



Finance Committee Meeting Minutes

Thursday, August 13, 2020

1:00 – 2:30 pm

Boardroom

Finance Committee Members

Paul Dumars
George Elmore
Michael Kohner
William McDaniel (Absent)
Rick Miller
William Moore
Jack Warner

School Board Members

Barbara McQuinn

Staff

Leanne Evans, Treasurer
Brenda Jiampetti, Treasury
Ron Horan, Treasury
Loretha McIntyre, Treasury
Blair Littlejohn, Legal
Mike Burke, CFO

Guests

Laura Howe, PFM
David Moore, PFM
Stephen Alexander, PFM
Scott Sweeten, PFM

The meeting was called to order by Rick Miller at 8:10 am

- I. **Approval of Agenda:** approved unanimously
- II. **Approval of Minutes:** approved unanimously
- III. **Public Comment:** None
- IV. **Items for Approval**
 - a) **Summary of Issuance of COP 2020A** – Laura Howe, from PFM reviewed the completion of the COP issue.
 - b) **Proposed 2020 Tax Anticipation Note** – Leanne Evans explained the upcoming TAN sale. The Committee unanimously recommended the transaction to the School Board for approval.
 - c) **Proposed 2020 Equipment Lease** – Leanne Evans explained the proposed 2020 Equipment Lease. The proceeds will be used to finance the purchase of replacement chillers at 24 schools. The Committee unanimously recommended the transaction to the School Board for approval.
 - d) **Market Update** – Steve Alexander, from PFM provided a market update sharing the complexities of the market and changes since our last meeting in February.
 - e) **Quarterly Investment Report** – Leanne Evans and Steven provided an overview of the quarterly investment report. The core portfolio had a quarterly return of 0.91% as compared to the benchmark of 0.13%. For the year, the core portfolio performed slightly better than the benchmark with an annual return of 4.10% vs 4.07%. Interest earnings for entire portfolio through June 30, 2020 was \$17.7 million. The portfolio was in compliance with the investment policy.
 - f) **Sales Tax Revenue and Financing Update** – Leanne Evans provide an update on sales tax revenues. The sales tax revenues have fallen from 115% of projections to 113% of projects due to the pandemic. The various models forecast a shortfall however the

projected shortfall is less than the balance in the sales tax reserves. The revenues for April was about 40% less than projections and May revenues were 20% less than projections. Staff will continue to monitor the situation. The line of credit for the sales tax was scheduled to be increased before the end of the fiscal year. Due to instability in the market and general lack of liquidity the fees associated with the increase would be significantly higher than the current rates. The District was able to adjust project budgets, with no impact to project schedules, and eliminate the need to increase the line of credit in FY 2020. An increase will be needed during FY 2021 and will be brought to the committee next year.

g) Cancellation of 9/22/2020 Meeting – The meeting will not be needed.

V. Adjournment – The meeting was adjourned at 2:35 pm. The next meeting is scheduled for October 30, 2020

All documents reviewed, an audio recording of the meeting and a video recording of the meeting are available on the Finance Committee website.