

Finance Committee Meeting

May 8, 2018

Meeting Minutes

The Finance Committee met on Tuesday, May 8, 2018 in the District Office Conference Room. In attendance were: Chairperson Thomas DiBello and committee member Christina Melton (Mr. Jackson was absent). Administrators present were Dr. David Goodin – Superintendent, James Fink - CFO and Mary Davidheiser – Controller. Also present were residents Willard Cromley and Denis Rees. Mr. DiBello called the Meeting to order at 6:38 p.m.

- Review and acceptance of minutes – April 10, 2018.
- Executive Monthly Reports – 2017/2018 results through April 30, 2018
 - Reviewed by Mr. Fink
 - Cash balances are in line with budget and prior year. Year to date revenues are \$370K to the good with PlanCon funds still to come in along with medical access funding (federal sources). May agenda will have transfer line items for \$1.5MM to the capital reserve account for facilities and operations along with technology transfers for the year. Real estate transfer taxes are over budget and estimating they will come in around \$500K by end of year. Earned income taxes are trending nicely and Mr. Fink reiterated the budget should stay around the \$10MM mark. Self-funded health insurance is on track. Food service is tracking nicely. Mr. Fink stated that currently lunches are up serving more than 14K more lunches this year district-wide.
 - Mr. DiBello questioned about a half million surplus for 17/18 and Mr. Fink confirmed this was a likely outcome.
- 2018-2019 Budget update
 - Mr. Fink reviewed the budget as it currently stands.
 - Mr. Fink took everyone back to last month where we stood with the tax change of 3.23%.
 - Mr. Fink reminded the Committee that the index for 18/19 is 2.4%, and referendum exceptions approved by PDE are 1.23%. Total available without referendum is 3.63%.
 - Currently Mr. Fink has the tax change at 2.35%. Mr. Fink reviewed the process taken to close the gap by taking the committee through the forecast model.
 - Reviewed retirements with Human Resources and savings from business office and technology restructuring.
 - 4.2% increase in expenditures from year to year with no new staff only rolling existing
 - Special Education is looking at an increase of about \$1.5MM in additional staff, aides, and services with the raw subsidy coming in at around \$3MM.
 - Including increasing three general teachers and a coordinator for Modernized Learning (\$284K)
 - Security provides for \$175K which includes the Director of Safety and an additional staff member with all required supplies and additional vehicle from capital reserve.
 - Modernized Learning increases \$188K for technology support.
 - Debt Service savings of \$400K
 - Mr. Fink requested to move forward with the proposed final at 2.35%
 - A discussion ensued with the two committee members with Ms. Melton stating that there really isn't any room for cuts and if there was maybe special education but not seeing anything there in risk of being out of compliance. Also stating the Board's mission and goals were to have a successful school district and a great special education program and we are now there and we are paying for being there. Mr. DiBello questioned the IST teacher's purpose and Dr. Goodin stated that they help with students who are falling behind to try to keep current students out of the special educations program

and that the growth in the special education program is due to external students (those coming into the District new).

- Ms. Melton supports the 2.35% and Mr. DiBello stated they would roll forward with Mr. Finks proposed final budget presentation at the May Work Session and vote on the adoption at the May Board meeting which meets the deadline of May 31. Upon adoption, the state budget form will then be available for posting and the final budget can go for a vote at the June Work Session.
- Other Committee Business
 - Assessment Appeal Settlement – Longford Road in Upper Providence - to go to Board for approval. Appraisal negotiated with assessment change of \$580K which equated to approximately \$15K in taxes.
 - Bond sale is final as placed in board memo last week. Moody's rating of AA1 (excellent) which allowed for a better buyers' premium. Mr. DiBello questioned the first call date (subsequent review reveals the first call date is in 4.5 years). Mr. DiBello would like to pay off at first call date if possible and have a plan as such. Mr. Fink stated the District can set aside funds after 2022 (debt drop off). Mr. DiBello would like to put that in motion to make it a long-term plan. Mr. Fink stated to wait five years as we get closer to that point things will be clearer. Mr. DiBello wanted to establish a strategy and Mr. Fink stated that he would look to get out of the debt as soon as the School District could.
- Board Comment
 - None
- Public Comment
 - None
- Meeting adjourned at 7:23 pm.