



Board of School Directors Committee Meeting Minutes Wednesday, November 11, 2020

Generated by Renai Cardillo on Wednesday, November 11, 2020

Board members present: Courtney Barbieri, Nicholas Braccio, William Brong, Janet Flisak (virtual), Matt Holliday, Ken Keith, Tom Kiwatkowski, Stephen Nelson, and Donna Scheuren.

Others present: Frank Ball, Lisa Ball, Jamie Doyle (virtual), Henry Franz, Frank Gallagher, Bill Hazel, Christopher Hey, Nick Kaintz (Snyer Hoffman), Michael Kelly (KCBA Architects), Katie Kennedy-Reilly, Brian Pawling, Troy Tressler, Sam Varano (virtual), and Megan Zweiback

1. Finance Committee

1.1 Multi-Year Financial Update

Mrs. Scheuren called the Finance Committee Meeting to order at 6:07 P.M.

Mrs. Scheuren noted the change in start time due to the volume of material on the agendas this evening.

Director of Business Affairs, Mr. Pawling gave a Financial Update sharing a PowerPoint presentation. He stated that the school district had just completed its annual financial audit. Mr. Pawling noted the significant challenges that the district had undergone; the cyber-attack in the fall of 2019 and the COVID-19 crisis in the spring of 2020.

Mr. Pawling reviewed the financial performance of the school district by reviewing the 2018-2019 budget compared to the 2019-2020 general fund performance of budgeted and actual numbers. Mr. Pawling noted that despite the challenges that the district faced, the 2019-2020 final actual amounts reflected a surplus of \$3.9M and an ending fund balance of \$14M. Mr. Pawling also reviewed the revenue and expenditure performance, utilizing a graph that reflected a comparison of salaries, benefits, services, supplies and equipment and debt and other costs.

A 2020-2021 preliminary projection slide was presented showing a starting fund balance of \$14M, revenues projected at \$130M and expenditures projected at \$133M. Mr. Pawling stated that by utilizing the fund balance to offset expenditures (\$2.9M) the remaining fund balance would be \$11.5M.

Mr. Pawling reviewed a slide that showed a history of SASD Fund Balance by percentage, over a five-year period. In accordance with Board policy, the district strives to maintain an unassigned General Fund balance of not less than four percent (4%) and not more than eight percent (8%) of budgeted expenditures for the fiscal year. The total General Fund balance, consisting of committed, assigned and unassigned, may exceed eight percent (8%).

Mr. Pawling also shared a Fund Balance by Percentage comparison, highlighting the 21 school districts in Montgomery County and their fund balance types. Mr. Pawling stated that the SASD has maintained its stable fund balance by its combination of fiscal management and low tax increases to its residents.

Mr. Pawling also noted that there is uncertainty with the State budget and that a portion of the fund balance could be used to cover 4 months of district revenue from state sources if needed.

Mr. Pawling also reviewed a slide which highlighted the various grants that have been received as a result of COVID-19. The various sources of the grants were reviewed and how the grant money was allocated for use within the school district.

Mr. Pawling ended the presentation with a timeline review of the 2021-2022 Budget Calendar. Mr. Pawling noted that the next item for Finance Committee action would be the Opt-Out Resolution as it relates to the 2021-2022 Act 1 Index. Mr. Pawling stated that the index has been set at 3%.

Mr. Pawling reviewed new revenue by increase percentages, assuming 96% collection and flat homestead/farmstead allocation. He noted the approval of the Preliminary Budget in January if the opt-out is not approved. Mr. Pawling reminded the Board that year 2021 also marked the four-year renewal of tax collector compensation.

Mrs. Schueren thanked Mr. Pawling for the presentation and expressed her appreciation of the comparative data showing that the SASD is staying fiscally responsible in comparison to other school districts.

A brief discussion occurred on the grant money allocations. Mr. Pawling noted that the period of time for most of the grant money started in March 2020. He also noted that since the beginning of the school year the funds have been used for instructional salaries, PPE, cleaning supplies, and other COVID related expenses. Mr. Pawling said any extra funds could be used for technology, PPE and/or other needs.

Mrs. Scheuren indicated that she favors moving the excess fund balance into the capital budget. She also praised the recent Moody's and Standard & Poor's removal of a negative outlook on the districts financials. Mrs. Scheuren inquired when the next review of district financials would occur and Mr. Pawling responded that it would be triggered if and when the district makes a move to borrow funds.

Mrs. Scheuren also stated her agreement to the Act 1 Opt Out, not asking for exceptions.

Mr. Holliday praised the report and stated his agreement to move \$1M to the capital reserve account. Mr. Holliday also stated his agreement of the Act 1 Opt Out Resolution. Mr. Nelson also commented on the fund balance and was also in agreement to move funds to capital reserve account.

A brief discussion occurred about the State budget and if there were any indications for anticipated funding changes. Mr. Pawling said that as of this date, there has not been any specific communication related to school funding, however no significant changes are expected. Dr. Gallagher noted that there does seem to be an appetite for charter school funding reform, and he is anticipating additional discussion to continue after the new year.

Hearing no other questions, Mrs. Scheuren adjourned the Finance Committee Meeting at 6:41 P.M.

2. Operations Committee

Mr. Brong called the Operations Committee Meeting to order at 6:45 P.M.

2.1 Recommend Summer 2021 Capital Projects

Mr. Pawling introduced Jamie Doyle, Managing Director of PFM Financial Advisors, inviting her to discuss the financing of the proposed projects for the Summer 2021.

Ms. Doyle began the virtual presentation by giving a Municipal Market Update. She noted that long-term fixed interest rates are hovering at an all-time low, which is well-suited for borrowing. Ms. Doyle reviewed the outstanding debt service of the school district, along with the pro-rated share of North Montco Technical Career Center. Drawing particular attention to the summary of estimated construction draws, Ms. Doyle commented that the district is in a good place financially to make its capital improvements. She also commented that interest rates are expected to remain low based upon the current economic recovery and COVID vaccine news.

Mr. Pawling noted that Ms. Doyle had another meeting this evening, and she was dismissed from the virtual presentation.

A discussion occurred on the scheduling of the proposed projects. Mr. Pawling reiterated that the following projects had been prioritized as critical at the October 14 Operations Committee Meeting:

1. Franconia Elementary School • Boilers and hot water pumps • Water and sanitary piping • Electrical panels
2. Indian Valley Middle School • Main electrical service
3. Indian Crest Middle School • Roof replacement

Mr. Pawling introduced Mr. Kelly of KCBA Architects. Mr. Kelly reviewed project understanding and the role that KCBA would hold as the district's architectural partner for the above referenced projects. Mr. Kelly spoke about the specifics of design services, the preparation of construction documents, bid administration and construction administration. Mr. Kelly introduced Engineering Consultant, Nick Kaintz of Snyder-Hoffman Associates. Mr. Kaintz answered several questions regarding the Franconia Elementary School boiler and piping project.

Fees for both firms were discussed as they related to the different phases of the proposed projects. Supervisor of Operations, Mr. Ball explained the importance of KCBA representing the district's interests by performing the role of construction manager for each of the projects. Mr. Ball said KCBA knowledge of job spec changes and attendance at weekly job meetings is crucial for the success of each project.

Mr. Pawling stated that in order for the project to progress in a timely fashion, it is recommended that the Board approve KCBA Architects to create bid specs, maintaining a timeline for bidding, bid approval, ordering and securing equipment in order for work to be performed in the summer of 2021.

A discussion ensued that included the clarification of work at Franconia Elementary School as well as the electrical work at Indian Valley and the roofing project at Indian Crest. Mrs. Flisak asked for explanations on engineering and construction services and Mr. Pawling said that there is a combination of both services as we progress toward the bidding of the projects.

Mr. Pawling also noted that upon the receipt of bids, the Board still has final approval to accept or reject any and all bids. Dr. Gallagher noted that the Indian Crest Middle School roof project will also be written in such a way, that will allow for alternates of completion.

Mr. Brong inquired about the construction manager position and Mr. Kelly noted that it would be Jim Mietzler, who is familiar with our facilities and has worked with the school district on previous projects. Mr. Kwiatkowski asked for additional details on each of the projects and Mr. Kelly said that could be provided. He also noted that some portions of work may dovetail into other and/or additional work. Mr. Brong noted that approving KCBA to begin design work, would indeed provide the clarification that Board members are seeking.

Several members of the Board expressed concern over the unknown costs associated with the construction management service. Mr. Keith stated his understanding of the request, asked for a detailed timeline and suggested Phase 1 be moved forward for Board action on November 19.

Mr. Brong adjourned the Operations Committee Meeting at 8:21 P.M.

3. Education-Personnel Committee

3.1 Plan for English Learner Growth

Mr. Kwiatkowski called the Education-Personnel meeting to order at 8:28 P.M.

He noted a slight change in the meeting agenda to move items forward.

Dr. Gallagher spoke about Act 158 (of 2018) as it relates to Keystone exams as a shift from reliance on high-stakes testing to provide alternatives for high school students to provide readiness for post secondary success.

Director of Curriculum Dr. Kennedy-Reilly spoke about Act 158 and the impact of the COVID closure during early 2020. She noted that adjustments have been made, making Act 158 requirements for high school graduation - effective for the class of 2023. Dr. Kennedy-Reilly also noted that students who did not have the opportunity to take Keystone exams in the May 2020 Cohort, will have other options for testing, as well as having the option to opt-out.

Mr. Kwiatkowski asked about the students who did not get the opportunity to take these exams. Dr. Kennedy-Reilly said families will be contacted directly, giving them the opportunity to make a decision about taking the test.

The second item of E-P discussion focused on the TSI (Targeted Support and Improvement) for Indian Crest Middle School. Dr. Kennedy-Reilly reminded the Board that this was an item appearing in the Future Ready PA Index reported in January 2020. She noted that Indian Crest Middle School had been targeted for improvement because of its EL scoring on the last WIDA exam. This scoring was an early warning sign that a school may not be achieving thresholds as designated by the State.

Dr. Kennedy-Reilly stated that the recent alignment of elementary and middle school resources through the REACH program as well as adding a focus block for EL students are two examples of our improvement strategies. She also noted that recent scores have shown growth, albeit not in total threshold, but are showing growth. Dr. Kennedy-Reilly noted that the district is continuing to provide professional development to support EL efficiencies and will begin implementing TELL testing in year 2 of the improvement plan. Dr. Kennedy-Reilly praised Mrs. McCoy and Mr. Miller on their work in leading the improvement.

Mr. Kwiatkowski asked about over all progress through the COVID closure. Dr. Kennedy-Reilly responded that initial results from a recent MAP assessment for our Middle Schools illustrated maintenance of skills. She also noted that multiple measures are being monitored to help drive instruction. Mrs. Barbieri inquired about how we are meeting the needs of other students and Dr. Kennedy-Reilly replied that tiered support is in place to meet the needs of struggling students, in a small group environment.

Dr. Gallagher gave an update to the community on the current the COVID positivity rate in Souderton. He cautioned the public on various forms of misinformation that is being reported. He reminded that a zip code often captures communities beyond our own school district. Dr. Gallagher praised faculty, staff and families for their diligence in social distancing and practicing safe protocols.

Dr. Gallagher announced that the Montgomery County Office of Public Health has called a public meeting for Thursday, November 12th. The purpose of this meeting is to vote on a mitigation strategy that would have all Montgomery County schools move to virtual instruction during the week of Thanksgiving (Nov. 23-27) and the following week, beginning on November 30th. Dr. Gallagher noted that the week of November 23rd is a non-instruction week for the SASD, annually scheduled as parent-teacher conference week. Dr. Gallagher thanked the Office of Public Health for their transparency, commenting that this type of flexibility may be exactly what we need to keep schools open through the pandemic.

Dr. Gallagher stated that he will be a part of the meeting tomorrow and will communicate results as they become available.

Mr. Nelson made mention to honor our veterans for their service.

Mr. Kwiatkowski adjourned the Education-Personnel meeting at 9:00 P.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brian Pawling". The signature is fluid and cursive, written in a professional style.

Brian R. Pawling
Board Secretary / Director of Business Affairs