

Rochester CUSD 3A
Finance Committee Meeting Minutes
September 4, 2024
8:30 am Bruce Hays Administrative Center

The Finance Committee of the Board of Education of the Rochester Community Unit School District 3A held a Finance Committee meeting on Wednesday, September 4, 2024, at 8:30 a.m. in the Bruce Hays Administrative Center. The meeting came to order at 8:30 a.m.

Committee Members present: Chris Jewell and Don Carley

Others Present: Dan W. Cox, Superintendent
 Dr. Kris Kahler, Director of Business Services
 Jon Hansen, Director of Communication
 Carey Seaton, Executive Secretary
Guests: Aimee Johnson

The Finance Committee convened before the September board meeting to review, discuss, and formulate final recommendations.

Review of Rochester CUSD #3A Budget FY25:

Dr. Kayler provided a printed copy of the FY25 budget. He pointed out that the education fund has built-in contingencies for unexpected staff changes. We are currently fully staffed as far as teaching positions but with permanent substitutes. More money was added to the supply line items for the purchase of the Reading Wonders curriculum which will be on a six-year cycle. A new driver's education vehicle has been budgeted for if approved. The deficit in fund 60 is waiting for construction invoices.

Mr. Jewell wanted to know if blastoff and prekindergarten are affecting the budget with all the new positions. Mr. Cox noted that the Blast-Off academy is tuition-based as is some of the prekindergarten. Mr. Jewell would like to see a revenue and expenses audit of the Blast-off Academy. Mr. Cox said that on the budget summary page, the education fund has overestimated expenses and underestimated the revenue. He also noted that a couple of challenges this year were benefit costs, cyber security, and legal expenses. Mr. Jewell asked about food services expenses. Dr. Kahler noted there are many variables such as what students eat versus ala cart which is reimbursable.

Credit Card Procedures:

Mr. Cox gave an example and draft of the credit card control policy. The policy includes a check-in and check-out system, blocks on a card, select staff use, and itemized receipts. Each card has an envelope with receipts for every expense. Mr. Carley said he was more comfortable with the added extra requirements. These select employees will need to sign the credit card policy. Mr. Cox is not recommending procurement cards.

NCL Government Capital Lease Agreement:

The NCL Government Capital Lease agreement is an alternative funding tool the Board may consider for capital projects. The recommended use for this type of lease is for the scoreboards, lighting, and sound portions of the upcoming construction project. This will move \$1 million of expenses to the lease agreement, thereby allowing for additional revenue within the bonded project. The new revenue generated through advertising will be used to pay a significant portion of the lease. The building committee reviewed this in greater detail before the board meeting but felt it also needed to be considered by the Finance Committee. Mr. Jewell asked what the interest rates would be on this lease agreement. Dr. Kahler said 6% to 6.5% interest rate and it updates daily. Mr. Cox said this allows flexibility with the larger project and an additional revenue stream use with larger projects. Advertising dollars will help pay for the capital lease agreement not dipping into the general revenue fund. The earliest decision could be in October. Mr. Cox noted that there are no fees associated with the NCL government and no penalties for paying it off early. Mr. Jewell said it is a matter of

rates and the necessity of the items being purchased. Mr. Cox would like to secure the revenue stream for future improvement projects.

Review of Marketing Advertising Plan for Rochester CUSD #3A Sponsorship Program:

The objective of this plan is to generate substantial revenue for Rochester CUSD #3A through strategic sponsorships while providing valuable advertising opportunities for sponsors within the district's extra-curricular facilities. The sponsorship program is designed to maximize exposure for partners across various digital and static mediums, fostering long-term relationships that benefit both the district and the sponsors.

Mr. Jewell asked if the bronze level would be the lowest advertising level and if someone could just advertise at the football stadium. Mr. Cox said this is a preliminary plan and right now silver and gold are locking into a term. Our owner's representative is helping with the development of this advertising plan.

The Finance Committee adjourned at 10:04 a.m.

Respectfully submitted,

Dan W. Cox

Dan W. Cox
Superintendent of Schools