

## Conneaut School District Finance/Budget Committee

April 30, 2018

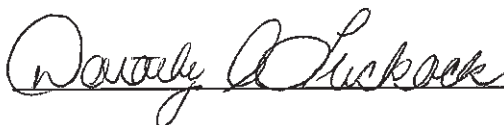
The meeting of the Finance/Budget Committee was called to order at 4:00 pm on April 30, 2018 as advertised in the Large Conference room in the Central Office. Present for the meeting were Directors Dorothy Luckock, Jamie Hornstein and Theresa Miller, Business Manager Greg Mayle and Superintendent Jarrin Sperry. One member of the public was present.

This continues the meetings with administration to review proposed budget requests in detail.

1. John Acklin presented his Athletics budget for CASH. It was noted that Greg will update the wages portion to adjust to the newly approved contract. This budget has an extensive amount of categories due to required Title IX reporting by sport, gender and level (Junior High, Varsity, etc.) One larger expenditure was noted as the agreement with MMC Sports Medicine for trainer – all sports. Officials fall in the category Other Purchased services and rates are set by the District 10 committee. Review and discussion was held on the determination made last year to utilize as many early ship, early pay discounts on uniforms as possible. So the committee was reminded that we, in essence, pay in the spring for items not used until the fall. He has a 5 year rotation on uniforms (cloth).
2. Capital Projects 5 year Plan/Budget – Frank Kimmel has continued work on a more formal written 5 year project plan in facilities. Based on the number of years since the buildings were renovated, many items now need an increased awareness on age and/or condition. This is considered a “fluid” document in that priorities may change but at least all areas are organized to ensure an easier method for review. Most of these projects are “larger money” items and therefore would necessitate specific board action prior to them being done.
  - a. Noted is that this entire list is based on no change in configuration of building/district.
  - b. Greg is proposing that move specific monies from the General Fund Balance into the Capital Projects Fund which then allocates towards these type of projects in future years. The committee was reminded that once monies are deposited into this account they cannot be shifted back for general fund needs. Discussion was held regarding the merits of utilizing some of our “savings” setting aside for these needs on the horizon versus entering into any more future debt service – still gaining interest on these investments until such time as they are used and avoiding paying more interest on any more loan or bond obligations.
  - c. Greg presented a funding plan to cover the projected 5 years of projects (reminding that this is a tentative project list to be continually reviewed) that would move \$1,950,000 from general fund balance to capital projects fund. The committee recommended forwarding this to the entire board for consideration.
3. Cafeteria Budget – in past years we had not done a formal budget for the cafeteria fund, but as discussed last year that we should move that direction. For numerous years the cafeteria fund has operated with a deficit and the time is now before us to officially transfer funds from the general fund to even the cafeteria fund out. Up until now there has been “advances” paid in the general fund. Greg projects a transfer of \$117,622 to move this budget to zero position.
  - a. Greg, after further discussion with CESPAs has recommended that we delay the Community Eligibility Provision application for this year, but may still try to utilize the after school dinner program.

- b. A question was asked with Greg to get more information as to if the cafeteria area also has looked at a 5 year equipment plan, to assist in planning purposes.
4. Staffing update – it was confirmed that no teacher retirements this year. The draft budget was changed from 6 aides to a recommendation of 1 Learning Support teacher and 4 aides. More information is being discussed on the office aide position being reviewed. The Accountant position was discussed, transitioning from the Business Office Confidential Secretary position (she will be retiring June 30). Currently the staff has 1 person primarily on payroll & benefits and 1 with accounts payable and transportation. Greg is suggesting that the new staff person (accountant) would oversee some of the general ledger duties and the new piece of transportation funding/expense analysis. Also they would be able to help with special projects. A proposed job description was reviewed and if this position is approved the intent is to hire to be in place by July 1.
  5. General Fund budget update – Greg continues to thank all parties involved for their diligence in working on their areas of the budget. He has now incorporated the transfers for both cafeteria and capital projects.
  6. Fund Balance on General Fund was reviewed – the committee was reminded that we adopted a policy last year that our unassigned fund balance was to be no more that 8% of our expenditures in the budget for the year. That means that any monies over that amount are to be designated prior to our June budget adoption. An example is the monies we have already set aside designed for future budget years or PSERS. These are committed but still fluid if necessary.
  7. Tax increase? The 2 philosophies of tax increases – whether to take small ones over multiple years versus a larger increase in one year was reviewed. Our Act I index for this year is 3.3% or 1.67 mil. ½ mil provides approx. \$250,000 and 1 mil would cost the median homeowner (utilizing the Homestead Act) roughly \$25 increase.
    - a. One area discussed was how many years, doing what; will it take to get to a balanced budget in the general fund? Without further study it appears it might take 6 years with a yearly small increase. To be studied more.
    - b. The history of tax increases (only 2 over the last 8 years) was reviewed and the committee recommended a 1 mil tax increase in the 18/19 budget – to be forwarded to the full board.
  8. The May 2 worksession Greg will present the budget as it stands now, with discussion on the funding recommendation of the Capital Projects fund, transfer for Cafeteria fund and proposed small tax increase. All were reminded that the budget will have some minor adjustments between now and the formal adoption in June – but every effort is to keep that at a minimum.

The next meeting is scheduled for Monday, May 7 at 4:00 pm and Monday, June 4 also at 4:00 pm; both in the Conference room in Central Office. An "if necessary" meeting would be held on Monday, May 21 at 4:00 pm.



Dorothy Luckock, Board President



Greg Mayle, Board Secretary