

## Finance Committee Meeting

April 12, 2016

Meeting Minutes

The Finance Committee met on Tuesday, April 12, 2016 at 7:30 p.m. in the District Office front conference room. In attendance were: Chairperson Thomas DiBello and Committee Members Joe Ciresi, Mark Dehnert and Kelly Spletzer. Administrators present were Dr. David Goodin - Superintendent, Dr. Allyn Roche-Assistant Superintendent, Elizabeth Leiss-Director of Human Resources, James Fink - CFO, Mary Davidheiser – Controller. Also present was resident Mr. Will Cromley, Ms. Elena Kinney-Music Teacher, and Wendy Pflugler, Teacher/Librarian.

Mr. DiBello called the Meeting to order at approximately 7:36 p.m.

- Executive Monthly Reports – as of March 2016 / Year-to-Date 2015/2016
  - Reviewed by Mr. Fink.
  - Self-Funded Health Insurance – Mr. DiBello questioned stop loss limit – reply \$250,000
  - Charter/Cyber School Activity – Mr. DiBello questioned expenses this FY – Mr. Fink’s estimate is within \$100,000 of budgeted figure. It’s close, but there should not be any material changes this late in the school year.
- 2015-2016 Budget Update/Discussion
  - Mr. Fink reviewed the budget model.
  - Last month gap was \$4.3M with no new personnel added. A 2% increase for non-professional staff, and the contract steps/slide for professional staff equaling 2.4% increase overall.
  - Since the March committee meeting, individual budgets were reviewed again line-by-line by Mr. Fink, Dr. Roche, and the respective department heads at which time various items were reduced.
    - Medical insurance was reduced to 3% increase as per Reschini’s recommendation.
    - Mr. Fink discussed plans for using \$1MM of the debt reserve over the next 7 years, which is the point where the current debt service drops from \$14MM to \$8MM. At his point the district’s debt service appetite will still be in the \$14MM area.
    - Mr. Fink discussed using a portion of the retirement increase reserve to assist in offsetting the \$1.5MM increase in 2016/2017.
  - Mr. Fink discussed 3 areas of departmental increases:
    - Special Education case load has increased outside services at \$350,000
    - IT up \$140,000 due to upgrade of the wireless system in the buildings.
    - Maintenance up in non-personnel costs \$400,000 due to increased contracted services for 2016/2017, however this increase in cost is offset by \$580,000 in decrease personnel costs.
    - Charter school budget line is increased by \$200,000 as in the current year the district is right at the budget number, and increases imposed by the state are customary each year.
  - Currently the budget has a gap of \$1.8M inclusive of additional personnel recommended by the administration team.
  - Mr. DiBello questioned if the SD reached out to any of the Consortiums and Ms. Leiss stated that she reached out to Aetna, and that Bucks-Mont Consortium uses Aetna and that no one is coming in at the rates that we already have and that the SD is managing well without a need for a consortium.
  - Ms. Spletzer asked if the EIT figure was a fair number at \$9.8M. Mr. Fink explained that our trend is coming in around \$10M and Berkheimer estimating around \$9.4M the new budget amount is in

between the two. Mr. DiBello would like to see Berkheimer's trends and feels the number should be increased by \$200-300K. Mr. Fink will contact Jim Hunt at Berkheimer.

- Dr. Roche explained the new personnel are due to a 75 student swing from outgoing seniors to incoming sophomores and in order to keep class sizes below 30. Mr. Ciresi inquired if there were any retirements and Ms. Leiss replied currently only 2. Kindergarten registration is currently lower and additional hours are being requested for new curriculum summer work.
- Mr. Fink reviewed the five year revenue outlook and the compounding effect of scenarios if certain tax increases were taken or not taken. This review is important due to uncertainties in Harrisburg for the future of indexes and the real potential of referendum for all tax changes. Assuming no tax increases after 16/17, a 1% levy versus a 2.4% levy (the current index) is \$7 million over the next 5 years. 0% versus 2.4% in 16/17 equates to \$12 million over 5 years.
- Mr. DiBello stated he was not happy with the budget at its current state and will be voting no. Currently the budget sits at a 2.45% increase with the index at 2.4%. Mr. DiBello requested that the next finance meeting on May 10<sup>th</sup> be scheduled for 6:30 in the HS conference room, and that the remaining board members be invited to attend to go through the budget further.

- Meeting adjourned at 8:40 pm.

Respectfully submitted,

Thomas J. DiBello