

KIRTLAND BOARD OF EDUCATION  
FINANCE COMMITTEE MEETING

FEBRUARY 2023 MEETING MINUTES

The Committee met on February 24, 2022 at 4:30 pm in the Board office. All Board members were present. Superintendent Chad VanArnhem, Treasurer Lew Galante and Jim Smith were also present.

The meeting began with an overview of the January 2022 monthly finances. The revenues and expenses are within budget expectations with revenues running slightly above estimates and expenses slightly below. The Treasurer explained that health care savings were helpful on the expense side. While the numbers were favorable, they are in part due to timing. The District is still expected to end the year with a slight operating deficit.

Jim Smith then reported on the district's 5-year plan and PI Funding. An updated version of the five-year plan was distributed and discussed. There was significant discussion on the difficulties resulting from the current labor and supply chain. Some projects will be delayed as a result of significant increases in estimated cost. For example, the elementary playground costs were nearly double original estimates. As a result, that project may be delayed by one year in the hopes that market conditions will improve. In the meantime, the plan is for a temporary fix. Other projects as outlined in the plan will proceed including the scheduled renovation of 5 classrooms.

There was then an update to the Finance Committee on the stadium project and funding. The RFP's for construction managers had not yet been received, as the meeting to discuss those proposals was not scheduled until Wednesday, March 2. The Finance committee discussed the outline of a funding plan including the issuance of debt, use of some one time money saved for purposes like the construction of a stadium. There was agreement that the board would meet after the March 4 meeting and before the board meeting to discuss funding options based on what was learned at the March 4 meeting.

There was also discussion about the potential impact of the labor market and supply chain issues and the impacts on the stadium project. While there were preliminary estimates both respect to cost and timing, those projections were made in an entirely different environment. There was a recognition that there would be an impact; however, we would not appreciate the extent until we reviewed the bid responses. We agreed to discuss further at the special board meeting scheduled for March 4.

The Superintendent then discussed the athletic department funding as a result of the Kirtland Boosters eliminating bingo. Bingo had been the primary source of Boosters fundraising. For a variety of reasons, the Boosters made the decision to eliminate Bingo leaving a significant challenge for the organization. The Boosters have provided significant support to the Kirtland

Athletic program and unwrote costs for such things as refs, transportation etc. The amount has varied over the years but has been as high as \$60k to 80k per year. With the elimination of bingo, the Boosters will no longer be providing this annual subsidy and will instead focus on support for more specified projects. The Superintendent indicated that this would require the district to provide some of this support and also indicated that he was looking at alternatives to close the gap.

The Finance Committee then went into exec session to discuss labor negotiations and CFO/Treasurer.

After executive committee recessed back into regular session, the committee recommended to the full board that it approve the new Treasurer's contract as attached to these minutes.

The Finance Committee recessed at 7:45 PM