

Kirtland Board of Education
Finance Committee
May 20, 2022

MINUTES

The Committee met Friday, May 20 at 7:05 a.m. in the Board offices. In attendance were Jonathan Withrow, Shannon Greene, Mathew Whitaker, Superintendent Chad VanArnhem and Treasurer Lew Galante. Josh Hayes participated over the phone.

Minutes of the April 2022 meeting were approved unanimously after being moved by Mr. Withrow and seconded by Dr. Whitaker.

Mr. VanArnhem and Mr. Galante provided an update on the stadium and science lab construction projects. David Riley, construction legal counsel to the district participated as well and gave an overview of the outstanding issues being negotiated prior to finalization of the construction manager at risk contract. Overall final cost estimate of the project – both stadium renovations and science lab – is \$4,520, 361 million. The committee discussed the importance of the contract ensuring that the final cost come in below the estimate and that the language of the contract needed to ensure that it complied with the intent of a construction manager at risk – holding the construction manager accountable.

Mr. Galante gave an overview of the financing and discussed a recommendation to be considered at the full board meeting to retain Calfee Halter as bond counsel. There was also discussion of the various sources of possible one-time money from the cell tower fund, the Lake Hospital fund and the current PI funds as well as revenue from the private placement. Galante discussed the process by which our bank (PNC) would identify purchasers of the district debt.

Once bond counsel has been selected, Mr. Galante will work with counsel, the bank and other necessary parties to present to the board a financing plan identifying the various sources of funds. Once the financing plan is presented and approved, the board will consider the recommendation of to approve the CMR contract.

At 7:50 the Committee then moved into executive session to discuss negotiations or bargaining issues with public employees. Mr. Withrow moved and was seconded by Dr. Whitaker. Mr. Galante took the role and all approved. The Committee came out of executive session at 8:30.

Next Mr. Galante provided a monthly financial update. The update was for March and April. Overall, positive. Mr. Galante reported that our district will likely have more than a \$300,000 year-end surplus. Property tax revenues came in above budget primarily due to property tax reevaluations. Mr. Galante also reported that expenses were slightly below budget.

Mr. Gelante then provided an update on the five-year forecast, which is to be approved by the full Board. The District is forecasted to begin deficit spending in the 22-23 school year. Currently he anticipates the Board will have to seek additional revenues in 2025 or 2026.

Mr. VanArnhem gave a brief update on school fees and a discussion on impact of outstanding fees for graduates. He then outlined the current issues/challenges of our existing practice of conducting pilot programs before ultimately deciding on certain curriculum material. Currently, the faculty and administration are considering options for ELA curriculum material. The Committee was supportive of moving forward without a pilot given the increasing costs of conducting pilot programs. Mr. VanArnhem explained that pilot projects typically result in the District selecting the product being piloted.

Mr. VanArnhem gave an update on staffing issues including the hiring of a new mechanic, maintaining the current number of kindergarten teachers, and retaining a part time nurse using ARPA dollars,

Mr. VanArnhem briefly presented the administrators' budgets in preparation for Board approval of the FY 23 District budget.

Mr. VanArnhem discussed a new state mandate requiring Wilson training for dyslexia. Mr. VanArnhem informed the committee that he was going to send out on Kirtland teacher to training so that individual could train other Kirtland teachers. This will avoid having to send other teachers out for training. The one-time \$20,000 investment will save the District training dollars over time.

Mr. VanArnhem gave an update on the Camp invention Contract.

Finally, Mr. Van Arnhem gave an update on shared services. There was a Committee discussion regarding potential partners and opportunities for shared services for our Human Resources operation. Discussions continue with a continued focus on improving services and reducing District costs.

The Committee reviewed the draft Board agenda and recessed at 10:00 a.m.