

RJSCB Finance Committee Report
10.31.2013 Meeting
Prepared by T. Renauto

Meeting attended by Chair Lois Giess and Committee Members McCormick, Roulin and Sewell. RJSCB Staff included: Executive Director Tom Renauto, Tom Roger (Gilbane), and Peter Abdella (HSE).

The meeting was convened by Chair Giess at 9:05am

Non Action Items

Tom Renauto described a meeting that took place with the RCSD leadership and accounting department last week to discuss the School 58 budget, local share, and other project financials.

Tom Renauto stated that the error in Capital Markets' spread sheet related to School 58 occurred in February 2013. This error was caught by SED and identified by RCSD. The error caused the amount of aid for School 58 to be inflated by roughly \$5m. As such, the local share appeared to go down as a result.

Tom Roger stated that the timing of the error did not impact any program or design decisions (the project had already been designed, bid, and was well under construction at the time the error occurred). The apparent windfall was not spent or committed; it was budgeted as additional contingency. Now that the error has been corrected, the value of aid is accurate and puts us essentially back to the numbers being reported prior to February 2013.

Building Aid Units (BAU) for School 58 were discussed. SED has reported far less BAUs than originally planned/anticipated. BAUs are used to calculate Maximum Cost Allowance (MCA) for the projects. If the BAUs go down, the MCA goes down, which effects aid. RCSD will try to help us work with SED to get the BAUs back up.

Brian Roulin stated that the QCSBs used to help finance the project saved the District over \$30m. Capital Markets has done a calculation for this which Brian will send to Everton.

The overall project budget was reviewed including current contingency allotted to each project and the "owners" contingency which is being tracked separately.

The local share is currently at \$27m. Note that the unaided portion is NOT the local share. The local share is the amount of Bonds + interest over time and how much aid the District gets over that time period. The borrowing / aid schedule was reviewed. Tom Roger noted that the energy savings calculation will need to be revised based on the addition of full building air conditioning.

Tom Roger stated that it is critical for SED to approve us for early aid start. This is a new process for SED and we are not sure how it will be rolled out. If aid does not start as planned the District will be paying significantly more in interest costs. RCSD has committed to helping us with SED on this item.

The Finance Committee will meet again in February 2014 and in March 2014 (following the M/WBE and Services Procurement Meeting)

Adjournment 9:47am