

Finance Committee Meeting  
November 30, 2018 | 2:30 PM  
Keil Administration Building | First Floor Board Room

**Members Present:** Todd Covault; Beth Nolan; Dan Oakes (on behalf of Brian Hodges); Fred Bouchard; Bobbi Williams; and Paul Fregeau

**Others Present:** Kay Geskey; Deanne Hillman; Rhonda Thornton; Anne Noble; Brian Braun; Paula Busboom; Chris Shugart; and Joe Deacon.

**Members Absent:** Brian Hodges

The meeting was called to order at 2:30 PM and Covault reminded those that attend the Finance Committee meetings that is not a meeting of the public; it is a meeting in the public. It was further reminded that those that attend that are not committee members to only speak during public participation.

There was no public participation. The minutes from the October 2, 2018 meeting were approved by acclamation.

### **Facilities Projections**

- Dr. Bouchard reviewed project concepts
  - Cost = \$59.8 million (estimated)
    - Big project is Johns Hill
    - Elementary Schools - Three (3) additions \$5 million apiece = \$15 million total
    - South Shores - \$2 million total
    - Dennis – \$1.3 million
  - Safety/Security work can be completed with in-house labor
- Total cost includes construction management, architectural fees, fixtures, furnishings, and equipment
- Bonding Concepts (Anne Noble, Stifel)
  - Document is off from \$59.8 million (still very close)
  - Assumed no future EAV growth for purposes of projections
  - \$0.436 current tax rate existing debt
  - \$2.5 million = Annual abatement required to avoid tax rate increase
- Process
  - Moving Forward – Selling three (3) different types of bonds
    - Health Life Safety (HLS) – Johns Hill/Durfee Replacement Bonds
    - Working Cash Fund Bonds – cover a portion of non HLS projects
    - Funding Bonds
      - Require 2 step process – Issue debt certificate by bank, then issue funding bonds
      - Time lines involved
      - Two bonds require resolutions of intent and 30 day petition periods
      - At least 90 day lead period on any type of financing
  - Process of selling bonds
    - No Financial Advisor needed
    - Explore having channels available through local banks, local Stifel office

- Concept/Process of Parameters Resolution
    - Resolution of intent
    - Notice in paper – starts 30 day referendum/petition period
    - Following Board meeting – public hearing for both sets of bonds
    - Following Board meeting – Approve parameters resolution
      - Sets ceiling and floor on the bonds (maximum amounts selling, maximum interest rates selling at, longest redemption to refinance bonds)
      - Have flexibility to sell bonds rather than trying to work around Board meeting dates
    - Rating – Anne Noble recommends a Moody’s rating
      - Single A rating
      - Does not see getting District in AA category
  - Construction Management / Architect Contract – Document Provided (attached)
    - Dr. Bouchard supplied a document outlining Construction Management At Risk Approach vs. Construction Management Agent Approach
  - Brian Braun (legal counsel) Discussion
    - If using construction management at risk, counsel highly insists that construction management not perform any sub-contractor work.
  - Next Steps
    - Pros/Cons for both approaches
      - Board Discussion December 4<sup>th</sup>
      - Sam Johnson (BLDD) lead discussion
  - Procedure – Opening/Closing Attendance Center
    - Committee members were provided a copy of the procedure
    - If the procedure is to be changed it requires Board approval
- **Budget Reductions**
    - Finance committee had a brief discussion regarding possible budget reduction concepts
  - **Levy**
    - Anticipates that the tax revenues would be just shy of \$30.8 million, not including debt service
    - Recommends a balloon levy with an EAV of \$692 million
    - Anticipates final EAV to be 0.5% less than prior year. Tax rate increase of 1.7 cents.
    - The requests for IMRF related property taxes is smaller than needed for IMRF expenses. This will cause a reduction in fund balance.
  - **Abatement Agreements**
    - District issued series 2011A Bonds (Alternate Revenue Bonds) and series 2011B Bonds (QZAB)
    - Intent is to repay bonds through revenues collected from the \$0.01 county sales tax
    - In order to ensure taxes are not levied, Board must file a resolution with Macon county to abate the taxes
    - Agreements will be recommended at the December 11<sup>th</sup> Board meeting

- **Administration / Administrative Support Handbook**
  - Since first reading on November 13<sup>th</sup> following changes have been made to the handbook
    - Contract days were updated for the Alternative Education Principal and the Special Education Alternative Principal
    - Effective date of January 1, 2019 added to cell phone section
    - Effective date of January 1, 2019 was added to the personal use of vehicle section
  - Handbook will be presented at the December 4<sup>th</sup> Board meeting
  
- **Assistant Director for Finance, Grants, and Special Projects Description**
  - Job description was provided to the committee and it will be presented at December 11<sup>th</sup> Board meeting
  
- **PRESS Updates**
  - Few policies that have January 1, 2019 effective dates due to statutory requirements
  - Individual policies were not reviewed in the committee meeting
  - Recommended that Administration create an administrative policy committee
    - Administrative committees will be discussed at the BOE meeting on December 4<sup>th</sup>

Meeting adjourned at 3:58 PM