

Lehigh Area School District
Lehigh, Pennsylvania
Finance Committee Meeting
Tuesday December 13, 2016

Agenda

Present

☐ Andrew Yenser	Present
☐ Richard Beltz	Present
☐ Stacey Duerst	Present
☐ Gloria Bowman	Present
☐ Steve Holland	Present
☐ Brian D. Feick	Present
☐ Jonathan Cleaver	Present

Recording Secretary- Rebecca Ludwig Present

George's Transportation Daily Run Bills for Approval (enclosure): Handout

No questions on the Transportation bill. All committee members and attending board members agreed to pay.

Removal of Fund 29 (Athletics) now part of General Fund: Mr. Feick explained to all in attendance that the state had done away with allowing a separate 29 fund (Athletics). Mr. Feick stated that Lehigh had continued to carry the separate 29 fund and it has been years of transferring the 29 fund into the 10 Fund (General). CSIU was able to crosswalk our accounts from the 29 Fund and create the appropriate 10 Fund account codes. Mr. Feick stated this information is to explain why the board will no longer receive a separate check register for Athletics.

Tax Collector Compensation Review (enclosure): Mr. Feick stated he had reviewed the surrounding area Tax Collector salaries. Our 6 municipalities receive payments from the school and the county. Mr. Feick stated that if the resolution is not passed the payment per bill stays as is. Much discussion took place on this subject. It was agreed that Mr. Feick will call Mr. Koch, ask him to come into the office and discuss the request sent in by the Tax collectors as a whole. Mr. Feick will explain to Mr. Koch the board would like the Tax Collectors to utilize the recommended program due to the fact that it is compatible with our new finance system (CSIU) that will help both the

Collector's and the District. Mr. Feick will talk to Mr. Koch and this item will be discussed at the next finance meeting.

Proposed Preliminary Budget review: Handout Mr. Feick reviewed the preliminary budget. Explaining that some of the expenses that had been previously been budgeted to Building and Grounds should have been budgeted to the Athletic budget. Mr. Feick Stated he does not recommend a tax increase this year. He also stated we should start to see cost savings due to the building projects. Mr. Feick discussed the state budget. It had been stated it will not be less than the 2013-2014 school year. Mr. Feick discussed that knowing the concern of the board with possible equipment needs, repairs; high end repairs that could really eat up the general fund, Mr. Feick informed the attending Board Members they could vote to designate \$250,000.00 to Fund 32 Capital Reserve Fund. The board would have motions to approve or deny the purchases requested from the funds. The question was asked; when is the 5 year projection calling for a tax increase then. Mr. Feick stated looking at the handout, it is still on schedule for 2018 and that is a 2% increase. Ms. Bowman asked would it be a better idea to look at increases of a 1 / 2 % instead of hitting the tax payers with the 2% at one time. Mr. Beltz stated he would not be adverse to small tax increase increments. Ms. Duerst asked when the district will start to actually see a savings and Mr. Feick responded 2019. It would be completely up to the board if they would like to spread out the 2% increase. Each building project is individual to itself. But the consolidation is scheduled for 2019 at this point. The concerns voiced on the fund balance were discussed. Mr. Cleaver added the district is looking at cutting costs with a cheaper copier contract; the health insurance costs could come in less as he is currently looking at other brokers and getting pricing on a choice of leaving the consortium and going back to doing it on our own. Ms. Bowman asked if the coverage would be identical, Mr. Feick stated yes, absolutely. Mr. Feick spoke about a court case that just ruled in favor of the tax group opposing the size of the general fund due to taxing above the index. Lower Merion will now be issuing tax refunds do to the large fund balance with increase over the index.

The committee discussed the raise in the pension, health care and special education costs as well. Mr. Feick stated he feels 6 months or even 2 months of expenses is the responsible thing to do but that everyone must remember the state does limit the amount of fund balance any district can carry. Mr. Yenser added they cap it and they limit us. It can be a very difficult position.

Building Project's Update: Handout

QZAB update: Mr. Feick explained to the board that things have changed a bit in the finance world. He and Zak from PFM have been working on the best way for the district to accept the QZAB. Mr. Feick stated the banks are willing to do 0% to .25%.

Mr. Feick said those funds are designated to pay the sinking fund and prepay the bank loan. Mr. Feick would like the board to pass a resolution stating, that proceeds from sale of existing buildings be used to pay down debt. The committee decided to put the resolution on the January Board meeting. Mr. Feick stated the sinking fund came in better than expected. Interest rates go up; less will be needed for the sinking fund. Mr. Feick also added if the interest rate rises, the pension amount should go decrease. He did add that the District is still right on track following the 5 year projection. Mr. Feick reviewed some board items as well. Reminding the committee the resolution must be placed in January to not exceed the index.

Open Discussion: Mr. Feick informed the board that the MS passed inspections. They did inspect the case work for the library, we are very hopeful they will allow occupancy to take place.

At the inspection of the Middle School; there were a few concerns one with the ADA bathroom bar but that work has been repaired and completed. The threshold to the door was another concern and the seat of the shower. Mr. Cleaver stated all of this work has been corrected.

They are ready for the inspector to come back and Mr. Cleaver stated it should be no issue for the pass of the inspection. It is expected barring no problems by the end of the holiday break the office should be complete and they are looking at a completion of the cafeteria by the end of January.

The High School had passed inspection today (Tuesday December 13, 2016). All is moving forward as planned. Mr. Cleaver stated looking into the addition of swipe card reader at the fitness center, the back of the High School kitchen area entrance for a buzzer and camera.

Mr. Feick stated they will be looking at the carpeting this coming summer, it was stated that a nice comment was received concerning the new audio system, it sounded great. Mr. Feick explained that the base coat would be placed on Indian Lane as long as the temperature cooperate and wanted to make sure all members were aware that the road will need a few coats. A fence will need to be put up around the fields to stop the children from running after lost balls.

Mr. Feick requested moving the Finance meetings to the board workshop dates, the second Monday of each month. A short discussion took place and all agreed to move finance to the second Monday of the month at 6:00 p.m. in the Board Room. Mr. Feick explained he asked Mrs. Wagner to hold off until after this finance meeting to advertise them in the paper. Mr. Feick

stated he will ask Zak from PFM if he could make the January meeting and if so the change will start then. If not the February meeting will be the start.

Meeting adjourned at 7:49 p.m.

UPDATE: The Finance meeting will be changed; **PFM will be able to make the January Meeting**

Next Meeting Date: Monday January 9, 2017 6:00 p.m.
BDF/rem