

5-Year Capital Plan Funding Recommendation from the Finance Committee

Policy Reference: OE-5, Financial Planning; OE-6, Financial Administration; OE-13 Facilities

Background Information:

At the November 15, 2017 Finance Committee meeting, Mr. Gardner shared the 5-Year Capital Plan Funding Options with the committee. Three financing options were discussed, (1) "Pay as We Go," (2) Utilize Current 8% Debt Capacity of \$53 million, and (3) Request \$150 million Bond Referendum. Mr. Gardner explained for each option the available funding, the date(s) available, potential for additional funding available over the life of the sales tax which "sunsets" in March, 2024, and the impact on the financing for the current short-term facilities plan.

Mr. Poston suggested to the committee that the third option, Request \$150 million Bond Referendum be put aside and that "Pay as We Go" would be the best option for the School District. Ms. Allen remarked that there are needs throughout the District everywhere. After further discussion, a motion was made by Ms. Allen with the recommendation to push forward to the Board with the first option; "Pay as We Go." Ms. Heniford seconded the motion. The motion was unanimously approved.

At the November 20, 2017 Board Meeting, Ms. Graham gave the Finance Committee report in the absence of Mr. Poston, the Finance Committee Chairman. In her report, she informed the Board that the Finance Committee recommended that the "Pay as We Go" option be utilized as the funding model for the 5-Year Capital Plan.

Since that Board meeting, Mr. Gardner has provided several updates regarding the availability of funds and numerous discussions have been held with no official action by the Board. The latest update was shared at the Board Retreat on December 3, 2018.

Purpose:

To provide the Board and administration with the funding parameters on which the projects in the 5-Year Capital Plan may be prioritized.

Recommendation:

It is recommended that the 5-Year Capital Plan Funding recommendation from Finance Committee be discussed and voted on by the Board.

Estimated Project Cost: N/A