

LAMPETER-STRASBURG SCHOOL DISTRICT
Lampeter, PA 17537

Finance Committee Meeting Minutes
October 12, 2021
6:30 P.M.

Mr. Scott J. Kimmel called the meeting to order at 6:31 p.m.

PRESENT: Board Members, Mrs. Melissa S. Herr, Mr. Scott J. Kimmel, Mr. Dustin D. Knarr, Mr. Matthew E. Parido, Mrs. Patricia M. Pontz, Mrs. Audra R. Spahn; Superintendent, Dr. Kevin S. Peart; Assistant Superintendent, Dr. Andrew M. Godfrey; Business Manager, Mr. Keith A. Stoltzfus; Assistant Business Manager, Mrs. Amanda Allison; Financial Advisors from RBC Capital Markets, Mrs. Lauren Stadel and Mrs. Olivia Atlasik; and community representative, Mrs. Amanda Roth.

L-S DEBT PROFILE REVIEW, PROJECTIONS AND RECOMMENDATIONS

Mrs. Stadel and Mrs. Atlasik presented on the current District debt profile and the expenditure reductions to the debt budget. Two hypothetical debt schedules were shared to illustrate funding of potential projects from the feasibility study. The first schedule showed no millage increase with debt through the year 2046. The second schedule showed a minor millage increase spread over 5 years, shortened debt through 2041, and an estimated savings in interest of approximately \$13,400,000. Attendees discussed the impact of the millage increase to taxpayers and the affordability of debt in the current markets, noting that a decision to proceed with one of the two schedules will need to happen within the first or second quarter of 2022. The Administration was asked to make a recommendation in the near future.

FEDERAL ESSER FUNDS

Mr. Stoltzfus presented on the funding available to the District through the Federal ESSER funds. He highlighted the required uses of funds and shared the District's preliminary plan to spend these dollars through the end of the 2023-2024 school year. Administration was asked to track the impact of these new initiatives to determine if they should continue to be funded after Federal ESSER funds are no longer available.

2020-21 BUDGET OUTCOME

Mrs. Allison reported on the outcome of the 2020-2021 Budget. The General Fund is reporting a positive change in fund balance of \$218,784 as of June 30, 2021. Mrs. Allison shared major revenue and expenditure variances in the General Fund.

2021-22 PROJECTED BUDGET OUTCOME

Mrs. Allison presented a comparison of the 2021-22 Budget to the 2021-22 Projected Outcome. The projection shows revenue of \$56,017,959 and expenditures of \$55,984,130. This results in revenue over expenditures of \$33,829. The surplus includes an increase of \$487,071 in Federal revenues, \$3,888,075 for the transfer to Capital Reserve to maintain current debt service levels, and a combined increase of \$149,856 for Property and Liability Insurance and cyber charter school tuition.

2022-23 BUDGET

Mr. Stoltzfus shared information and dates pertaining to the 2022-23 Budget Schedule. The Pennsylvania Department of Education has set the base Act 1 index for 2022-23 at 3.4%. The adjusted index for Lampeter-Strasburg School District is 4.0%. The District has until January 27, 2022 to either adopt a resolution indicating that it will not raise the rate of tax by more than its adjusted index or have a 2022-23 preliminary budget available for public inspection. If the District does not adopt a resolution, the 2022-23 preliminary budget must be adopted by February 16, 2022.

A 2022-23 Budget was presented with a millage increase at the projected Act 1 adjusted index of 3.8% and flat funding of Basic Education and Special Education subsidies. This millage rate was used simply to ensure the District is able to keep the millage increase below the adjusted Act 1 Index for purposes of the Resolution required in January 2022. Expenditure changes included a 3.0% increase to total wages, a 9.0% increase to medical insurance and flat enrollment for cyber charter schools. The budget draft shows revenue of \$57,862,042, expenditures of \$54,378,664, a transfer to the Capital Reserve Fund of \$3,431,723 and revenue over expenditures of \$51,655. The transfer to the Capital Reserve Fund is recommended in order to maintain the total net debt in the General Fund budget for future projects.

Based upon the information given, an Act 1 resolution is recommended. The Committee members were in agreement to have the Act 1 resolution on the agenda in January once the board meeting dates are set for 2022.

Mr. Stoltzfus reminded the Board Members that a budget cannot be adopted with an unassigned fund balance greater than 8% of total expenditures. He presented options to assign funds to areas of need. Further discussion will need to occur at upcoming meetings in order to ensure the percentage remains at or below 8%.

The next Finance Committee meetings were tentatively set for February 14, 2022, and April 11, 2022.

ADJOURNMENT

The meeting adjourned at 8:21 p.m.