

**Long Range Facilities Planning Meeting
January 23, 2019**

MINUTES

Those in attendance: William Hall, Aaron O'Toole, John DiPlacido, Gary Winschel, Nate Spiker, Rick Lansberry, Luigi Pasquale, Michael Galleher, and Linda Sitter.

Mr. Hall opened the meeting reaffirming the number one issue facing our District is controlling critical building upgrade costs and holistically dealing with outdated building systems. Providing a long range facilities plan, and more importantly, figuring out how to pay for everything that is required now, is essential so the District doesn't end up in another financial crisis. Topics for consideration:

- How does the District address the needs of aging schools, and how do we fund all the required repairs for these buildings?
- How much can we afford to borrow? Borrowing money is easy, but absorbing payments in a yearly budget is the challenge when the District can only raise so much money with tax increases.
- Also, to be considered is the Erie County Technical School (ECTS) project and how the District will fund its required cost for that renovation. Estimated costs to Millcreek will be \$10-15 million for the proposed project at ECTS.
- What is the priority? What needs fixed now and what can wait?

With limited opportunities to raise revenue (other than tax increases), the Committee discussed potential options to control future expenses:

1. Closing an elementary school (Chestnut Hill) - previously discussed. District would realize building maintenance/operational/staff savings
2. Closing a middle school (Westlake) - District would realize building maintenance/operational/staff savings
3. Move 5th grades to middle school - District would realize staff savings
4. Selling or razing the Millcreek Learning Center

The Committee discussed some of the pros and cons related to all four scenarios.

While the District is not currently in a financial crisis, the District will be struggling to balance its budget in two or three years. It is clear that the District will need to look at bonds (loans) now to fund building upgrades and repairs. The Committee discussed what repairs/replacements need to be addressed immediately and how the District will afford to complete those jobs. The District's Engineer, Michael Galleher, provided a list of items the District must immediately address and those projects totaled approximately \$41 million. These estimated costs are outside what is already budgeted for maintenance projects. Mr. Galleher also noted the list provided today is not yet complete and additional items will be added to the list when his research is complete. The Committee asked Mr. Galleher to further prioritize the needed

repairs. Mr. Gallaher will work on a prioritized list, but did mention that all of the repairs need to be done. The Committee asked to see what a priority list for \$20 million would include.

If the District took out a \$40 million bond to complete those needed repairs, that would equal a payment of approximately \$3 million a year. The District cannot make that payment with its budget, even with a tax increase to the index.

The Committee discussed the possibility of having two representatives from the Ad Hoc Committee attend an upcoming Committee of the Whole meeting to provide progress reports and additional information.

One Committee member mentioned researching state-funded programs that could assist with funding.

The Committee revised its timeline as their research is not complete and the Committee will not be bringing a recommendation to the Board in April 2019.

The next meeting will be February 27, 2019.