

Kirtland Board of Education
Finance Committee Meeting
August 10, 2022

Minutes

The Committee convened on August 10, 2022 at 7:10 am. In attendance were all Board members, Superintendent Chad VanArnhem and Treasurer Lew Galante.

After approving the minutes from the July meeting, the Committee heard a report from Mr. Galante on the July finance numbers. Given that the numbers only reflect the first month of the fiscal year, there was little to report. There was nothing out of the ordinary and no indications of concerning fiscal dynamics. Mr. Galante did caution the Committee that the numbers are still a bit in flux as enrollment numbers are not yet final, and there may be some special education expenditures not yet known. After Committee discussion, Mr. Galante indicated that we will report numbers against the original budget numbers as passed by the Board in June 2022.

Mr. VanArnhem and Mr. Galante then provided an update on the safety grants and an overview of the proposed projects.

There was then a Committee discussion led by Mr. VanArnhem regarding naming rights and advertisement revenues. Mr. VanArnhem presented some proposals relevant to the value of the naming rights for the renovated stadium. Mr. VanArnhem indicated that he was advised that selling the naming rights for the stadium was an important first step before selling other naming rights related to both the stadium and other school facilities. The Committee requested that the Superintendent conduct a survey of other stadiums and the revenues received and provide a written analysis. The Committee also expressed the importance of engaging in an open process before awarding the naming rights for the stadium.

Related to the naming rights discussion, there was also a presentation by Mr. Galante and Mr. VanArnhem on the Athletic budget. As discussed at previous Committee meetings, the Board is now picking up all the operating expenses related to sporting events. In the past, the Boosters organization has provided an annual subsidy to defer athletic department expenses including referees, equipment, etc. With the elimination of Bingo, those Booster subsidies have ended. Thus, there is an additional obligation, which Mr. Galante has anticipated in this budget. However, there may now be additional expenses with the increase compensation for officials and other related services. Mr. Galante will talk with the Athletic Director to get more precise numbers on the additional expenses. The Committee reiterated its commitment to support the athletics programs but also discussed the need for Mr. VanArnhem to work with Mr. Paul to do what's necessary to ensure continued parent organization support. Yet, the Committee recognized that these organizations may be playing different roles and supporting initiatives rather than ongoing Athletic Department expenses.

Mr. VanArnhem then provided a PI project update. He presented an update on the science lab including pictures of the progress. The lab is still set to be complete by mid November. He then provided an update on the stadium. There was discussion around supply chain issues and concern that all would be completed on schedule. The stands, for example, are on a 52 week delivery schedule. Nonetheless, as of now, all is on track.

There was discussions about two potential “extras” – an upgraded scoreboard and different turf. Collectively, these would add approximately \$350,000 to the project cost. Mr. VanArnhem indicated that the decisions on each would have to be made in the next 30 days. Given the timing and unlikelihood of raising that money in such a short period of time, it was the consensus of the committee to defer on the different turf. Mr. Galante and others indicated that there was no real evidence it made a difference with respect to injuries, although it was presented that the more expensive turf may have a longer shelf life by 2 years.

There were more extensive conversations on the enhanced scoreboard, as it could provide an opportunity to generate additional revenue. Mr. Hayes discussed the upside potential but underscored that it only works if staffed properly. That has been a significant challenge in some Districts. The Committee requested that Mr. VanArnhem research the potential revenue upside from the upgraded/video scoreboard vs. the current scoreboard included in the approved project. Mr. VanArnhem will present at the September Finance Committee meeting.

Mr. VanArnhem then provided an update on the Latchkey Program and recommended compensation adjustments. The Committee unanimously supported the adjustments as indicated on the Board agenda. Additionally, the Committee recommended an increase in the fees to \$4.50 per hour to be considerate at the full Board meeting.

Mr. VanArnhem gave a brief staffing update including enrollment numbers that may require some staffing adjustments. There has been a modest, unexpected enrollment increase in some grades including 5th grade. Mr. VanArnhem discussed some adjustments to bus aides as also required by enrollment changes. Mr. VanArnhem also discussed some of the challenges around custodial services and made a recommendation on an increase in the substitute custodial rate. The Committee unanimously supported and recommended full Board approval.

Mr. VanArnhem then made recommendations to revisions to the Administrative Benefits schedule dealing with reimbursement for tuition expenses. Reimbursements for the Superintendent must be approved by the Board Chair and reimbursements to other administrators must be approved by the Superintendent.

At 9:40, the Committee voted to go into Executive Session. Dr. Whittaker moved and Mrs. Green seconded. A vote was taken and all voted yes. The Executive Session was to discuss compensation of a employee.

The Committee went back into open session at 10 a.m. There were no public questions or comments, and the Committee adjourned.