

# Spring-Ford Area School District

## Finance Committee

March 8, 2016

### Meeting Minutes

The Finance Committee met on Tuesday, March 8, 2016 at 7:30 p.m. in the District Office front conference room. In attendance were: Chairperson Thomas DiBello and Committee Members Mark Dehnert and Kelly Spletzer. Administrators present were Dr. David Goodin - Superintendent, James Fink - CFO, Mary Davidheiser – Controller. Rachael Fenys – Staff Accountant was also present, as well as resident Mr. Will Cromley.

Mr. DiBello called the Meeting to order at approximately 7:30 p.m.

- Prior meeting's minutes were approved.
- Introduction of Rachael Fenys, staff accountant to the committee members present.
- Executive Monthly Reports – as of February 2016 / Year-to-Date 2015/2016
  - Mr. Fink noted that the February close was completed in two days; internal changes in processes are working and staff did a great job this month with the short deadline.
  - Items reviewed by Mr. Fink:
  - Notice from PSERS on March 3 that SF will receive retirement reimbursement.
  - With Mr. Fink's original analysis of funds, SF will burn through "new money" by approximately mid-May/early June. The state commitment to pay its share of PSERS on time will help extend it into June.
  - Ms. Spletzer inquired about a possible line of credit and Mr. Fink replied that options will be researched. The period in question will be the summer months until tax receipts begin again in August/September.
  - Revenues from local sources have \$6M remaining outstanding for the rest of the fiscal year. This is on pace with budget expectations, and EIT (the largest amounts) looks to be on pace with budget.
  - P&L is \$4M to the good, but will be watched closely as we enter into the last quarter of the year.
  - RE Transfers are about \$100K behind last year but are tracking ahead of 13/14.
  - Food Service – Prior meeting questions answered...What would we be giving up if the NSLP was stopped at the HS? Mr. Fink replied: \$150K over a year
    - Mr. DiBello requested that the Business Office should put together a business plan/recommendation for moving forward. This can be worked on after the budget is done.
    - Mr. DiBello would also like to see Ms. Germinario do a survey which Mr. Fink informed that she is currently doing the surveys and implementing focus groups.
- Asset tracking – Information item – business operations is looking into asset tracking tools to better manage the district's fixed assets at each location for better management, and planning purposes. This is a large project and will take considerable time and effort.
- 2015-2016 Budget Update/Discussion
  - Mr. Fink reviewed the budget process and demonstrated how his newly constructed budget model works/flows.
  - Budgets were originated at the building/department level with all costs to run the building; a new approach for principals.
    - Building process was explained noting that wishes, wants, definite needs, and a 5 year out needs were asked for.

- Ms. Spletzer questioned comparing to the preliminary budget, and Mr. Fink explained that the preliminary was a checkmark document in the Act 1 process. It is not one to be closely examined or compared due its premature nature.
- Mr. DiBello expressed the need to have an additional budget meeting besides the regular finance meeting coming up, and stated that the coming year's budgets will go better than this year with the new model set up that Mr. Fink created and with a better educated staff.
- Mr. DiBello stated that when the next contract is negotiated he would like to see the increases built into the budget from the beginning to help during the length of the contract.
- Current gap is \$4.3M with no new personnel added. Built in is a 2% increase for non-professional staff, and the contract steps/slide for professional staff equaling 2.4% increase overall. Individual budgets were done with what Principals/Department heads are asking for based on last year's spending.
- Mr. Fink stated that he needs to drill down on the special education costs, which is escalating.
- Mr. Fink also noted that the healthcare 2<sup>nd</sup> look figures will be coming in on Friday (3/11/2016).
- Retirement is still an issue and increasing. Retirement rates will continue to rise for the next few of years, which is out of the district's control.
- Ms. Spletzer asked, "What are the next steps?" And "Are all of the other items in budget?"
  - Problem with no state budget – we do not know what will be coming in from the state.
  - Some growth and some status quo but the \$4.3M means a lot of cuts and shuffling.
  - Dr. Goodin reiterated that the numbers do not reflect any new personnel and if we have to cut \$4.3M out of the budget, no new personnel will be considered.
  - Mr. DiBello stated that both sides of the legislation are again talking about referendum and Mr. Fink expressed concern that if it goes into effect this could be the last year of the index.
  - Mr. Fink explained that the Administration will be taking a hard look at the numbers over the next couple of weeks.
  - Dr. Goodin explained that personnel has been trimmed by monitoring class sizes over the past 4 years and will continue to monitor and that an upcoming issue with increased ESL/ELL students due to the pharmaceutical companies expanding.
- Meeting adjourned at 9:06 pm.