

Southgate Community Schools

Finance Committee

Meeting Minutes

Meeting date: March 22, 2017

Location: Southgate School Board Office

Meeting was called to order at 5:30 PM

Attendees: Jason Kupser, Darlene Pomponio, Jason Craig, Theresa McLachlan, Leslie Chretien

I. Call to Order

II. Old Business

a. School board central office expansion costs

Mrs. McLachlan provided some a general cost estimation that was provided by Plante Moran Cresa, which was approximately \$1.4 million for a new 5,000 square foot board office to be built connected to an existing property. Mrs. Chretien advised size of the board office needs to consider records storage and meeting space among, other needs. Dr. Pomponio asked about the feasibility of the use of the old school board office. Mrs. Chretien expressed that it could not be rehabilitated. Mr. Craig asked about if space in Beacon was an option, and Mrs. Chretien said that it is not available. Mr. Kupser asked if the district does any general fund investments to understand discount rates related to understand the cost value of a capital investment. Mrs. McLachlan explained that there is some investment in CD's. Mr. Craig expressed that this amount of money should not be spent on storage and that the district may wish to explore digital conversion efforts. Both Mrs. McLachlan and Mrs. Chretien expressed that the district is almost at capacity for record storage. The committee agree that costs for the building of a central board office is too costly at this time. The issue is closed.

b. Monthly forecasting tool benchmarking efforts

Mrs. McLachlan reported that after she reviewed the MASB website she found that there were no forecasting tools used for school districts. She stated that she would be making effort to start focusing on cash flows in effort to document a full year's data related to the revenue and expenses. She said that after compiling data there may be opportunity to have a more meaningful discussion after August. This topic is tabled until August 2017.

III. New Business

a. Northpoint Elementary lease with the Guidance Center

Mrs. McLachlan explained that lease that the Guidance Center has with the school district for Northpoint Elementary building and property is going to expire on June 30, 2017 and that the Guidance Center is looking to renew their lease. She stated that Guidance Center is looking to renew their 5-year lease at the same rate for an additional 5 years. Mr. Craig asked what the annual amount of the rate and the square footage of the building. Mrs.

McLachlan stated it is \$170,000 per year and the building is 41,000 Square feet. Mrs. Chretien explained that the contract included the investment of \$300,000 into the building. Dr. Pomponio expressed there needs to be consideration for the stability of the tenant for coming 5 years. Mr. Craig asked that some research to be done to see comparable rates to other commercial properties for rent in the area to see if the contract rate is reasonable. Mrs. McLachlan stated she will work with a realtor to get the comparisons. Mrs. Chretien expressed that the Guidance Center is looking for a reply sooner than later as the contract expires at the end of June. Mr. Craig asked if this need to be presented to the full board and Mrs. Chretien replied “no.” Item is still open for next meeting.

b. Guidance Center Voluntary Assessment

Mrs. Chretien explained to the finance committee that the Guidance Center asks school districts on an annual basis for a voluntary assessment that could be billed to the district. Dr. Pomponio asked what services were provided. Mrs. Chretien explained that the services, and also that they would not be diminished if no contribution was provided. Mrs. Chretien explained that the Southgate School District does support the Guidance Center by being on the SUDD council, assistance with their webpage and Survey Monkey support. It was agreed by the finance committee to not make a contribution for these services this year as to our efforts of trying to be as fiscally sound as possible and will be readdressed when asked again next year. This issue is closed.

c. Millage funds / expenditures dashboard on the website

Dr. Pomponio requested to have the money provided to the school district from the millage be presented on the district’s website similar to how the bond money was presented. Mrs. Chretien explained that this would need to be created. She expressed that it the committee could make a framework with the concept of how that data could be presented and then the district would create it. Mrs. McLachlan provided to the finance committee a schedule outlining the Fiscal Year 2016 to 2017 expenses and revenue that are attributed to the millage. Dr. Pomponio asked if the millage funds were in the general fund. Mrs. McLachlan advised that the millage money is part of the general fund, but accounted for separately for the board’s information. Mr. Craig asked that the data be displayed with the assumption of full collection with transparency of what may be under collected. Mr. Kupser stated that he will create an initial set of graphs to start a concept conversation from. Mrs. Chretien stated she will provide insight from the staffing decisions that will impact the millage spend. Dr. Pomponio asked that there be an explanation provided on the website that may help explain why there may be allocation changes for citizens that may be tracking the changes to the spend allocations.

IV. Adjourned meeting at 7:38PM