

Finance Committee Meeting

March 13, 2018

Meeting Minutes

The Finance Committee met on Tuesday, March 13, 2018 in the District Office Conference Room. In attendance were: Chairperson Thomas DiBello and committee member Christina Melton. Administrators present were Dr. David Goodin – Superintendent, James Fink - CFO and Mary Davidheiser – Controller. Also present were Springfield Area School District staff member Erin Crew – Manager of Communications & Marketing, Board members Linda Fazzini, Dawn Heine, Colleen Zasowski and Mark Dehnert and residents Willard Cromley and Denis Rees. Mr. DiBello called the Meeting to order at 6:42 p.m.

- Review and acceptance of minutes – February 13, 2018.
- Executive Monthly Reports – 2017/2018 results through February 28, 2018
 - Reviewed by Mr. Fink
 - Cash balances are in good shape and will start to decrease since a majority of our revenue has been received for the year. Financials are on target with the current budget, and in line with last year. Real estate assessments increased by \$9MM. Earned income taxes are trending nicely and Mr. Fink confirming the budget should stay around the \$10MM mark. Mr. DiBello stated that is fine as long as it is based on past experience which Mr. Fink confirmed and agreed. Self-funded health insurance incurred higher claims during February possibly due to flu season and a few high-claim members. Mr. Fink noted that the 2nd and 4th quarters are usually the lightest quarters in costs. Food service reports are reflecting a higher actual in food and supplies which Mr. Fink will investigate (inventory count issue?). Mr. Fink also touched on the costs and as last month suggested an internal study to address the prices of lunches. It has been four years since the last evaluation of the pricing. Overall Mr. Fink is pleased with the financials.
- 2018-2019 Budget update
 - Not much has changed since preliminary budget still looking at a \$3.6MM gap. Mr. DiBello requested that a recommendation should come to the Board in April on the budget. Mr. Fink explained that a growing piece is the Special Education budget due to what is mandated and underfunded by the state (Approx. \$30MM expenses budget vs \$5.2MM from the state).
- Other Committee Business
 - Mr. DiBello started discussion on the High School Expansion and that the Finance Committee was to focus on the numbers only and Property Committee was to focus on the bid items. Mr. Fink reviewed numbers presented at the Town Hall meeting a year ago showing the low and high ranges for the project (\$10.5MM-\$12.1MM). Mr. Fink then gave a refresher on the debt profile stating that the current budget includes \$14.9MM, but actual debt service will be \$14.2MM due to refinancing done last year. This leave a \$700k favorable debt service window. Next Mr. Fink reviewed the bid totals for the expansion reflecting \$7.92MM for the Physical Education Center and the Performing Arts Center and \$2.97MM for the Corridor for a total cost of \$10.89MM including soft costs for permits, legal, financing, FF&E, builders contingency, etc. Mr. Fink reviewed the capital reserve finances. Mr. Fink then gave a recommendation to utilize \$3.4MM of capital reserve funds and procure a 15 year bond for the remaining \$7.5MM. This approach will keep the budget line item at approximately \$14.5MM (so it will not increase the budget), and keep adequate funds in the Capital Reserve for future projects. Discussion continued among Board members (Dehnert & DiBello) on debt drop off and bids. Mr. DiBello explained about the planning and that every week was critical to get the project started and completed in timeline. Mr. DiBello would like to get the financing approval on the work session agenda. Finance Committee member Mrs. Melton agreed to move this forward to the entire board for

consideration. Mr. DiBello also confirmed discussing with committee member Mr. Jackson who was aware of the bids and would be comfortable moving forward. All Board members present agreed.

- Board Comment
 - None
- Public Comment
 - None
- Meeting adjourned at 7:21 pm.