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## LERROY COMMUNITY UNIT SCHOOL DISTRICT No. 2

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Board of Education Members

President: Kevin Daugherty  
Vice President: Bob Spratt  
Secretary: Andy Johnson

Wendy Dooley  
Tracey Holoch  
Bryon Owens  
Jennifer Tarr

Board Recording Secretary: Karin Morgan

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Superintendent: Gary Tipsord (309) 962-4211 Fax: (309) 962-9312

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### BOARD OF EDUCATION MINUTES Finance Committee Meeting Monday, October 21, 2019 – 5:00 p.m.

#### A. Call to Order.

President Kevin Daugherty called the finance committee meeting of the Board of Education to order at 5:00 p.m. in the media center at the Jr./Sr. High School. This complies with the Open Meetings Act although there was not a sufficient quorum to take any action.

#### B. Roll Call.

Present were Kevin Daugherty, Bob Spratt, and Jennifer Tarr. Superintendent Gary R. Tipsord and Administrator Jeff Baughman were also in attendance.

#### C. Talking Points for the Committee Meeting.

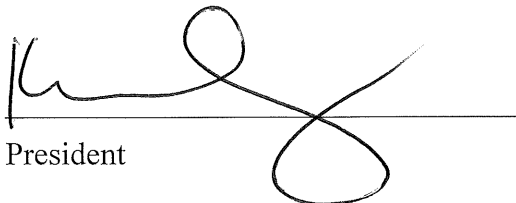
- Auditorium Project.
- Communication Strategies.

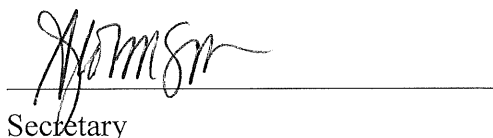
Administrator Steve Reschke arrived at 5:17p.m.

Board Member Tracey Holoch arrived at 6:12 p.m.

#### D. Adjournment

A motion was made by Jennifer Tarr, seconded by Bob Spratt, to agree to adjourn the meeting at 6:14 p.m. 4 yeas 0 nays. Motion carried.

  
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President

  
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Secretary

## October 2019: Finance Committee Meeting

### Auditorium Project

#### Planning Meetings

- Have a detailed projection by November 22 for Administrative Review
- Prepare Presentation for the Board of Education at the December 9 Meeting
  - Presentation at the Finance Committee Meeting?
- Answers for the Board of Education
  - What was the process to arrive at the anticipated cost?
  - What is the projected cost?
  - What are the “swing” variables in the project?
  - What contingency is built in to the total cost?
- Meeting #1
  - Create a template for soft costs
    - Furniture
    - Casework
    - Service Fees
  - Scope of “auditorium unique” costs
    - Catwalks
    - Lighting
    - Staging
    - Audio
  - Construction Methodology
    - Pre-Cast Concrete
    - Other
  - 100% Contingency to the Owner

#### Communication Strategies

- One-Page Document (construction timeline watermark)
  - Responsible Planning and Projecting
    - PJ Hoerr
    - First Midstate
    - 5-Year Sustainability
    - Long-Term Facility Plan
  - Impact of the Facility
    - Students
    - Days
    - Time
  - Tax Implications
    - \$0.15 less in Bond Rate Necessary
    - Assumption: 1.5% growth in EAV
  - Value of Fine Arts to a School System

- 4 times more likely to show academic growth in science and math
  - 3 times more likely to have high attendance rates
  - 4 times more likely to be recognized for academic performance
  - 3 times more likely to be in leadership roles
  - 72% of business leaders seek creativity as the #1 skill they seek when hiring.
  
- Comprehensive Information Access
  - What do the next 5-years look like?
    - Education Fund Focus
      - Reasonable
      - Responsible
      - EBF Staff Analysis
  - How can our EAV be impacted positively
    - What are areas for growth
      - Wind/Solar
      - Ag
      - Commercial
    - Considering the next 5-years
      - Necessary growth rate to keep the rate flat
  - Tax Rate Implications
    - Fixed v. Variable Rates
    - Special Education Specific
    - CSFT Implications
      - Facilities
      - Debt
      - Security
      - Mental Health
      - 51%-49% (\$525,000 projection)
    - Local Capacity Percentage
      - State and Local Distribution
      - Visual Picture of the Fit and Future
  - Funding the Auditorium Project
    - \$8,000,000
    - 1.5% EAV Growth
    - 3.75% interest rate
    - Refund \$2,180,000 in current debt
    - Current debt expires FY2024, plan extends the debt to FY2039
    - Current rate approximately \$0.90, anticipated rate considering assumptions \$0.75