

# RECORD OF PROCEEDINGS 9174

## FINANCE COMMITTEE MEETING

October 20, 2016

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The Gahanna-Jefferson Board of Education Finance Committee met on October 20, at the Gahanna Jefferson Board Office, 160 S. Hamilton Road. The meeting started at 7:00 a.m.

<b>ROLL CALL:</b>	Mr. Matthew Campbell	Absent
	Mr. Joe Gottron	Absent
	Mrs. Daphne Moehring	Present
	Mr. Jason Phillips	Absent
	Mrs. Beryl Piccolantonio	Absent

<b>ADMINISTRATIVE STAFF PRESENT:</b>	Steve Barrett
	Scott Schmidt
	Julio Valladares

<b>MEDIA PRESENT:</b>	None
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### Items for Discussion

- **Finalize Five Financial Principles**
  - Mrs. Moehring read the five principles and shared some possible changes including combining principles:
    1. Every dollar spend must add value to teaching and learning; there are management options attached to each dollar spent.
    2. All fiscal decisions will be made in context of the five-year forecast.
    3. We will aggressively pursue the avoidance of deficit spending.
    4. We believe that it is prudent to have a cash reserve position that is no less than 60 “true days cash.”
    5. We will conduct and follow long-range planning for capital assets and technology.

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- Discussed fiscal principles in more depth:
  - Long term vision we did not have, so we are looking at a long range plan
  - Need long term strategic planning
  - 60-day cash reserve is very difficult to get there and maintain
  - We cannot eliminate deficit spending, but we can work toward minimizing it in the next few years (Superintendent)
- Possible changes in State funding may affect the schools budget
- This is a consistent communication piece
- We spend \$235,000 a day
- Steve, Scott and Julio will look over the principles and will share with the Board
- We believe it is prudent to have a cash reserve that is no less than 60 True Day's Cash.
- Five principles will be brought back in November to finalize them
- **Calendar to Manage Financial Expectations and Understanding**
  - When will info be presented to the Board?
  - Discussed Budget Calendar for 2017/18. Julio explained the information and the dates
  - In reference to the calendar, there was a concern with starting kindergarten registration so early due to number projections
  - In reference to the calendar, District staffing other than teachers should begin in January instead of February
  - In reference to the calendar Pre-k assignments and staffing recommendations should move to February
  - Enrollment projections are ten years out
  - Considering bringing in an outside company to do our enrollment projections

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- Executive Committee will look over the budget calendar and make any changes
- Bring to Board once the Executive Committee has completed
- **Permanent Improvement Fund Discussion**
  - Teachers are asking the status of Permanent Improvement monies
  - Discussed where we are sitting now with Permanent Improvement Funds:
    1. **The fund at a glance:**
      - A total of \$6.1 million has been receipted into the Permanent Improvement Fund.
      - To date, a total of \$3.9 million has been spent from this fund.
      - Expenditures from this fund include items like buses, maintenance vehicles and equipment, technology purchases, flooring, painting, furniture, choral risers, and HVAC equipment.
      - There is currently \$2.2 million available in the Permanent Improvement Fund.
    2. **Current look at the “Permanent Improvement Fund” for FY17**
      - Current fund balance of \$2,258,772.
      - Minus \$826,631 Principal and Interest due for the “Bundled Projects” borrowed money.
      - Minus \$231,219 currently encumbered
      - Current unencumbered balance of \$1,200,922
      - March 2017 Expected receipts of \$775,842
      - Expected Cash Available for FY17 \$1,976,764
- Scott gave PI overview see (Exhibit A, page 9178)
- Do we have a list of 2017 projects completed?
- Discussed Roof Paneling – will be done in January

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- **Buildings & Departments Expense Request Changes**

- Discussed changes to Permanent Appropriations for general fund
- Julio said that appropriations will change from time to time due to inter fund transfers
- Capital expenses should come from PI Funds to relieve the general funds
- We need to be able to let the public know where we are spending the money and have a disciplined message. Keep constant communication with the community.
- There is going to be a donation on the November agenda to Jefferson, Lincoln and Blacklick from their PTO's in the amount of \$28,890 each for classroom library books need to support literacy curriculum. Additional funds will be needed due to the enrollment of teachers in this. The rest of the monies will come out of the principals 018 accounts. Steve and Scott are looking at different ways to assist with helping the other elementary buildings get money for the same project.

### ADJOURNMENT

The finance meeting of the Gahanna-Jefferson Board of Education be adjourned at 8:42 a.m.

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President

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Treasurer

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### Exhibit A:

#### Permanent Improvement Overview

10.20.16

The Permanent Improvement Levy passed November 2014, brings in approximately \$3 million a year.

There were a number of projects needing immediate attention. A decision was made to bundle some projects together in an effort to save money and complete in an expedited fashion.

The district borrowed \$7.4 million upfront to allow these projects to be bundled.

Leggat Kingscott was hired to oversee the first three years of the large scale projects. The district would manage some of the smaller projects that did not need architectural drawings.

We have completed year one and two of the projects and are currently in the planning stages for year three. The projects are accounted for in two separate accounts.

#### “Bundled Projects Account”

A total of \$7.4 million was designated to be spent on the bundled projects.

To date a total of \$5.2 million has been spent on bundled projects.

Bundled projects include items like; parking lot paving, sidewalk repair, HVAC system replacements, roof replacements, renovation of restrooms, auditorium and tennis courts.

There is currently \$2.2 million available to be spent in year 3 of the bundled projects.

#### Recap of Permanent Improvement Status:

Total PI money available for year three of projects \$4.21 million.

Total PI money spent in year one and two \$9.1 million.

#### Next Steps:

Update Website to include year two actual expenditure projects.

Finalize year three expected projects and budget estimates.

Continue Master Facility Study with focus on early Learning Center and Lincoln Elementary.