



Board of School Directors Committee Meeting Minutes Wednesday, June 3, 2020

Generated by Renai Cardillo on Monday, June 8, 2020

Members present: Courtney Barbieri, Bill Brong, Janet Flisak, Matt Holliday, Ken Keith, Tom Kwiatkowski, Stephen Nelson, and Donna Scheuren

Members absent: Nick Braccio

Others present: Lisa Ball, Renai Cardillo, Frank Gallagher, Christopher Hey, Katie Kennedy-Reilly, Brian Pawling, and Megan Zweiback

1. Finance Committee

1.1 2020-21 Final Budget Update

Mrs. Scheuren called the meeting to order at 6:34 P.M.

Dr. Gallagher welcomed everyone and announced that Director of Business Affairs, Mr. Pawling would be discussing the progress made on the 2020-21 budget since the last Finance Committee meeting.

Mr. Pawling noted that he would be reviewing the budget update and a recommendation from Administration would be made at the end of the presentation.

The first slide updated the current 2019-20 projections which reflected a shift in revenues as a direct result of the CARES Act funding which has been moved into the 2020-21 budget. In addition, a shift in Safe Schools funding in the amount of \$350K will now occur in the 2020-21 budget due to the timing of purchases. The revenue total also included an additional reduction for local revenues.

Expenditures reflected a \$200K reduction based on revised PDE 363 form for charter school costs. There were also updated projections for salaries, benefits, services and other expenses based on the closure.

Mr. Pawling reviewed a slide that updated the 2020-21 budget showing adjustments that have generated about \$1.4 million in additional savings and an additional \$420K in positive revenue. Some of these items are shifts from the 2019-20 school year projections, as noted above, into the 2020-21 budget. This slide also presented different deficit amounts at different taxation levels and included charts showing the progress of the budget since December as well as a history of the fund balance with projections at the different tax scenarios.

Overall the deficit has now been reduced to \$1.4 million at a 2.6% tax increase and at \$2.7 million at a 1% tax increase.

Mr. Pawling also presented a slide that outlined possible protocol scenarios for the 2020-21 school year that included social distancing considerations, distance learning options and staffing. He also noted the unknown amount of purchases of protective, cleaning, and monitoring supplies and equipment. Another consideration will be transportation options that allow for social distancing.

The last slide that Mr. Pawling reviewed reflected a positive announcement by Standard & Poor's that the school district credit rating has improved from A+ with a negative outlook to an A+ stable. Mr. Pawling indicated that this announcement is a confirmation that the school district is likely to meet its financial obligations to debtors. This high credit rating can improve interest rates when issuing bonds and makes the District's bonds more attractive to a potential investor.

Upon the conclusion of the presentation, Mr. Pawling announced that the administration is recommending a 1% increase in real estate taxes for the 2020-21 school year. He noted that this proposal strikes a balance of maintaining district programs, without cuts and would not place an undue burden on the tax payer base.

Finance Committee Chairperson Mrs. Scheuren thanked Mr. Pawling for the presentation and praised he and Drs. Gallagher and Hey in their tenacity to continue to work on the budget despite the unique challenges. Mrs. Scheuren also praised the S&P rating and acknowledged it as well-deserved.

Mrs. Scheuren expressed concerns for the 2020-21 budget and the unknown variables of the upcoming school year. Speaking on behalf of the Board, Mrs. Scheuren noted that it is the desire of the Board to move forward opening school with as much normalcy as possible. Dr. Gallagher reiterated that while the school district must plan and prepare for all scenarios, it is also the desire of the administration to open as normal.

Mrs. Scheuren stated that while she is in agreement with the proposed 1% tax increase, she did not want the work on budget development to cease, noting that staffing changes, grant monies and CARES Act funding could still impact budget development.

Mr. Holliday thanked Mr. Pawling and the administration on the budget preparation and praised the recent upgrade to the S&P rating. Mr. Holliday inquired on the fund balance upon the approval of the proposed budget and Mr. Pawling responded that it would put the fund balance at approximately \$10M. Others Board members also praised budget preparation and acknowledged proposed approval.

Mr Kwiatkowski expressed concerns about unknown operational costs if COVID is still present and Dr. Gallagher noted that it is the expectation that the CARES funding should support those costs. Dr. Gallagher also noted that this has been a most challenging budget season, but the thoughtful planning and Board leadership in the past has allowed the school district to be somewhat prepared for this unforeseen scenario.

Mr. Keith praised the budget approach, while noting the economic uncertainty for next year, is pleased that this budget validates the ability to not burden the taxpayer, while balancing the needs of education.

Mrs. Scheuren adjourned the meeting at 7:30 P.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brian Pawling". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Brian Pawling
Board Secretary / Director of Business Affairs