

# Finance Committee Meeting

April 10, 2018

Meeting Notes

The Finance Committee met on Tuesday, April 10, 2018 in the District Office Conference Room. In attendance were: Chairperson Thomas DiBello, and committee members Christina Melton and Clinton Jackson (arrived late). Administrators present were Dr. David Goodin – Superintendent, James Fink - CFO and Mary Davidheiser – Controller. Also present was board member Linda Fazzini, resident Willard Cromley, and Tax Collectors Julie Mullen, Sharon Romer, Jay Panfil, and Ryan Wall. Mr. DiBello called the Meeting to order at 6:30 p.m.

- Review and acceptance of minutes – March 13, 2018.
- Tax collectors were introduced to the board members and vice versa.
  - After revision of tax collection policy, elimination of the per capita tax and reassessment of the compensation package things are falling into place. Still work to be done and some bumps, but all-in-all things are working well. Tax collectors are in need of monthly reconciliations to minimize issues at year end. Also looking for more time to prepare and check bills as the window between budget approval and bill printing is short (could be only a few days). Mr. Fink will work in these items.
- Executive Monthly Reports – 2017/2018 results through March 31, 2018
  - Reviewed by Mr. Fink
    - Cash balances are in line with budget and prior year. Financials are on target with the current budget, and in line with last year. Real estate assessments increased by \$1MM. 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 and is also falling in line with expectations. Food service is back on track whereby the expense-to-revenue percentage is at the expected 38%. Mr. Fink also touched on the costs and as last month suggested an internal study to address the prices of lunches. It has been four years since the last evaluation of the pricing. Overall Mr. Fink is pleased with the district's budget vs. actual for the current year.
- 2018-2019 Budget update
  - Mr. Fink reviewed the WIP budget as it currently stands.
    - Currently the budget gap is \$3.3MM. This equates to a 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%.
    - Mr. Fink reviewed the main contributors to this gap by taking the committee through the forecast model. Mainly they are:
      - Special Education needs that continue to grow at a faster pace than other areas. This is for both external service providers and personnel needs
      - PSERS will add \$300k even if pay was frozen from prior year.
      - The professional contract approved last summer forecasted a 2.9% increase that was later reduced to 1.83% after retirements and other attrition.
      - Dr. Goodin reviewed potential new hires for 2018/19 based on district needs including only those that are deemed must-haves. Security, special education teachers and instructional assistants, modernized learning staff and support, teachers for growth, total all-in at approximately \$1.47MM.
      - Mr. DiBello pointed out that security personnel will be funded by the reduction in debt service.
  - A discussion ensued with committee members about where to go from here. Mr. DiBello stated he would not support a tax increase over 2%. Mr. Fink noted there is still work to be done, and that the index (2.4%) should be the goal. Ms. Melton noted this may be realistic as the current model includes

“have-to’s” and not “wants.” Mr. Jackson stated we should look at large areas and see what can be done to reduce the gap.

- Other Committee Business
  - Bonds – Mr. Fink noted that there will be a resolution on this month’s board agenda for approval of the bond sale for the HS expansion project. Also that he had participated in the Moody’s rating call with Mr. Murray of Boenning & Scattergood on Friday April 6. The call went well and the draft is expected back in the week of 4/16/2018. Mr. DiBello asked how rates have changed, and Mr. Fink stated that from a year ago the rates have increased approximately 50 basis points.
  - Time & Attendance – Mr. Fink updated the Committee that the electronic timekeeping system for hourly employees is currently being rolled. The DO is live now, with Oaks to follow next week. Each rollout is assessed for problems and re-evaluated to ensure a smooth implementation district wide. Dr. Goodin expressed this is a change to “real-time” payroll as opposed to the prior methodology – to which the Committee acknowledged.
- Board Comment
  - None
- Public Comment
  - None
- Meeting adjourned at 8:20 pm.