

**Long-Term Financial Planning Update
Subcommittee Study Items
May 18, 2016**

Summary

In 2014-2015, a Long-Term Financial Planning (LTFP) Committee, a formal subcommittee of the Board of Education, was assembled to work to understand the District's finances in order to monitor financial issues and trends facing the District and provide input to the District administration and the Board of Education regarding those issues and trends. It is comprised of District residents, staff and administrators. The LTFP committee has been organized into three subcommittees, which began meeting in February to discuss the areas of budget and finance, demographics and enrollment and facilities and grounds. Some of the subcommittees are planning to meet during the summer and all will continue their work in the fall.

Description of Agenda Item

The purpose of this study session will be to share information and seek Board of Education input related to study topics for the LTFP Subcommittees.

Background Information

The Resource Management section of the District's Strategic Plan includes an initiative to define the ongoing role of the LTFP Committee that was created during the Long-Term Financial Planning Process. During the 2014-2015 school year applications were accepted from community members, residents, administrators and staff to serve on the LTFP Committee. Seven residents, three staff, three administrators and two board members were selected to serve on the committee.

During the 2015-2016 school year, the LTFP Committee began its work by performing a SWOT analysis of the District's financial condition. This SWOT analysis was further analyzed through an activity that listed the identified strengths, weaknesses, opportunities and threats of the District's financial condition and asked members to categorize the listed items' relevance/importance within three separate categories: budget and finances, demographics and enrollment, and facilities and grounds.

Applicants who were not selected to serve on the larger LTFP committee were contacted and asked to serve on one of three subcommittees. An additional board member, 12 residents, three staff members, and four administrators joined the 15 members of the original LTFP. The subcommittees held their first meeting on February 10, 2016. They have met monthly since that time and plan to continue their work through the summer and into the fall.

Budget and Finance Subcommittee

The Budget and Finance Subcommittee's overall work is to help establish budgetary guidelines and tools to structure and direct the District's long-term financial planning. The committee's initial work, though, has focused on identifying alternative sources of revenue to support the District's budget. Specifically, the subcommittee has set out to answer the following question: **Are there other sources of revenue that other districts have found?**

The members of the Budget and Finance subcommittee determined one way to identify how comparable districts have leveraged alternative sources of revenue was to contact the top 20 schools in the K-12 Niche ranking of the 2016 Best School Districts in America (Clayton is ranked at 51). Of the districts that

responded to the inquiry, the primary revenue source was residential property taxes. The top three alternate sources of revenue were:

- Financial support from an education foundation
- PILOTS (Payments In Lieu Of Taxes), and
- Student Activity Fees.

The subcommittee is still researching information in all three of these areas, as well as different ideas for budgeting tools, and expects to present options to the Board in the fall.

Demographics and Enrollment Subcommittee

The Demographics and Enrollment Subcommittee was asked to consider how to best plan for changes in demographics and student enrollment by identifying future resource needs and potential challenges that address how the School District of Clayton may accommodate these changes over time. After a fair amount of discussion, the subcommittee determined a demographic study of the District would be a logical first step in this work. **The study would be used to not only identify the potential impact of proposed development in the District but would also provide insights into the specifics of the District's population (current and future) in order to more effectively engage the community.** The subcommittee drafted and presented specifications for Board approval to issue a request for proposal on April 20, 2016. The subcommittee is finalizing the evaluation criteria and will meet over the summer to review the proposals and make a recommendation for Board approval in the fall.

Facilities and Grounds Subcommittee

The Facilities and Grounds Subcommittee was asked to perform a comprehensive review and establish a plan for development, maintenance and management of the District's facilities and fields that identifies District needs and is coordinated with the City of Clayton. This subcommittee's initial work was focused on **Field Maintenance and Use**. They have worked very closely with Tim Wonish, Director of Facility Services, and CHS Athletic Director Bob Bone to understand the overall use and maintenance requirements of the District's play fields.

Wydown Middle School Field - Due to the ongoing safety concerns at Wydown, the committee prioritized consideration of this field and on April 20, 2016, the subcommittee recommended to the Board that the District solicit bids for the removal of the existing surface and the addition of sand and organic type growing media materials and Bermuda sod.

Field 7 (CHS Baseball Field) - The Athletics department has struggled for years to make improvements to Field 7. This field demands a high level of resources in order to maintain the surface at optimal conditions. Unfortunately, the District lacks the staffing and financial resources to meet these needs. The irrigation system is over 20 years old and in need of replacement. Turf consultants have indicated that the average life of a natural grass athletic field is ten years. After ten years, the field needs to be re-graded and the soil and sod should be replaced. The District has never performed this type of routine maintenance on Field 7. As a result, improvements need to be made to the field and irrigation system in order to maintain a usable and safe playing surface. The Clayton Education Foundation has been working with the family of Dr. Nick Adzick and a group of alumni on a fundraising campaign to offset a portion of the District's cost of renovating Field 7. Approximately \$100,000 has already been pledged to help renovate what will now be known as Adzick Field. Once information related to options for improvement to Field 7 is obtained and summarized, the subcommittee will present these options to the Board.

The subcommittee is also looking at the following areas and will continue this work into the fall:

- Revenue generating use of facilities
- Sustainability
- Future investment for improvements in the Center of Clayton
- Technology infrastructure

Affiliated Users

The Budget and Finance Subcommittee was also asked to review and make recommendations on a number of the District's affiliated user agreements. The District currently has three formal affiliated user agreements.

- **Glenridge Children's Center, Inc.** - The Board of Education had a long-term, informal understanding with the Glenridge Children's Center, Inc. (GCC) regarding the use of the facility for the daily operations of providing before and after care services for the students and families attending Glenridge Elementary School. In December 2015, the District formalized the business agreement with GCC recognizing it as a legal, separate entity and setting forth rights and responsibilities of both parties. The term of this agreement expires June 30, 2016.
- **Clayton Junior Athletic Association** - During 2011-2012 school year, the Missouri State High School Activities Association (MSHSAA) issued guidance and clarification on the rules pertaining to athletic competition sponsored by non-school organizations, such as the Clayton Junior Athletic Association (CJAA or Junior Greyhounds), and their use of school facilities. MSHSAA guidelines state that in order of the CJAA to continue to be able to serve as a developmental program for District athletics and be allowed to use the District facilities at no cost, the CJAA was required to enter into, and abide by, a facility use agreement with the Board of Education. As a result, on May 23, 2012, the District entered into an affiliated user agreement with the CJAA designed to ensure that both the District and the CJAA were in compliance with the revised guidelines. In December 2015, the term of this agreement was extended until June 30, 2016.
- **Metro Theater Company** - In June 2008, the Board of Education issued a request for proposal and subsequently entered into an affiliated user/partnership agreement with Metro Theater Company granting them the opportunity to become a cultural partner of the School District of Clayton. In December 2015, the term of this agreement was extended until September 1, 2016.

The renewal terms of these agreements were intentionally set for 2016 to allow the LTFP Committee to review the alignment of all affiliated user agreements with the District' mission, vision and core values. The Budget and Finance Subcommittee initially reviewed the GCC agreement. The subcommittee, along with administration, would like to work with stakeholders of the three affiliated user agreements over the next school year. This will allow administration to make informed decisions related to the agreements, as well as allow for consistent approval of existing and potential new affiliated users. Administration will then make a recommendation to be reviewed by the Budget and Finance Subcommittee with final approval by the Board. As a result, administration is recommending the three formal affiliated user agreements be granted a one year extension which will be presented to the Board for approval at the June 8, 2016 board meeting.

Recommendations

None. Presented for information and study only.

Motion

None. Presented for information and study only.

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