

FINANCE MEETING

10/24/2022 [05:00 PM-06:00 PM] @ Board of Directors Room

FINANCE STANDING COMMITTEE MEETING

1. Call to Order

Minutes

Mrs. Sicher called the meeting to order at 5:07 p.m. and announced the meeting was being live streamed and audio recorded.

2. Roll Call

Minutes

Members in Attendance: Lindsay Drew, Michael Rizzo, Ericka Schmidt, Kathy Sicher

Citizen Advisors: David Katz, Brian Ostella, Anirban Paul, and Joshua Smith

Non-Voting Members in Attendance: Michele Agee, Sheryl Pursel, Stacy Winslow, and Tawnja White

Attendees: Keith Aleardi, Sheri Leo, Jared Nicholson, Liz Perris, Jason Reifsnnyder and one by phone.

3. Approval of Summary Minutes

Minutes

Following a motion by Ms. Drew, and a second by Mr. Rizzo, the Minutes were approved.

4. Unfinished Business

5. New Business

5.a. Quarterly Update - MS Hershey Trust Fund - Fulton Financial Advisors

Minutes

Sheri Leo, Elizabeth Perris, and Keith Aleardi of Fulton Financial shared the following:

- background of trust and how it came to be with Fulton Financial
- Liz to retire at end of the year with Keith Aleardi to step in her role for the account
- raised cash during course of the year and keeping an elevated cash position in an effort against the rising inflation rates and the slowing economy with the high risk/probability of a recession in the near term
- increased credit quality significantly reducing the below investment grade credit and putting the dollars into investment grade credit including some treasuries

- continue to have high concentration or overweight in the Internet into the top domestic markets as opposed to the international markets
- did a rotation into a more conservative portfolio, more defensive, rotating into those value components which have a more stable revenue flow. They have tended to have a higher dividend payment structure. This helped defray some of the downside risks seen in the equity markets. This has all contributed to the performance to date to help defer some of the downside risks being seen
- new quarterly payment until June is about \$572,000
- portfolio grew nominally during the period of 9/2017 to 9/2022 from \$42,250,000 to \$42,800,000.
- long term expectation of the portfolio to be about 6.5% - has performed in line with expectation at 6.4%
- maintaining the 6.4% performance has allowed for the 4% distribution
- inflation will be elevated going forward
- market value today is at the bottomed threshold of the 95% scenario analysis
- long term still looks ok

5.b. 2023-2024 Budget Timeline

Minutes

Mrs. Pursel shared the following:

- Act 1 percent for 2023-23 is 4.1%
- this is the limit for schools to be able to raise the taxes without requesting exceptions
- Derry Township doesn't get the adjusted ACT 1 due to economic factors
- need recommendation from Finance Committee - options
 - opt out resolution and not go above 4.1%
 - seeking referendum exceptions to go above the 4.1%
- budgets to be returned from departments by January 27, 2023
- meetings held with all areas by business manager and assistant business manager in February
- building walk throughs to start building the capital plan in November and December
- bigger budget item discussions in February through April

5.c. Update on Tax Collection Services

5.c.a. RFP Results - Local Service Tax and Occupation Tax Collection Services for DTSD

Minutes

Mrs. Pursel shared the following:

- received back the RFP proposal for the collection services for the LST and OPT taxes
- two proposals came back from Keystone Collections and Berkheimer
- Keystone Collections is already the Dauphin County Tax Collection group for earned income tax and already has the residents information
- both groups are at 1.75% for LST of the budget and revenues
- OPT is a difference per notice of \$.50 for Keystone to \$1.00 for Berkheimer
- the recommendation is to move forward with Keystone Collections

- after board approval for awarding the bid a contract will then go to the board for approval
- significant savings of \$116,000

Following a motion by Mr. Rizzo with a second by Ms. Drew, the committee approved to move to the full board the award of bid to Keystone Collections

5.c.b. Update on Tax Collection Association

Minutes

Mrs. Pursel shared the following:

- Wendy Melhorn of the Tax Association gave her resignation effective November 4, 2022
- Mrs. Purcell, Mr. Christman, and our manager are meeting with Wendy to layout part time evening work for Wendy on an hourly basis
- a contract will be coming to the board with terms for her to help finish out the collections through the rest of the year
- looking at how to keep the office open in the short term and make the community aware of the changes

5.c.c. PA Act 57 of 2022 - Changes in Real Estate Tax Collection

Minutes

Mrs. Pursel shared the following:

- Act 57 of 2022 is now tax law
- we are mandated to pass a resolution by January 7, 2023
- effective July 1, 2023
- this gives new homeowners that haven't received a tax bill an option of an exemption/waiver
- resolution forthcoming on 11/21/22 for board approval

5.d. Fiscal Updates

5.d.a. Quarterly Update - Food Service Fund

Minutes

Mrs. Pursel shared the following in the Food Services update:

- Mrs. White to work close with Mr. Hummel to revamp the food service financials
- the free meals during COVID have now gone away
- negative meal balances are on the increase - working to identify the largest negatives and the reasoning
- need to look into the app fees and the limit the amount added
- need to look into if checks accepted

5.d.b. Quarterly Update - Cyber School Enrollment

Minutes

Mrs. Pursel shared the following for Cyber School Enrollment:

- 90 students enrolled in cyber placements
- numbers are decreasing
- possible to be under budget with the reduced student numbers

5.d.c. Financial Update

Minutes

Mrs. Pursel shared that the auditors are coming next week after which things will be getting back on track.

5.e. Contracts

5.e.a. CAIU Letter of Commitment - Cybersecurity Solution

Minutes

Mrs. Pursel shared the following:

- CAIU is looking for a verbal commitment by the end of October from Finance Committee
- this is not a budgeted item
- pieces of this are already used and budgeted for so the cost of this will be offset
- Albert sensor makes us aware ahead of a cyber intrusion and allows for a shutdown instead of a recovery situation
- Albert sensor on our own without going through consortium would be almost \$35,000

Following a motion by Ms. Drew with a second from Mrs. Sicher the Finance Committee recommended verbal approval pending the full board approval of the CAIU Cybersecurity Solution.

6. Public Comment

Minutes

There was no public comment for the committee.

7. Adjournment

Minutes

Mrs. Sicher adjourned the meeting at 6:04 p.m. following a motion by Mr. Rizzo and a second by Ms. Drew.