

Finance Committee Meeting

March 12, 2019

Meeting Minutes

The Finance Committee met on Tuesday, March 12, 2019 in the District Office Conference Room. In attendance were: Chairperson Thomas DiBello and committee members Clinton Jackson and Kelly Spletzer. Administrators present were Dr. David Goodin – Superintendent, James Fink – CFO, and Mary Davidheiser – Controller. Also present was Board Member Linda Fazzini and residents Will Cromley, Kathy Drennan, Wendy Earle and Tom McMonigle. Mr. DiBello called the meeting to order at 6:31 p.m.

- Review and acceptance of minutes – January 8, 2019. Accepted
- Executive Monthly Reports – 2018/2019 results through February 28, 2019
 - Reviewed by Mr. Fink
 - Liquidity: Cash balances are generally as expected and in line with prior periods.
 - Revenue detail: Tracking to plan. Ms. Spletzer questioned the basic subsidy amount and Mr. Fink stated that we have no control over what drives the payment.
 - P&L Budget vs Actual: Mr. Fink reviewed the expenditures noting the district is currently under budget.
 - Assessments Update: Mr. Fink noted assessments have increase a bit but are now slowing and not sure as to the cause (cold winter?). Target assessment still stands at \$4,038,000,000.
 - Other reports: Mr. Fink also noted that real estate transfer tax has also slowed remains on pace with prior years. Ms. Spletzer asked Jim to pay attention to it. Mr. DiBello noted he would not bump this budget number up at this time. Earned Income Taxes are on pace (market driven) this will help with the blow of the market turn down in the assessments/transfer taxes. Self-Funded Health Insurance is currently performing well as budgeted.
 - Food Service: Is in the black before any depreciation. Lunches are down by about 1,800 from last year.
 - HS Project: No additional change orders since the last report.
- 2019/2020 Budget Update
 - Mr. Fink stated the budget gap as of now is \$2.8MM equating to a 2.6% tax change. Mr. Fink recapped the expense changes to include salaries are up by \$2.4MM, teachers are in a “step freeze” year and represents 2.3% increase year/year. Benefits up \$1.2MM and PSERS will be at 34.29%. The rest of the expenses (non-personnel) are up about \$1MM or 2% year/year which is the Fed’s targeted inflation rate. Revenue is seeing a 2.2MM change. Mr. Fink bumped up the basic education funding by \$300K to reflect the actual amount for the current year (18/19) as PDE has not notified us of the 2019/20 amount yet. EIT increased by \$300K, interim taxes increasing \$100K, real estate taxes increasing \$300K and interest income has increase due to great rates negotiated with our primary banks.
 - Mr. DiBello asked about the new positions being requested. Mr. Fink responded there are currently 5 teachers for regular education, 7 special education, 1 police officer (this year and next year), and 8 instructional assistants. Dr. Goodin said they still need to rank order them and see what we can and cannot live without based on the need.
 - Mr. Fink will be presenting the budget at the April Board meeting and will hopefully be approved in May. Ms. Spletzer questioned why and Mr. DiBello stated that this will help with the processing of the tax bills for staff and tax collectors. Mr. Fink will go over the proposed budget presentation at the April Finance Committee Meeting.
 - Mr. DiBello would like to know what the impact would be if we go lower on the budget? He also questioned the timing of the debt drop off. It was also stated that next year contract negotiations

will start for the teachers and for transportation. Mr. DiBello stated that he would like to have an executive session to go over personnel for the budget. Mr. Fink replied he is always budgeting for the future and reviewed impact as of now and that the debt drop off occurs in 2023/2024 school year. Mr. DiBello also wondered if any grants were being offered pushing police presence.

- Food Services Update
 - Looking at a couple of different things, hire FT or outsource the operation starting with Management and use attrition model. RFP went out in Mid-February. Yesterday six companies were here for a pre meeting and visited some of the schools. They have until tomorrow at 3 for questions, and we have until 3 pm on March 18th to respond. Bids due by 10 am April 1. The goal remains to have a solution in place in July whether that is an outsourced solution or a district hire. Menu changes will start first to bring a more desired product to the students and staff. Capital outlay for some new equipment may be necessary as some of the district's current is 20+ years old. Mr. DiBello stated the capital outlay will happen as needed and is hoping on some additional kiosk options at the HS.
- Other Committee Business
 - None.
- Board Comment
 - None
- Public Comment
 - None
- Meeting adjourned 7:24 pm.