

Finance/Transportation Committee

July 17, 2017

7:00 p.m.

- Members Present Dan Meyer, Stuart Long, Jim Bajczyk
- Others Present Dr. Ebert, Ruthie Rumpff, Sheila Lefeber, Faye Burg
- Call to Order Member Meyer called the meeting to order at 7:12 p.m.
- Financial Status Dr. Ebert and Mrs. Rumpff reviewed the financial graphs provided and shared options for supporting capital improvements, Raider Nation Renovation and the auditorium group.
- If a referendum is approved - the District could borrow money in stages as there is a 5 year borrowing window. Payments would begin one year after the initial borrowing.
 - Different payment structures
 - ◆ Pay interest only
 - ◆ Include interest payments in borrowing to keep budget neutral
 - State Trust Fund Loan is currently at \$250,000. This loan cannot be prepaid as it was refinanced. There is a scheduled payment of \$125,000 due in March 2018.
 - The current WRS Liability loan can be pre-paid which would create a void in the operating budget. This option would meet both objectives of lower the fund balance as well as creating opportunities within the operating budget for future years. Dr. Ebert will confirm if pre-paying on the loan recalculates the payment schedule.
 - Current debt will retire in 2019/2020.

How to proceed with supporting the needs of the 5-year plan? Consider adding capital projects identified on the 5-year plan to a future referendum. Projects would not need to be done immediately as the district has the authority to borrow for up to 5 years following a passed referendum. The impact to taxpayers begins at the time of borrowing. Tax implications were shared with both the RNR and auditorium groups. The impact for RNR would be between \$11-\$13 per \$100,000 and for the auditorium it would be between \$54-\$64 per \$100,000.

Does the Board consider using monies from fund balance to begin addressing the 5-year plan? An option would be to use fund balance money to pay down the WRS liability loan which would create a void in our operating budget creating additional opportunities in future years. The financial services manager would support the reduction of \$200,000 - \$300,000 from fund balance.

Dr. Ebert shared that he will be working with the admin team and Ben Hill to develop a priority list of facility needs. Members discussed the importance of trusting those in charge. Board members should direct all questions/feedback on any information they receive to Dr. Ebert.

The committee discussed the requests of the RNR and auditorium groups. RNR requested financial support from the board and the auditorium group was seeking support via a referendum. Does the board also consider going to referendum for district-wide facility needs?

Member Long informed committee members that the city is looking to close a TID district which would result in the district receiving some monies later this year. Mayor Steinhardt reached out to Mr. Long in regards to repairs to the tennis courts. In the future perhaps the finance committee could meet with the mayor and city planner to discuss repair costs as well as a plan for maintaining the courts once repairs have been completed.

Member Long shared some thoughts in regards to support for RNR. As a district we have an obligation to maintain facilities. He would like to propose that the Board consider developing a goal to create a plan for maintaining existing facilities (including the track and football field) making them functional/usable. This may not be exactly what the RNR group is looking for, but this message would provide them the ability to share how the Board is supporting their efforts. With debt retiring and the use of borrowing authority the tax impact could be neutral. Continue educating the public about “Where we’ve been”, “Where we’re at”, and “Where we’re going”. Need to share that we have a plan but there are gaps. How can the community and district work together to fill those gaps. Share the current financial structure of the district informing the public that a referendum is a tool given to schools to take care of capital projects that cannot be supported by the annual budget.

Share the exciting paths/opportunities that exist within the KASD.

Adjourn

On Motion of Member Long, seconded by Member Bajczyk, the meeting adjourned at 8:47 p.m.