

Minutes of Finance Committee Meeting

Date of Meeting: Friday, July 27, 2018

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

Other Attendees: Magdalene Pesch (Kirtland Chronicle)

The meeting was called to order at approximately 4:30 p.m.

Future Revenue Needs

Mr. Wade updated the Committee on the less than forecasted expenses in the prior year, focusing on those line items that had changed since the update to the five year forecast in May. Primary drivers for the expense shortfall included utilities and special education tuition, which were both substantially below the original forecast and 5 year averages.

Following the update from Mr. Wade and subsequent discussion on the need for additional revenue and the timing of a potential levy, the Committee unanimously decided that rather than going back to the ballot as soon as November, the district would wait until 2019 to seek approval of the voters for additional revenue. It was mentioned that this approach was similar to the course of action followed by the Board following failure of the November 2011 levy, ultimately leading to approval of new revenue by the voters in November 2012.

The Committee committed to spend the next six months analyzing to what extent the forecasted impact of recent budget cuts and fees is actually achieved while at the same time evaluating the long term sustainability of both these measures and prior cost control measures. The Committee also discussed the need to measure the ultimate impact of the one-time revenue increase due to prepayment of real estate taxes in December 2017 (due to federal tax law changes), and the corresponding expected revenue drop off in the 2018-19 school year.

The Committee agreed that by waiting it will have far more insight into long-term expense and revenue expectations, which will lead to a better determination of a potential millage amount which is capable of sustaining our schools while being respectful of the voters' decision last May.

The meeting adjourned at approximately 5:08 p.m.