



Board of School Directors Committee Meetings Minutes Wednesday, June 5, 2019

Generated by Renai Cardillo on Monday, June 10, 2019

Note: Location - Indian Crest Middle School

Members present: William Brong, Janet Flisak, Matt Holliday, Thomas Kwiatkowski, Stephen Nelson, Donna Scheuren

Members absent: Nicholas Braccio, Courtney Barbieri, Ken Keith

Others present: Lisa Ball, Frank Gallagher, Christopher Hey, Brian Pawling, Walter Salevsky

1. Finance Committee

1.1 Approve 2018-2019 Budget Transfers

Mrs. Scheuren called the meeting to order at 6:35 PM.

Dr. Gallagher noted that there was only a Finance Committee meeting this evening with two items on its agenda.

Mr. Pawling noted the standard request for budgetary transfers through June 5, 2019. Additional transfers will also occur in the fall, after the annual audit is completed.

There were no comments and it was agreed to move forward for Board action.

1.2 2019-20 Final Budget Update and Recommendation

Dr. Gallagher announced that this is a final budget update and recommendation. He noted that at the May Finance Committee Meeting there had been a deficit of \$41,000. Additional discussion and adjustments have been factored in since that time and it has been determined that a tax increase of 1.73% will be needed to balance the budget for the 2019-2020 school year.

Mr. Pawling noted that there had been additional staff retirements and some changes in real estate tax collections which were conducive to the adjustments. Mr. Pawling noted that the federal allocation programs (Title I, II and III) had remained neutral and did not impact the budget preparation. Dr. Gallagher said that in speaking with State Representative Toepel, she indicated that the next few weeks in Harrisburg would be budget driven. Mr. Pawling indicated that at a recent PASBO (PA Association of School Board Business Officials) meeting in Harrisburg, the legislators indicated that should additional monies become available in the budget, those funds would be allocated specifically for school safety.

Mr. Pawling expressed confidence in the budget presentation as well as subsequent budgets for future years based upon the current budget development process. Several Board members agreed that budget preparation is not simply a one-year stand-alone process and expressed concern for future years costs and expenditures.

Dr. Gallagher noted that this budget does not have any cuts to programs and will include the salary for an additional school police officer. Dr. Gallagher praised the Board for their continued focus on school safety.

Mrs. Scheuren thanked Mr. Pawling and asked about moving the budget forward, conditionally. Mr. Pawling reminded that it is not final until a full vote is taken at a Board Action Meeting.

Mrs. Scheuren asked about anything that warrants legislative action and Mr. Pawling said that charter school reform remains critical. Mr. Pawling said that while the discussion surrounding Plan Con has a lot of traction, there are no funds in the budget to support the existing program.

Mrs. Scheuren asked about changes to cyber-charter reform and Mr. Pawling said there is a recommendation from the Senate, however it could take quite some time to create and establish a commission.

A few questions were asked about the proposed bond refinancing and anticipated costs and return upon completion. Mr. Pawling noted that those numbers would not be available until after the refinancing actually occurs.

A brief discussion occurred about the liquidity of the fund balance and possible transfers to the capital reserve account. Some Board members questioned the current fund balance exceeding the Board policy amount and others expressed concern of preserving the amount in the event of an economic downturn.

Mr. Holliday expressed his favor toward the budget, noting that it added programs and staffing. He also noted that the tax increase is well below the Act One index. Mr. Brong inquired about a budget comparison to last year.

Mr. Braccio asked about the bond refinance and if it changes our debt amount. Mr. Pawling said it does not extend the debt out any longer, however the bulk of the savings would be seen next year.

Mr. Kwiatkowski asked how this budget sets up support for the Five-Year Capital Plan. Mr. Kwiatkowski also suggested a building report card which would itemize specific projects (both short and long-term) that could be reviewed against the Five-Year Plan. Mr. Pawling indicated that he and Mr. Ball were already in discussion about creating such a document.

A brief discussion occurred regarding the fund balance and Mrs. Flisak asked about the fund balance policy and the healthcare reserve fund. Mr. Pawling said that a discussion will occur to make a determination about use of the fund balance and medical reserve. Mr. Brong indicated his preference to not spend the fund balance, but to utilize it for future budget impacts. Dr. Gallagher noted that the fund balance is currently within the range established in Board policy.

Additional discussion occurred regarding the medical fund reserve and future healthcare costs. Dr. Hey indicated that updated numbers are expected from Independence Administrators by mid month. Mr. Pawling suggested that a monthly percent of healthcare costs be used to establish fund balance parameters instead of a percentage of the budget.

Mr. Nelson and Mrs. Scheuren praised Mr. Pawling for his preparation of the budget.

Mrs. Scheuren expressed reluctance to move the recommended tax increase of 1.73% out of Finance committee, however she indicated that if additional information becomes available that would be relevant to the budget, another meeting could be scheduled for discussion.

Dr. Gallagher praised Mr. Pawling and his work on this budget.

Mrs. Scheuren adjourned the meeting at 7:41 P.M.

Respectfully Submitted,



Brian R. Pawling
Board Secretary