

## Board of Education Finance Committee

### Minutes

October 9, 2013

Present for the meeting were Mr. Sessions, Mr. Richards, Ms. Quinley, Dr. Clippard and Dr. Belcher, Dr. Boren. Mr. Pries joined the meeting via Facetime. Also present was Dr. Peter Stiepleman.

Mr. Sessions called the meeting to order and ask for approval of the September meeting minutes. Dr. Clippard moved and Mr. Pries seconded approval of the minutes. The minutes were approved.

Ms. Quinley and Dr. Stiepleman led a conversation regarding planning for a Nature School built in partnership with the Department of Natural Resources at Rockbridge State Park. The financial planning includes two different budgets; an operating budget and a construction/startup budget. The operating budget would include teacher staffing, student transportation and traditional building expenses. Dr. Stiepleman is working on using existing elementary teacher staffing from various buildings for the teaching positions at the Nature School resulting in no additional cost for that purpose to the budget. Existing FTE would be used from buildings where class size would not be negatively impacted by move of the FTE.

The second budget consideration of construction and startup is still in development as well as the final project plan will depend on funds committed by others and the DNR. The project has been intentionally delayed to allow expanded conversation between the DNR and the Board of Education to assure best design and financing plans. Dr. Stiepleman is hopeful to bring final recommendations back to the committee in February or March of 2014.

The committee discussed a lack of compliance with the Boone County Fire Protection District relating to Battle High School and emergency communications due to lack of service in the BHS area. The District is considering a Request for Proposals for cell and internet providers to rent space on the top of a communications tower to be constructed. The annual rents from the providers would be the funding source for repayment of the debt related to construction costs. As this debt would not be general obligation bond debt but rather a transfer of operating revenues received, financing would flow through the CPS Facilities Authority.

As a part of the RFP for providers, the District would like to pilot a project that might provide no-cost home internet services to BHS free and reduced lunch families. The committee had extensive discussion regarding a tower, no cost services to families and financing/construction options for a tower. Mr. Richards suggested the District explore the possibility of a ground lease from a provider who then would construct the tower on our behalf. The District will issue RFPs looking for either method and bring back a recommendation based on those responses should either prove feasible.

Mr. Pries asked the District to consider how to expand such opportunities to other families if a viable option results from the RFPs. The administration will report back to the committee in February on RFP results and recommendations.

Dr. Belcher reviewed the Board's 10 year bond plan using a two year authorization and issuance cycle. The plan which was a result of the April 2012 authorization projected an 8 cent increase with an April 2014 authorization. Currently the administration is considering a plan with a 4 cent increase for the April 2014 authorization as a result of current rate environment, local assessed valuation and the bond issuance plan. The federal decisions in coming weeks and months may impact the final rate recommendation and future years as well.

Mr. Jim McGinnis of Gerding, Korte and Chitwood joined the meeting and reported that a significant portion of the field work for the 2012-13 fiscal year audit is complete including areas of transportation and attendance which both appear to be in very good order. Mr. McGinnis did note that he additional work will be done in the areas of construction project management, Kelly Services invoicing, cash handling in schools. He noted that the prior year finding relating to timeliness of draws of federal funds appears to not be resolved and thus will likely be reported in the 2012-13 final report.

Mr. McGinnis asked committee members for areas of concern or interest they would like for him to report back on in the final report in December. The committee asked for reports on the Kelly Sports Marketing Program and out of town travel.

There being no further business to come before the committee, the meeting was adjourned.

Respectfully submitted: Linda D. Quinley, CFO