

Kirtland Board of Education
Finance Committee Meeting
Tuesday, November 22, 2022
7:00 am

The committee convened at 7 a.m. All board members were in attendance as well as Superintendent Chad VanArnem and Treasurer Lew Galante.

Members unanimously approved the minutes from the October 2022 Finance Committee meeting.

The Treasurer began with an overview of the October financials. Revenue is slightly above budget at 1.7% and expenses slightly below – approximately \$30k. For the most part, the budget is in line. The Treasurer discussed the need to transfer some money to the general fund from federal line items. This is related to federal advance issues in 2013. Overall, the budget is on target, and our proposed deficit may shrink. One note, due to money transfers to the construction fund the deficit may increase. However, some of those advances will be reimbursed from other funding commitments.

The Treasurer then went over the 5-year forecast to be submitted at the next Board meeting. Previously the Board as required by law accepted a 5-year forecast at the May Board meeting. The new forecast is required to be approved and submitted in October. There was discussion with respect to what has changed since the May 5-year forecast. Among other changes, health care premiums increased by 8%. Other assumptions were revisited including inflation and housing value increases. Given the changing real estate market, the annual assumed increase was reduced to 3%.

The new forecast shows that by FY 2024 we will be running a \$1.9 million deficit. That budget will be adopted in July of next year. There was a discussion about how much of the surplus can be used before the District is at financial risk. Will likely need to go back to voters for additional money in 2 to 3 years. At that point, it will have been 12 years since voters last approved new operating money. That's unprecedented for a school district. We need to focus on efficiencies before we go for new money, but the reality is that we've been focused on efficiencies for several years – reduced administrators, shared services, etc.

Next was a discussion of next year's renewal levy. Plan is to take the necessary steps to place it on the May ballot. There was discussion regarding length of the renewal.

Next there was an overview of the construction projects. The new science lab is on track; however, there are supply chain issues affecting the heating system. A temporary solution is in place the cost of which will come out of the contingency fund.

There was discussion of the resolution that will be before the Board to ensure that their contribution be used exclusively for the upgraded turf. There was also discussion about the

proposed score board upgrade with an additional cost of \$181,000. Consistent with previous Board discussions, the Superintendent discussed the ongoing effort to solicit sponsors to pay for any increased cost of the score board beyond that originally approved. Thus far, the effort is going well. There was a timing discussion, as the Board will need to approve likely by the December Board meeting to ensure it's in place by next fall. There was also a review of the proposed sponsorship agreement.

There was discussion and agreement on a new live streaming agreement with Hudl. We now pay \$5,200. The increase will provide for streaming of all games played on the field and in the gym. The increased cost should be made up through access fees.

There was also a discussion of the need to adjust meal stipends. The committee unanimously recommended that the full board approve tying meal reimbursements to the rate established by the IRS.

Discussion regarding payment outside of job duty. This was necessitated by a bus driver providing training.

There was then a discussion and unanimous approval to recommend to the full board an adjustment of the substitute nurse rate. The new rate will apply to full time nurses who are providing services to the entire district on those day when a building is short a nurse.

There was discussion and agreement to terminate the Oswald consulting agreement. The District initially entered into the agreement there were different needs particularly to provide counsel dealing with the consortium. They were necessary at the outset, but the District's needs have changed.

The Superintendent that recommended we move forward with the Crossroads contract. The language was tightened up from previous contracts allowing for hiring of Crossroads employees not providing services in the Kirtland District. The Committee supported the recommendation.

There was a discussion regarding Infinite Campus fees. The District is on track to lose \$20,000 in the current FY since the District is absorbing a growing cost of the fees. The Committee agreed to recommend to the full Board an increase to 3.75% to cover the actual costs. Parents will still have the option to pay the fees directly to the District and avoid the fees.

Finally, there was an overall discussion on the options to deal with HR and payroll. No recommendations were made.

The meeting adjourned at 10:00 am.