

Finance Committee Meeting Notes

Budget Meeting, April 23, 2020

The Finance Committee met on Thursday, April 23, 2020 virtually through a Zoom Meeting Room. See attached list of Panelists and Attendees. Mr. DiBello called the meeting to order at 6:31 pm

Mr. DiBello started the meeting with a recap of the Board Work Session presentation from Monday, April 20, 2020.

Mr. Fink started review of the 2020/2021 Budget reviewing the summary as of April 14, 2020 then moving onto a recap of the April 20, 2020 budget with a 4.36% tax impact. Mr. Fink reviewed the past budgets and the accuracy trend in planning. Mr. Fink reviewed the major components of the budget. Mr. Jackson commented that there isn't much fat in the budget. Ms. Zasowski commented that the WTC tuition amount may change and Mr. Fink stated that the WTC has already approved their budget and therefore needs to go with those numbers building this budget. As discussion started Mr. DiBello pointed out to the Board members present that the Board is not approving anything this evening. The committee will be giving a recommendation of what is to go to Board meeting on Monday April 27, 2020.

Mr. Fink explained that since the Work Session meeting, department budgets have been reviewed and reduced in some areas. Special Education has seen annual increases of about \$600K in the past couple of years therefore an increase of about \$250K was added to be consistent with the trend. Mr. Fink mentioned the 2020/2021 index of 2.6% and reviewed that the coming years' indexes (generally cost of living increases) will likely go down. This is a concern for future budgets. Mr. DiBello noted that the District's budget grows at about a 3% average and Mr. Fink commented how ESSA has driven the District to insure no inequities throughout the district.

Dr. Goodin reviewed different scenarios of assumptions within the budget for the possibility of cutting noting that Special Education is out of their control due to growth and some of the cuts will be really hard to function without. The assumptions included:

- New Hires (went from 38-40 down to 15 positions that are critical to operations) - \$902,625
- Replacing 12 Retiree Positions
- Elimination of non-professional wage increase - \$677,045
 - Significant draw back and morale issues – taking a pay freeze while the professional employees move forward with their increases
- Program Eliminations - \$348,311
 - Strings program
- Elimination of ALL Extra-Curricular - \$2,433,961
 - Impacts students in scholarship area
- Reduction of School Police Force - \$261,045
 - This would include 75% of the security force which has been invaluable
 - Elimination of 3 police officers and one security
- Elimination of the Instructional Coach Program - \$709,901
 - Backbone of modernized learning
- Increase elementary class size from 24-25 to 28 students - \$1,674,944
- Capital Projects – Defer Transfer for the 20/21 budget - \$1,048,655
- Curriculum Budget deferral for materials \$487,587 (\$243,794 recover over 2 years)
- IT Budget deferral for infrastructure - \$251,000 (\$62,750 catch up amount to recover over 4 years)

Potential of \$9.8 MM in reductions.

Mr. DiBello explained how the assumptions were going to be reviewed and a Yes/No is needed to see the impact.

Board members comments before moving forward:

Ms. Earle: review of the books and periodicals line and why the substantial increase in this budget requiring more explanation

Ms. Fazzini stated that everything comes with a very specific cost and if programs are stopped it will hurt in the long run and that Board members need to be very careful not to make the wrong choice and hurt the education for our students. Cautioned of being reactionary.

Mr. Shafer would like to see improvement and appreciated what the Administration has done, but the Board needs to do the right thing.

Ms. Melton commented that zero percent is not realistic and may be a starting point.

Discussion on assumptions:

New Hires - \$902,625

Committee Recommendation: keeping positions on lines 32-41

Mr. DiBello: Elimination of lines 42-46

Mr. Jackson: Not in favor of a hiring freeze

Ms. Earle: 50% of them

Ms. Melton: Not in favor of a hiring freeze but limit new hires needed. Wanted explanation of what had changed at Spring City from last year to this year. Dr. Goodin explained it is to give them full range of services on par with the other buildings

Board Comment:

Ms. Zasowski: Wanted to be sure that these were all level 1's and Dr. Goodin explained that these positions are the ones the district cannot live without. Colleen questioned the football and volleyball coaches and would like to see a hiring freeze.

Dr. Goodin commented that would be a reduction of \$155,096 and Mr. Rizzo explained how Spring City Elementary is the hub of that community and the students need the connection with their specials and this will solve the split teacher situation and no loss of instructional time due to travel.

Retirement replacements: \$992,790

Committee Recommendation: replace retiree positions

Mr. DiBello: Hire all replacements - all are critical; brought in originally as necessary and required

Mr. Jackson: Hire all replacements

Ms. Earle: Hire all replacements – would leave a gap in classrooms if didn't replace

Ms. Melton: Hire all replacements

Board comment:

Mr. Shafer: Hit the pause button on replacing retirees

Ms. Fazzini: replace retirees

Ms. Zasowski: do not replace

Dr. Goodin explained that certain positions must to be replaced or the District will have critical issues due to the nature of each position. Dr. Goodin will include an explanation of each in the Board packet.

Eliminate Non-Professional Wage Increases

Committee Recommendation: No Elimination

Mr. DiBello: Keep as is

Mr. Jackson: not in favor of eliminating

Ms. Earle: 50% of increase

Ms. Melton:

Program Elimination

Committee Recommendation: No program eliminations

Mr. DiBello: keep programs
Mr. Jacson: Keep programs
Ms. Earle: Keep programs
Ms. Melton: Keep programs

Eliminate All Extra Curriculars \$2,433,961
included in the new hire elimination

Committee Recommendation: Not Eliminating except for those

Mr. DiBello: challenging to cut any of these as it would take years to build back up – bad for student opportunities to eliminate.
Mr. Jackson: this is nothing new we have to operate the schools’ activities
Ms. Earle: Not in favor of eliminating; helps property value
Ms. Melton: Cannot cut at elementary, middle, or HS – provides outlets for the kids. If cut we will need dollars then for behavioral health

Board Comment:

Mr. Shafer saved as a child with extra-curricular activities and should not be on the table to cut
Dr. Wright Extra-curriculars did not help her kids get into college, but part of kids culture
Ms. Zasowski Buyers will be impacted with the higher taxes
Ms. Fazzini Not in favor of eliminating

Reduce School Police Force \$261,045

Committee Recommendation: Do not Eliminate

Mr. DiBello: No
Mr. Jackson: No
Ms Earle: No
Ms. Melton: No

Eliminate Instructional Coach Program
(6 Coaches (3 Elementary and 3 Secondary)

Committee Recommendation: Do not eliminate

Tom: Do not eliminate
Clinton: Do not eliminate
Wendy: Do not eliminate
Christina: Do not eliminate

Board Comment:

Dr. Wright: These positions have dealt with technology and they do play a vital role in the online learning

Mr. Fink explained that there is already a plan in place to phase out our contracted services in professional development and have the coaches take over. The coaches have been instrumental in the online learning since the shut down and they have shined.

Increase Elementary Classes to 28

Committee Recommendation: Do not increase

Mr. DiBello: No. When they increased from 22 to 24 community was not in favor
Mr. Jackson: no
Ms. Earle: no

Ms. Melton: no

Capital Projects – Defer Transfer for 20/21 Committee Recommendation: deferring ½ = \$500K

- Mr. DiBello: Defer ½ now; Fine with pushing off capital projects but it's not just transferring money
- Mr. Jackson: No. Everyone can give an opinion and Clinton wants index; Pandemic has nothing to do with this - it's a financial budget/not a place to cut
- Ms. Earle: No. This is not a place to cut as this is not a "rainy day fund"
- Ms. Melton: Defer now and make up the difference the following year; Perhaps we do not do this for this year. Already has a reserve and this is our replenishment

Mr. Fink explained the 20 year facilities plan and how the budgeted amount was arrived at. This would push the schedule out another year and can make the problem worse. Mr. Fink warned if move forward and not defer it creates a higher impact the following year – projects will continue but we will need cover the increase in the next year causing a larger budget gap in that year.

Board Comment:

- Mr. Shafer our buildings don't teach our kids; we don't seem to be able to cut anything, kick it down the road
- Ms. Zasowski this was for the effects of the community; brought up scoreboard
- Ms. Fazzini facilities report some buildings have serious issues and will cost us a lot more if delayed

Curriculum Budget deferral for materials - \$487,587 Committee Recommendation: Defer

- Mr. DiBello: defer the \$487 and spread out over next two years
- Mr. Jackson:
- Ms. Earle: large increase in books and periodicals, why? Mr. Fink explained cannot put money into the capital reserve for curriculum. This is to set money aside as Dr. Murray's 20 year plan shows some large purchases coming up in the next few years. Not putting some of the money aside each year to build available funds will cause significant deficits in those years.
- Ms. Melton: defer

Dr. Goodin explained the building reserves to help with spikes in curriculum needs over the next couple of years.

IT Budget deferral for infrastructure - \$251,000 Committee Recommendation: NO

- Mr. DiBello: No
- Mr. Jackson: No
- Ms. Earle: No
- Ms. Melton: No

Board Comment:

- Ms. Sullivan: If we are in the same state in fall would we need to purchase additional computers?
- Dr. Wright: Agreed with Ms. Sullivan; these are the devices that were on the carts, correct?
- Ms. Zasowski: The Board already approved these purchases, but can we stop them now?

Mr. Fink stated the goods have already been ordered and we are already receiving shipments. Returns at this point would be costly and out of the question.

With adjustments made:

The tax impact decreased from 4.36% down to 3.28% in 2020/2021, and increased from 4.26% to 5.63% for 2021/2022.

Ms. Sullivan questioned if it can't be spread out longer? Mr. Fink explained that this is reducing for 1 year and then resuming normal plan. Mr. Fink also mentioned he is concerned about potential increases in the PSERS rate for future years due to the market impact of the shutdown.

Finance committee proposes/recommendation 3.28% tax increase for the 20/21

3.28% for 20/21 will impact the 21/22 year at 5.63%

Board would like an Executive Session Monday, April 27. Session will be on Teams: Bob Catalano to set up will do a test on Monday, April 27.

Board Comment:

Mr. Jackson stated there is no fat in this budget.

Public Comment:

Nicholas Tier, Collegeville: comment on retired teachers and it will be hard to operate an increased class size

Dan Miscavage, Royersford: Difficult decision to make and to keep tax liabilities even

Adjourn: 9:35 pm