



Board of School Directors Committee Meetings Minutes Wednesday, January 13, 2021

Generated by Renai Cardillo on Thursday, January 14, 2021

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

Members absent: Courtney Barbieri

Others present: Frank Ball, Lisa Ball, Henry Franz, Frank Gallagher, Christopher Hey, Michael Kelly, Katie Kennedy-Reilly, Jim Meitzler, Brian Pawling, Damien Spahr, Troy Tressler, and Megan Zweiback

1. Operations Committee

1.1 Summer 2021 Project Updates

Mr. Brong called the meeting to order at 6:59 P.M.

Mr. Brong stated that this meeting would be an update on the proposed facilities projects at Franconia Elementary, and India Valley and Indian Crest Middle Schools.

Director of Business Affairs, Mr. Pawling stated that the specification documents created by architectural firm KCBA and engineering firm Snyder Hoffman are 75% complete.

Supervisor of Operations, Mr. Frank Ball noted that KCBA and SiteLogiq, (formerly Reynolds Construction) have made several site visits to the schools and have determined that the projects are applicable for the GESA (Guaranteed Energy Savings Act) process. Mr. Spahr of SiteLogiq was in attendance and spoke in detail about the protocols allowing the projects to GESA applicable in lieu of the traditional practice of a sealed bid. Mr. Pawling noted that while applying the guidelines of a GESA project, the projects are not available for PlanCon reimbursement. He also noted that even if the GESA option was not utilized, none of the proposed projects fall into the PlanCon reimbursement threshold guidelines.

Mr. Spahr spoke to the Committee about the previous work Reynolds Construction had performed on the at E.M. Crouthamel Elementary School renovation as well as their experience working under GESA guidelines. Mr. Spahr also noted that should the district direct the implementation of a GESA project, the pricing and costs would be received immediately as opposed to waiting for the bid process.

Mr. Brong indicated that pre-qualified contractors under the GESA plan supports for budget expectations and also limits change orders.

Mr. Pawling stated that if the timeline is adhered to, pricing could be secured before the March Board action meeting, and work could be accelerated to begin sooner.

There were no questions from the Board regarding the proposed projects.

A decision was made to proceed with the GESA option. Additional discussions and updates would be provided at the February meeting.

The Operations Committee Meeting was adjourned at 7:20 P.M.

2. Finance Committee

2.1 2021-2022 Preliminary Budget

Mrs. Scheuren called to meeting to order at 7:25 P.M.

Director of Business Affairs Mr. Pawling began the Budget Overview sharing a slide that listed revenues and expenditures from budget years 2019-2020 and the current 2020-2021. Mr. Pawling noted that the 2019-2020 budget expenditures were lessened due to COVID closures.

The current 2021-2022 budget preparation shows a deficit of \$6.5M but noted that there is a lot of work ahead in the budget process to refine that number.

Mr. Pawling shared a slide of the Act 1 Index, which is the maximum percentage that a school district could raise its taxes. It has been set at 3.0% for the 2021-2022 school year. The slide also showed a graph of the School District Tax Rate History over the last six years, reflecting that the SASD has been well below the Act 1 Index.

Mr. Pawling reiterated the balance of reducing expenditures while maintaining the ability to fund programs.

A slide was presented that reflected the amount of revenue that would be generated by various percentages of millage rate increases.

Mr. Pawling reviewed slides that showed local, state and federal revenues. He noted a 96.5% collection rate of local real estate taxes, flat funding of Basic and Special Education Funding, and a possible change to state gambling revenues. Mr. Pawling indicated that reported numbers are based on historical revenues, but the COVID environment has changed everything.

Mr. Pawling reviewed the expenditure drivers which include salaries, benefits, PSERS and individual department budgets. Mr. Pawling also shared a slide that showed Charter School Tuition Expenses which have continued to increase with the loss of the state subsidy.

Mr. Pawling stated that there is a lot of work to be done between now and the timeline for approval of the budget in June. Some unknown projections remain the special education budget, technology initiatives and staffing needs and retirements. Mr. Pawling also shared a schedule of calendar of Committee meeting dates and coinciding budget approval dates.

Mrs. Scheuren thanked Mr. Pawling for the presentation, the summary points, and the Act 1 Index History noting this is the first time that the index begins at 3%. Mrs. Scheuren acknowledged that this is a difficult time and therefore will remain a challenging budget cycle. Mrs. Scheuren also stated her hope of the Homestead Act restoration for taxpayers.

Mrs. Scheuren also asked about the Charter School tuition costs and Dr. Gallagher commented on the efforts of the advocacy group LEARN, which focuses on the reform of school funding. Dr. Gallagher also noted that the district on-line academy has been able to provide educational services well below the costs of what cyber charters are currently charging the school district.

Mr. Holliday questioned the deficit and its challenges. Mr. Pawling acknowledged the challenges, but also reinforced that as we continue to work through this current school year, it becomes more clear on how to estimate and project for the next years budget.

Mr. Nelson commented on the special education costs and stated his confidence that the budget numbers will come together.

Mrs. Flisak praised the local collection rate of taxes and inquired on the history during times of challenge. Mr. Pawling said that a look back at the last downturn in the economy in 2008, showed a collection rate drop of approximately 1%. Mrs. Flisak also thanked Dr. Gallagher for the work that the LEARN group is performing as it relates to Charter School Funding.

Mr. Kwiatkowski expressed his concern of the PSERS commitment and the undue burden it places on the district budget. Mr. Pawling gave an overview of the PSERS costs and its own efforts to mitigate the increases. However, he noted that those efforts may take years to be realized.

A brief discussion occurred regarding the special education budget and Mr. Pawling explained the funding formular reimbursement which has not kept pace with the costs associated with special education programs and supports. Dr. Gallagher noted that most special education funding is federally funded and if any relief is to be realized it will most likely come through as federal reform.

Mr. Braccio thanked Mr. Pawling for the presentation. He commented on the PSERS graph and the burden that is placed on school districts. He reiterated that additional pension reform is still needed.

Mrs. Scheuren adjourned the Finance Committee Meeting at 8:21 P.M.

Respectfully Submitted,



Brian R. Pawling
Board Secretary / Director of Business Affairs