,158.

**Recommendation**

PINCO should reconcile the member cash balances, on the in-house system, back to the amount reflected on the county system. The reconciliation should be performed on a monthly basis and reviewed independently, preferably by an administrator with accounting knowledge.

**Observation**

During our review of the financial statements, it was noted that one member District's account had a negative ending balance of (\$312,913).

**Recommendation**

PINCO has a fiduciary responsibility to all member Districts. By allowing certain member District to spend in excess of their available reserves, PINCO is not meeting this responsibility to the other member Districts. Member Districts should not be allowed to spend in excess of their available cash. By allowing member Districts to do so, they are in effect spending the resources of other member Districts. PINCO should ensure that all member Districts have sufficient funds available in their account prior to expenditures being made.

We will review the status of the current year comments during our next audit engagement

PINCO RESPONSE TO 2016-2017  
VTD FINANCIAL REPORT  
FEBRUARY 6, 2018

Cash Balance Reconciliation-

- PINCO has instituted a reconciliation process to ensure monies are properly allocated to the pre-determined expense line and/or Member District's account balance as indicated by the amount(s) paid from the Member District's monthly statement.
- The LAGL919C is pulled on a monthly basis. Then will be reconciled to against the amounts for the month from MAS90 on a reconciliation worksheet that has been established.
- PINCO's Accountant has begun this reconciliation process and performs this task monthly. Monthly reconciliation keeps all adjustments "current" with regard to each Member District's account.

Negative Ending Balance

- The Lead Agency has Agendized the issue of negative balances for PINCO's Executive Committee for action. PINCO's Executive Committee will work with PINCO's J.P.A./Policy Sub-committee to develop procedural steps and action(s) to be taken when Member District's fall below the required 2.5 month operating balance determined for their District(s).
- Statements are sent out monthly to make districts aware of their balance(s). There is also a letter that is sent in the event a Member District's goes into the negative.
- PINCO's Accountant monitors Member District account balance and communicates with Lead Agency monthly any issues related to Member District account balance and for action to be taken.
- Currently the Lead Agency issues written notice(s) to Member Districts falling below the required balance and provide training as needed. In cases where a Member District carries a negative balance for more than two months, the Lead Agency will contact the Business Services &/or Superintendent to expedite payment and initiate corrective action steps.

**PINCO EXECUTIVE COMMITTEE MEETING  
 PINCO ADMINISTRATIVE OFFICES,  
 MARCH 8, 2018  
 SIGN IN SHEET**

<b>MEMBER DISTRICT</b>	<b>REPRESENTATIVE</b>
ACTON-AQUA DULCE USD	
ALISAL USD	
AVUHSD	Joe (A) Spindel
ARVIN USD	Dee Alubarna
BAKERSFIELD CITY SD	Brenda Kob
BEARDLSEY SD	R. B. Lema
BIG PINE SD	
BISHOP UESD	
DELANO ELEM SD	
DELANO HS DISTRICT	
EARLIMART SD	
EASTSIDE USD	Antonia M. Mula
EDISON SD	Barbara Ann
EL TEJON USD	
FAIRFAX SD	
GREENFIELD USD	
KEPPEL USD	
KERN COUNTY SUPT	
KERNVILLE USD	
LAMONT SD	
LANCASTER SD	
LONE PINE SD	
LOST HILLS SD	R. L.
MC FARLAND SD	
MOJAVE SD	
NORRIS SD	
PALMDALE SD	Todd Gerald / Lori Fawkes
PANAMA-BUENA VISTA SD	M. Chandra
RICHLAND SD	
SOUTH FORK USD	
STANDARD SD	Tracy Dougherty
TAFT CITY SD	
TEHACHAPI USD	
VINELAND SD	
WASCO ELEM SD	
WASCO UHSD	
WESTSIDE USD	
WILLIAM S. HART UHSD	
WILSONA SD	