

Minutes of Finance Committee Meeting

Date of Meeting: Tuesday, January 16, 2018

Call to Order: 7:00 a.m.

Committee Attendees: Mr. Wade, Mr. Withrow, Mr. Cosgrove, Mr. Wilson, Mr. Meyer

Other Attendees: Board Members Shannon Green and Kathryn Talty; Jeannette Blankenship

The meeting was called to order at approximately 7:05 a.m.

Approval of 12/18/17 Committee Meeting Minutes

The minutes of the December 18, 2017 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. Year-to-date expenses are in line with the forecast, which will exceed prior year expenditures by 2.6%. Finally, Treasurer Wilson indicated that food service revenue continues to show an increase and that food service will likely operate at a slight net profit for the full year.

Future Levy Planning

Next, Mr. Wade and Mr. Wilson led a discussion focused on the future financial needs of the District and the need to seek new money through a tax levy as the District is forced to face the reality that revenue is flat and operating expenses continue to grow. After much discussion, the Committee reached consensus to recommend to the the entire Board a proposed levy amount of 5.9 mills (representing approximately \$1.9 million) for a period of ten years, to be placed on the May 8 ballot.

City of Kirtland Community Reinvestment Areas (CRA)

Mr. Wade discussed a recent meeting with Mayor Davidson and Council President Potter to review the District's expectation to be made whole by the City from any lost property tax revenues resulting from any tax abatements under the CRA program. The City has agreed to make such reimbursement to the District to the extent of any new income tax revenues resulting from each project. The City also indicated their willingness to seek District approval for each new abatement. The discussions will be formalized in a written agreement between the City and the District.

2017 Tax Year Valuations

Mr. Wilson reported that the tax valuations for 2017 had been completed by the Lake County Auditor. Overall, District property valuations increased by \$1.7 million, resulting in a projected increase of \$24,000 in property taxes.

GAAP Conversion Contract

Mr. Wilson recommended and the Committee concurred that the District renew its arrangement with the State Auditor's office to prepare District financial statements in accordance with generally accepted accounting principles (GAAP).

Cell Tower Agreement

Mr. Wilson reported that counsel for the cell tower tenant had reneged on their agreement to permit the District to retain the ability to share in ground rent from other cell providers who wished to co-locate on the tower as part of the \$300,000 rental cash-out agreement. Although the tenant offered to increase the cash-out to \$325,000, the Committee requested that Mr. Wilson seek additional compensation for this last minute change in terms.

2018-19 Budget/Appropriations Timetable

Mr. Wilson review the proposed timetable and, following discussion, the Committee agreed to accelerate final Board approval of the 2018-19 appropriations to no later than the end of June 2018, prior to the start of the new fiscal year.

Following a review of the January 22 Board meeting agenda, the meeting adjourned at approximately 9:35 a.m.