Committee: Finance

Date and Time: May 7, 2025

Location: J.E. Hill Administrative Center; Board Room A

In attendance:
Tamara Mitchell, Chair; Bob Lewis, SVP, Managing Director at PMA Securities; Brad Jones; Charles Dan; Crystal Barriga; Erik Hehrmann; Johanna Peterson; Kelly Farley; Kevin Jackson; Kevin Miller; Mary Ramatowski; Shane Carey; Shawn Connolly; Sonja Moulton; Svetlana Gayares

Meeting overview

6:00 p.m. - 6:10 p.m. - Ms. Mitchell opened the meeting by introducing the evening's guest from PMA Securities, Bob Lewis, Senior Vice President, Managing Director. She explained that PMA is the district's municipal advisor. Ms. Mitchell also reviewed the reason for continued discussion of Phase III of the SDRP and highlighted the two main financial challenges facing D65 right now: 1) the structural deficit and 2) the lack of a source of revenue to address capital needs of buildings, with 17 of 18 buildings being classified as "Poor" or "Very Poor" on the facilities conditions index (FCI). These two challenges were termed "the district's math problem."

6:10 p.m. - 6:55 p.m. - Mr. Lewis reviewed various funding mechanisms/financial levers available to the district, explaining the ability of each to address one or both of the areas of the district's "math problem." He discussed the fact that using fund balance reserves is unrealistic at this point, and explained the following: referendum bonds, life safety bonds, non-referendum bonds, alternate revenue bonds, and lease/debt certificates. Mr. Lewis explained the function of tax caps (i.e., the Property Tax Extension Limitation Law), and how the debt service extension base (DSEB) provides eligible districts with a non-referendum bond option (i.e., non-referendum bonds).

6:55 p.m. - 7:20 pm - Questions, answers, and discussion including: clarification on the master facilities plan versus 10-yr health life safety survey; clarification on who identifies projects that meet the health life safety criteria; what steps are being taken to put the district in position to allocate $5-10 million to facilities maintenance and repair; who sells

and buys bonds as part of a bond issuance; where is the district with development of a building replacement plan; what is the sequence of events should building closures take place.

7:25 p.m. - 7:43 p.m. - The full Steering Committee met w/subcommittee share out. The Finance Subcommittee shared that they would like to know how we compare to other districts in terms of spending and tax rates, facilities plan in terms of maintenance and building replacement, and how much of the capital plan costs identified in 2022 plan are health life safety costs? The Committee was also informed that the next meeting on May 21st will be two hours instead of 1.5 hours.

7:43 p.m. - Meeting adjourned.