



Board of School Directors Committee Meeting Minutes Wednesday, May 11, 2022

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

Members absent: Courtney Barbieri

Others present: Frank Ball, Christopher Hey, Damion Spahr, Michael Taylor, and Megan Zweiback

1. Finance Committee

1.1 Approve 2022-2023 Special Education Shared Service Plan with MCIU

Mrs. Scheuren called the Finance Committee Meeting to order at 6:32 P.M.

Dr. Hey spoke about the Special Education Shared Services Plan noting that this is an annual approval for the costs associated with special education students, who receive some or all of their services from the Montgomery County Intermediate Unit.

Director of Pupil Services, Mrs. Zweiback reviewed the agreement noting an increase from the previous year of \$29K. Ms. Zweiback indicated that a broad range of services are provided through the agreement, including hearing, vision, and speech services. Ms. Zweiback also noted that mental services supports have been expanded from secondary grades (ages 12-18) to also include elementary students. This expansion had been a requested option to support the mental health needs of younger students.

Mrs. Scheuren asked some specific questions on the program costs and Ms. Zweiback responded that some of the costs include training for our district teachers, as well as supports for students that the district alone, could not afford, i.e. vision and hearing instruction. Ms. Zweiback also indicated that there may be additional impact based upon the enrollment of early intervention students. Those students are currently being evaluated and enrolled.

Dr. Hey indicated that we remain hopeful for an increase in the state basic and special education funding.

A brief discussion occurred expressing concerns on the special education shared services plan and its impact on the current budget. Mr. Keith noted appreciation of the implementation of the elementary level mental health program. Mrs. Flisak asked about virtual programming and Mrs. Zweiback noted that we have two life skills students who were unable to attend in-person instruction and were supported with virtual services.

The Committee agreed to move forward for Board action.

1.2 Capital Equipment Procurement Procedure

Dr. Hey indicated that the proposal of a capital equipment procurement procedure is a follow-up discussion from last month.

Director of Business Affairs, Mr. Taylor reviewed the capital equipment memorandum outlining the proposed process for capital equipment for replacement. Mr. Taylor reiterated that capital equipment refers to items that are not permanently attached to buildings or grounds and cost more than \$5,000. Examples were cited as vehicles, tractors, mowers, floor machines, lifts, etc. Mr. Taylor proposed the creation of the procedure in an effort to ensure that productive and efficient equipment is available, while maintaining fiscally responsible practices to support replacement.

Mr. Taylor and Mr. Ball reviewed a spreadsheet that itemized operations equipment and its expected useful life. Mr. Ball cited the existing backhoe and the expenses associated with the equipment. Mr. Ball also reviewed the maintenance program of existing equipment and the schedules of repairs.

Mrs. Scheuren asked about maintenance records of equipment and the proposed vehicle replacement. Mrs. Scheuren stated that if this protocol is to be implemented, the reporting and research would need to be created to substantiate adding capital equipment to the budget.

Mr. Kwiatkowski expressed concern about the budget number increasing annually. Mr. Taylor reiterated that the Board would have restrictive control over any purchases. Mr. Kwiatkowski asked for full disclosure on all equipment that would qualify for this budget category, showing all assets. Mr. Nelson noted understanding of the program, requesting refinement on the equipment and how it is used.

Mr. Brong stated concerns about creating a new budget item for an area of need that already exists. Mr. Taylor explained that the proposal will eliminate the peaks and valleys in the budget and prevent "kicking the can down the road" for equipment that is needed. He also noted that it is a good exercise in analyzing equipment.

Mr. Landis indicated that he appreciates the idea of a capital equipment fund.

A discussion occurred about the capital equipment procurement procedure. Mr. Keith stated that the Board needs to open itself to change if the proposal is beneficial to the budget process. Mr. Kwiatkowski also noted that the financial landscape (of school district budgeting) has changed and Mr. Braccio asked questions about the specific equipment that would be purchased within the budget line item.

Dr. Hey noted that additional information would be presented at the next Operations Committee Meeting. Mrs. Scheuren asked to eliminate risk by providing equipment records and calendar maintenance.

A member of the public asked about the equipment disposal list. Mr. Taylor noted that a disposal list can be presented monthly as needed.

1.3 2022-2023 Budget Update

Mrs. Scheuren announced the budget update and Mr. Taylor reviewed a slide presentation.

A slide was shown of the General Fund currently indicating a deficit of \$2.4M.

Mr. Taylor reviewed projected assumptions that included local and state revenues and expenditures. Mr. Taylor indicated increases in local revenues that included earned income tax, and real estate transfer tax. At the time of this presentation, there were no assumptions of increases to state or federal revenue.

Mr. Taylor also reviewed expenditures which reflected increases in additional staffing for full day kindergarten, PSERS projected rate increases and health benefit increases. Projections of Revenues and Expenditures forecasting five years out was also shared. Local, State and Federal revenues were reviewed as well as salary, services and debt expenditures.

Mr. Taylor also shared slides created by PASBO (Pennsylvania Association School Board Officials) which reflected the cumulative change in mandated costs and the outpacing of state revenue.

Mrs. Scheuren inquired about current grant writing and outstanding proposals. Dr. Hey responded that while we are always pursuing grant opportunities, they often do not match up with our budget line items and are often limited to new projects or initiatives. Dr. Hey also noted that recent meetings with legislators acknowledged their awareness of school district concerns for student mental health, learning loss and capital and facility needs.

Dr. Hey indicated that an update on State revenue and Basic Ed funding is expected next week and noted that employee group salary negotiations are still on-going.

Mr. Nelson asked about health insurance projections and Dr. Hey indicated that the district is currently experiencing a below average in claims costs and that a 2% increase has been built into the budget.

Mr. Nelson inquired about the amount of the reserve fund for the charter school. Mr. Nelson also asked for items that could potentially be eliminated from the budget to offset a tax increase.

Mr. Keith commented on state mandates and noted that the system is set for failure with a burden to the taxpayer seemingly endless. Mrs. Flisak asked about health insurance forecasts and Mr. Taylor said that while we have been fortunate, we must remain diligent in projections, so as not to under fund it.

Mrs. Scheuren also noted that Board members were interested in items that could be cut from the budget, but does not want a lot of time spent on proposing cuts to our programs.

Mrs. Scheuren adjourned the Finance Committee Meeting at 8:29 P.M.

2. Operations Committee

2.1 Guaranteed Energy Savings Agreement (GESA)

Mr. Brong called the Operations Committee meeting to order at 8:33 P.M.

Mr. Brong stated that Administration is recommending the approval of a Guaranteed Energy Savings Agreement (GESA) with SitelogIQ, Inc. for the renovations at Indian Valley Middle School in the total amount not to exceed \$19,000,000, plus General Contracting Bid, Architect fees, Abatement, Furniture, Fixtures, Equipment, Technology, Security and Builder's Insurance.

Mr. Taylor introduced Damion Spahr of SitelogIQ who gave a brief update on the renovation project at Franconia ES. He noted that submittals are still being collected and coordinated work with the township is also continuing. He noted that renovations to classrooms will begin upon the dismissal of the school year.

Mr. Spahr also gave an update on the Indian Valley Middle School project noting that a bid extension was given allowing additional time for contractor bidding. He noted that it is a busy bidding market, however there seemed to be a reasonable turn out of interested bidders. He also noted that the pricing that had been received was from contractors we have seen before and have had good experiences with, in the past.

A brief discussion occurred about lead times for materials and Mr. Spahr indicated that the work schedule could be managed around the lead and delivery times. Mr. Keith asked about a start date for the Indian Valley project and Mr. Spahr noted that mobilization could occur fairly quickly, by the end of June.

Mrs. Scheuren inquired about the scheduled bond sale and Mr. Taylor replied that it is a go for tomorrow. However he also noted that if tomorrow would not sell, there would be another opportunity the following week. Mr. Taylor reported that PFM representative, Ms. Doyle reported that the municipal bond markets had calmed down after the Fed rate increase and believes that we should have strong interest in the sale.

2.2 Approve Proposed Revisions to Facility Use Fees

Dr. Hey stated the proposed increase in facilities rentals had been a discussion for quite some time and that it has been three years since fees have been revised. Dr. Hey also noted that Mr. Ball's department (Operations) has found that our rates are significantly lower than others area schools. Dr. Hey also noted that the majority of our facilities use is to youth athletics.

Dr. Hey stated that due to the volume of material, the committee could take its time to review all of the information and follow up with questions. A review of the proposed rates reflected two types of groups with a different classification for organizations that are charging admission. These revised costs will put us into a more congruent fee structure with other surrounding schools. Dr. Hey also explained that the increase will not be an enormous increase to community groups.

Mr. Brong cited an example of facilities use fees in relationship to other school districts. Mrs. Flisak expressed concerns about whether we are covering costs or simply offsetting costs. Dr. Hey responded that we are covering costs and wages associated with rentals. Mrs. Flisak also expressed concern about wear and tear on facilities and damages. Supervisor of Operations, Mr. Ball stated that all renters are conscientious, damage is rare, and all renters must possess liability insurance prior to entering into a rental agreement.

Mr. Keith acknowledged understanding for the proposed increase, and expressed concern that the increase will eventually be passed on down to the organizations and then to parents. A discussion occurred about prioritizing facilities use for local residents and organizations.

Mr. Brong adjourned the Operations Committee Meeting at 9:23 P.M.

Respectfully Submitted,



Michael Taylor, C.P.A.
Board Secretary / Director of Business Affairs