Erie County Technical School	**Superintendent of Record Report**

Professional Advisory Council (PAC) Meetings – Friday, December 1, 2017
Submitted by Kenneth A. Berlin, M.Ed.

Attendance: Fairview, Fort LeBoeuf, General McLane, Girard, Harbor Creek, Iroquois, Millcreek, North East, Northwestern, Union City, Wattsburg

<u>ECTS Renovation Project Bond Financing</u>

1. Michael Zubasic and Nicholas Falgione from PNC Public Finance provided an overview of the financial market trends as well as various bond issue rates and terms.

2. The entire $35 million ECTS project as proposed at a 2.85% yield would incur an annual debt service of approximately $2.8 million and cost a total of $43 million.

<u>Capital Outlay Funding Formula Alternatives</u>

1. Millcreek school district superintendent, Bill Hall relayed that the project as proposed would require his district to shoulder 36% of the total cost assuming the capital outlay formula remains based on 100% Market Value. Bill stated that Millcreek finances, while improving, could not contribute to the project at that level. Millcreek would likely be in favor of moving forward with the project if the cost could be reduced.

2. Superintendents and business managers then discussed various alternatives including reducing the scope of the project and possibly altering the Articles of Agreement regarding capital outlay.

3. Next steps: the superintendents will review a proposal in January 2018 that considers:

    A. Reduced project size - $28 million

        -Includes necessary infrastructure upgrades at ECTS and Skill Center.

        -Includes ECTS addition and building enhancements.

        -Excludes build-to suite space in the Skill Center and outside utility building.

    B. Altered Articles of Agreement for capital outlay

        -80/20 mix of Market Value and VAMD (participation).

        RE: Millcreek SD participates at 21% while their capital outlay with the current formula requires them to fund 36% of the project, which all districts would benefit from. An 80/20 mix moves Millcreek's contribution to 30% of the total project, which is closer to their 21% participation rate.