

REPORT OF COMMITTEE

Finance Committee

Monday, January 23, 2017

Auditorium, Rev. Lyman S. Parks Administration Building

3:58 p.m.

Present: Dr. Baker - Chairperson, Dr. Flores, Ms. Grant, Ms. Schottke, Superintendent Neal, Ms. Hawley, Mr. Klomparens, Ms. Kribs, Mr. Oberst, Ms. Trovillion

Public Comment

None.

ACTION ITEMS

Amendment One

Mr. Oberst advised that Amendment One had been discussed at the Board Retreat earlier in the day, and per Committee member request advised that the General Fund increase was due to the increase of 150 students which resulted in an increase in state aid. He also advised that there were additional dollars for Special Revenue from Act 18 which is county funds. Additional costs were realized in the form of compensation and benefits, and the shift in cost for open positions and temporary staff. There were no further questions

Motion for Amendment One for General Fund approval made by Dr. Flores, supported by Ms. Schottke.

Motion carried.

Your Finance Committee recommends Amendment One for General Fund to be placed on the Agenda for Board action at the February 6, 2017 Board of Education meeting.

Motion for Amendment One for Special Revenue Fund approval made by Ms. Schottke, supported by Ms. Grant.

Motion carried.

Your Finance Committee recommends Amendment One for Special Revenue Fund to be placed on the Agenda for Board action at the February 6, 2017 Board of Education meeting.

Motion for Amendment One for Debt Services Fund approval made by Ms. Grant, supported by Ms. Schottke.

Motion carried.

Your Finance Committee recommends Amendment One for Debt Services to be placed on the Agenda for Board action at the February 6, 2017 Board of Education meeting.

Purchasing Agenda

Mr. Oberst presented the Purchasing Agenda and offered to answer any questions on the items. He advised that there were only two items on the agenda, a parapro for Lincoln School, and an increase in the blanket for temporary staff for Human Resources. There were no questions.

Motion for Purchasing Agenda approval made by Ms. Schottke, supported by Dr. Flores.

Motion carried.

Your Finance Committee recommends the Purchasing Agenda to be placed on the Agenda for Board action at the February 6, 2017 Board of Education meeting.

Donation

Mr. Oberst reviewed a donation from Donors Choose, funded through Google, for Stocking Elementary. The donation was 30 Chromebooks and 3 charging stations. A Committee Member asked for further detail on the request. Superintendent Neal responded that a teacher had applied for this without knowing that there was an approval process to follow before applying. The donation is consistent with the technology being placed in school buildings, and will have the same technical and tracking capabilities as other district devices. The Superintendent advised that a memo has gone out to staff informing them of the need to follow the process of prior approval, and to keep their Assistant Superintendents and Executive Directors looped into these types of applications for donations.

Motion for Donation approval made by Dr. Flores, supported by Ms. Schottke.

Motion carried.

Your Finance Committee recommends the Donation to be placed on the Agenda for Board action at the February 6, 2017 Board of Education meeting.

REPORTS/UPDATES/DISCUSSION

December Financial Statements

Mr. Oberst presented the December financial statements. He noted that Amendment One has brought the budget more closely in line with projections for the year. He advised that the biggest difference was benefits and recognizing those costs earlier. There were no questions

Warm, Safe & Dry Update

Mr. Klomprens reviewed the current Warm, Safe & Dry project status. He provided an update that the Ottawa Pool and the GRPS University fence only had a minor portion left to do before being complete. He noted that there are two more projects slated, which are the replacement of the Innovation Central Gym roof and replacing heating controls. This will still leave them with an emergency fund balance. There were no questions.

Bond Update

Mr. Klomprens gave an update that the cooling system at GRPS University has been added as a bond project. CA Frost and 111 College are completed and will be coming off of the list. An update on Buchanan Elementary is that they are facing preliminary design challenges to keep within budget. Finalizing classroom number and appropriate specs for each, and they have changed the design from a three story building to a two story building. Expectation is to bid this in the spring, and then have construction begin the Monday after school is out. This will give them roughly 15 months before the opening in Fall of 2018.

Mr. Klomprens commented that they are working to keep the Museum High School within budget as well, and will be bringing multiple bid packages for review. The bid for demolition projects should have a bid for next month's Finance Committee meeting. He also anticipates providing a timeline at that meeting.

City High Middle is working to integrate the advisory committee information in a way that maximizes the budget. They are trying to get as much as requested, and be intentional and deliberate in their choices.

Ottawa High School is still under review for Academic Programming decisioning, which will impact the design plan. This will be a 15 to 18 month project once the direction has been finalized, and then they will work on a timeline that accommodates no disruption to the school days.

A Committee member asked about the bond spending timeline that was requested. Mr. Oberst said that they should be able to present that at February's Finance Committee meeting. Mr. Oberst updated that the first phase of the bond technology roll out will be in the next month or two, and then in the fall the student device roll out will begin next fall. The Committee member noted that the bond projects will extend out past everyone's term of service, so it is important that they have a clearly defined plan to ensure that it is executed as decided. Also, the importance of being able to speak to the public about the plan was an important part of a Board members job, and that the more informed that each member is, the better they can field questions.

Mr. Klomprens noted that the bond funds spent so far have been for the CA Frost Middle High School, and the 111 College demolition. He said that the next two projects are Museum High School and Buchanan. He stated that they are being deliberate in their approach. Mr. Klomprens and Mr. Oberst will work on creating a chart with projects and dollar values.

Bond Refunding

Mr. Oberst followed up on the November Resolution for Refunding 2007 bonds. He shared that the interest rates were previously a 10-12% savings, but due to having to wait because it is a refunding of a refunding, they anticipate a 7-8% savings. The minimum savings to be considered worthwhile of refunding is 5%, so it is still a favorable move. There is a bond ratings call with Moody's January 25th, and thereafter a preliminary Offering Statement that should be done by February 14th. Bond pricing is scheduled for February 22nd. The bond closing will be March 21st and the refunding will be complete. There were no questions.

Closing Remarks

The Finance Committee Chairperson asked if 4 p.m. on the 4th Monday of each month worked for all committee members, and there was consensus that it did. There was discussion around the importance of Finance Committee Members being able to be familiar with, and convey to other, certain data points about the district's financial position, and the desire is for this committee to be a source of information for the other Board members not on this committee, and for the public.

Meeting adjourned 4:24 p.m.

Dr. Tony Baker, Chairperson
Dr. Jose Flores
Kristian Grant
Jen Schottke

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