

## **Minutes of Finance Committee Meeting**

**Date of Meeting:** Tuesday, February 20, 2018  
**Call to Order:** 4:00 p.m.  
**Committee Attendees:** Mr. Wade, Mr. Withrow, Mr. Cosgrove, Mr. Wilson, Mr. Meyer  
**Other Attendees:** Board Members Shannon Green (until 4:40 pm) and Kathryn Talty; Mr. Jim Smith

The meeting was called to order at approximately 4:05 p.m.

### **Buildings and Grounds**

Mr. Smith provided the Committee with a comprehensive and detailed overview of the maintenance of District's buildings and grounds, including recent ADA compliance activity, staffing changes over the last several years, the annual operating schedule and budget, building systems life expectancy and a 5-10 year capital expenditure plan. A good deal of discussion focused on building security and the possible conversion to LED lighting.

### **Approval of 1/16/18 Committee Meeting Minutes**

The minutes of the January 16, 2018 finance committee meeting were approved without change.

### **Monthly Financial Update**

Treasurer Wilson provided his monthly financial update noting that District revenues continue to lag the forecasted amount for the reasons discussed in previous meetings. First half tax collections in late March/early April will be critical in determining where we end the year in revenue. Year-to-date expenses remain in line with the forecast, which will exceed prior year expenditures by 2.6%.

### **2018-19 Budget/Appropriations**

Because of the uncertainty surrounding passage of the levy in May, the budget discussions for 2018-19 will, for the time being, proceed on a dual pathway. Assuming the levy passes, the Committee requested presentation of a draft budget at the March meeting with a 2.75% increase (consistent with recent historical performance) and, as a challenge, with only a 1.5% increase. Assuming the levy fails, the Committee requested presentation of draft budgets at the March meeting with proposed cuts of \$300,000, \$600,000 and \$1,000,000. The Committee concurred that no actual budget decisions will be made until after May 8 and that a final budget would be approved no later than the end of June 2018, prior to the start of the new fiscal year.

### **Preschool**

Mr. Wade reviewed the recent financial history of the preschool operations. After much discussion, the consensus of the Committee was to set preschool tuition at a level to make sure the preschool operates with a balanced budget without subsidy from District funds.

### **Latchkey**

Mr. Wade reviewed the recent financial history of the latchkey operations. After discussion, the consensus of the Committee was for the District to charge the latchkey operations for relevant overhead costs of the District (for example, custodians, utilities, and insurance) so that the latchkey budget more appropriately reflects the true cost of the operation.

### **City of Kirtland Community Reinvestment Areas (CRA)**

Mr. Wade advised that the City is currently reviewing a draft agreement reflecting the concepts discussed by the City and the District whereby the District is to be made whole by the City from any lost property tax revenues

resulting from any tax abatements under the CRA program to the extent of any new income tax revenues resulting from each project.

### **Unpaid Student Fees**

Mr. Wilson reviewed the status of collection of overdue unpaid student fees, including the referral of such balances to a collection agency, consistent with best practice of other school districts.

### **Cell Tower Agreement**

Mr. Wilson reported that the cell tower tenant is standing firm on its best and final cash-out proposal of \$325,000, and the Committee agreed to recommend acceptance of such offer at the next Board meeting.

The meeting adjourned at approximately 6:15 p.m.