

Lehigh Area School District
Lehigh, Pennsylvania
Finance Committee Meeting
Monday November 12, 2018 at 6:00 PM

Finance Committee Minutes

Present

- ☒ Andrew Yenser
- ☒ Richard Beltz
- ☒ Rita Spinelli
- ☒ Brian D. Feick
- ☒ Tina Champ
- ☐ Jonathan Cleaver
- ☒ David Bradley (Audience)
- ☒ Gail Maholick (Audience)
- ☒ Meghan Christman- Recording Secretary

George's Transportation Daily Run Bill for Approval

- All attending committee members agreed to pay the October 2018 transportation bill

OnBase Proposal

- Brief review of proposal
- Mr. Feick is currently working on the 2019-2020 budget and he will try to budget for an office file management system

RFP Timeline for Insurances

- Three different requests for proposals
 - Health Broker
 - Stop Loss Broker
 - Liability & Workers Compensation Broker
- 5-year contract with 120-day cancellation notice after three years
- Timeline for Insurance RFPs:
 - November 27, 2018- RFPs will be sent out (Corrected from November 26 due to the district offices closing for holiday)
 - December 17, 2018- RFPs will be due
 - January 2019 Finance Committee Meeting- Review of RFPs and set interview dates
 - January-February 2019- Interviews
 - March 2019 Finance Committee Meeting- Make recommendation for board
 - March 2019 Board Meeting- Board Approval

- Mr. Feick stated that before the RFP information is sent out, he will send it to the committee for review

Transition Timeline with TD Bank

- Transition Timeline
 - November 19, 2018- Resolution authorizing use of/opening accounts of TD Bank
 - December 2018- Notify vendors of change (IRS, state, etc.), notify payees of change (PDE, Food Nutrition, etc.) and request TD order checks
 - January-March 2019- Transition payments from Mauch Chunk to TD Bank
 - April 2019- Close Mauch Chunk accounts
- Mr. Bradley questioned how much money the school district will generate by switching banks
 - Mr. Feick informed him that the school district would generate about \$120,000-\$150,000 more than what is being generated currently
 - Mr. Bradley questioned how many mils is that equivalent to
 - Mr. Feick stated about 1/3 mil
 - Mr. Bradley asked if we could give those earnings back to the taxpayers
 - Mr. Feick explained that the increase in costs prevents the district from giving those earnings away
 - Mr. Bradley said he thought the idea was to lower expenses
 - Mr. Feick agreed but added the idea is to do so without increasing taxes; not lowering them
 - Mr. Bradley stated he would like to see taxes be decreased so the community can reap the rewards of better managing finances
 - Mr. Feick questioned if the community is reaping the rewards based on the fact that taxes have not increased yet expenses continue to increase
 - Mr. Feick then questioned how much of a reduction this 1/3 mil would lower taxes; approx. \$15
 - Mr. Bradley stated it doesn't matter how much the reduction is, the district would be showing the community that they care about them
 - Mr. Feick explained that the district does care about the community and the majority of school districts in PA have been raising taxes; Lehighton has been maintaining taxes and increasing services in the district
 - Mr. Bradley questioned how that has been done
 - Mr. Feick stated that making good financial decisions and seeking other income such as the \$45,000 rental of the middle school auditorium; Mr. Feick questioned Mr. Bradley about his stance on this issue because Mr. Bradley wants the district to generate more revenue but has also stated we shouldn't charge people
 - Mr. Bradley explained that the taxpayers of this district were overtaxed years ago and instead of giving money back to the taxpayers, the district spent it elsewhere and people are losing their homes because of taxes
 - Mrs. Spinelli explained that from her experience, people lose their homes because they can't afford to pay their mortgage; she asked Mr. Feick how many people have lost their homes in this district in recent years due to the fact that they could not afford to pay the taxes
 - Mr. Feick explained that since he has been working for the district, there have been no foreclosures on single family owner occupied residencies; the district works with taxpayers
 - Mr. Feick also explained that there have been foreclosures on commercial and rental properties
 - Mr. Bradley questioned Mrs. Spinelli in her experience, prior to foreclosure, how many people sell their homes and move because they can't afford to pay the taxes

- Mrs. Spinelli said in her experience she has never experienced this
- Mrs. Spinelli also addressed the fact that schools are built because of gentrification, they are not the cause of gentrification
- Mr. Bradley addresses again that he believes the taxpayers were overtaxed years ago and he believes the district has a consumption problem
 - Mr. Feick stated he does not believe the district has a consumption problem; he would like to keep the number of employees and services where they are but could cut employees or services if that's what the board wants
 - Mr. Bradley stated he thinks the stakeholders should be able to decide what services are offered to their children
- Mr. Bradley stated he would like the finance committee to recommend a motion to the board to give the money back to the taxpayers
 - Mr. Yenser and Mrs. Spinelli disagreed
 - Mr. Beltz stated that he thinks Mr. Feick has done a great job with the finances and he doesn't think that giving this small amount of money back would make a difference
- Mr. Beltz also stated that the district will be going into negotiations soon for the teacher's contracts and that will incur some costs as well
 - Mr. Bradley asked who is on the negotiation committee
 - Mrs. Spinelli said she is on the committee but she doesn't remember who the other members are
 - Mr. Bradley asked when the next meeting is
 - Mrs. Spinelli said there are no set meetings for negotiations yet; negotiation meetings only happen every so many years
 - Mr. Feick added that the current contracts are good until June 30, 2020 so the union will probably want to start negotiation later this winter or early next spring
- Mr. Bradley questioned how many employees the district currently has and how many the district had two years ago
 - Mr. Feick stated currently the district has about 270 full time 25-30 part time employees
 - Two years ago the district had about 288 full time and 25-30 part time employees
- Mr. Bradley questioned Mr. Feick how many employees we will be losing within the next few years due to attrition or to get the savings needed to stay within budget
 - Mr. Feick said he thinks the district is right where it needs to be as far as number of employees are concerned, however, the number of students has increased by about 65 since this time last year
- Mr. Bradley stated there are books on the floor in the elementary center because there are not enough lockers to handle the new students moving into the district
 - Mr. Feick stated there is enough lockers, however, they were in the wrong areas so they're being installed where they need to be
- Mr. Bradley asked if the district is not going to get the attrition they were hoping for
 - Mr. Feick stated the district did get the attrition, however, the district will receive more in state aid due to the increase in students
 - Mr. Bradley questioned how many people we are losing because of the elementary center; there is supposed to be a \$1.2 mil in savings and \$850,000 was from attrition of salaries
 - Mr. Feick explained the people we have lost because of the attrition of salaries are already gone; there have been 6-7 people retire who retired last school year who have not been replaced
 - Mr. Bradley questioned how many more employees can we get rid of
 - Mr. Feick stated he hasn't finished the budget so he does not know

- Mr. Bradley questioned if anyone reviews the employee task list in relation to finances
 - Mr. Feick said that is reviewed by the superintendent and the curriculum department
 - Mr. Bradley questioned if there is any board oversight
 - Mr. Feick explained the board oversight is reviewing the budget
- Mr. Bradley questioned if anyone reviews whether the employees are creating a value to the student
 - Mr. Yenser stated every year the superintendent and the director of curriculum review that
 - Mr. Bradley questioned if the board gets involved in the review
 - Mr. Yenser said the board does see the review
 - Mr. Bradley questioned if it was done in a public or private meeting
 - Mr. Feick stated that when the finance committee begins to review the budget, he will give a list of employees, positions, salaries, the part of the budget the salary comes from (regular ed, special ed, etc.) and all of the backup information needed for the budget
 - Mr. Bradley questioned what confirmation is there that the employee is accomplishing a task for the benefit of a student
 - Mr. Feick stated the confirmation is making sure that the teachers have a certain amount of teaching courses, making sure teachers are teaching the same amount of students
 - Mr. Bradley stated that there is a teach to student ratio that is reviewed, however, does anyone review how it is applied and the task is accomplishing the result the district is aiming for
 - Mr. Feick stated that is something that needs to be answered by the curriculum department
- Mr. Bradley stated that there was a superintendent who worked from home for three months and it was only addressed because of the auditors, not the board
 - Mr. Feick stated this happened before he started working for the district and the auditors do review that information as well as reviewing the number of teachers, teacher evaluations, student evaluations, making sure the students are receiving the proper education
 - Mr. Bradley stated that he does not believe the board has been checking the work of the administration
- Mr. Bradley questioned if anyone was on the Personnel Committee
 - Mrs. Spinelli stated that she is on the committee
 - Mr. Bradley asked if the personnel committee has had a meeting
 - Mrs. Spinelli said there is only a meeting when there is a problem
 - Mr. Bradley questioned where the meetings take place and if they are done in public or private
 - Mrs. Spinelli began to explain that the last meeting was about the Superintendents contract
 - Mr. Bradley stated that took place in executive session
 - Mr. Bradley questioned if personnel committee meetings are held in public or private
 - Mrs. Spinelli explained that she would say that based on the context of the meeting, it would have to be done in private for privacy reasons
 - Mr. Bradley stated that he filed a RTK request for the meeting minutes from the personnel meeting regarding Mr. Cleavers contact, and he was told the minutes don't exist and they are considered executive session, however, executive session can only be held with all board members present

- Mr. Bradley also stated if a special meeting is held, it is to be held in the public or in executive session; if it is held in executive session they have to be announced at the next general meeting
- Mr. Bradley questioned how the district is going to lower expenses when the personnel expense accounts for over 70% of the budget
- Mrs. Spinelli stated her philosophy is the district is a service organization, it is not manufacturing. The districts product is the children the district produces. The teachers are the resources that help develop the product
 - Mrs. Spinelli expressed that she cares about the students and teachers of this district and she has no intentions of cutting the services or teachers
 - Mrs. Spinelli also stated that this is the Lehigh Area School District not the Lehigh Area Taxpayers Association and if there is an issue with the taxes, it needs to be dealt with in Harrisburg
 - Mr. Bradley agreed that the district cares about the students and teachers, however, if there is a negative budget there are two options; cut or ask for more
 - Mr. Bradley asked what the plan is
 - Mrs. Spinelli stated that she has no plan, she's stupid, she is a stooge and she is a puppet, she can't read
 - Mr. Bradley encouraged her continue while he exited for a drink of water

Open Discussion

- Mr. Yenser asked if there was anything to add
 - Mr. Feick stated after the board reorganization in December, the finance meetings will be set and advertised and the finance committee will begin working on the budget for the 2019-2020 school year
- Mr. Bradley addressed an issue with the OnBase proposal
 - In the proposal, it states that there are a certain number of hours consumed by the administration; Mr. Bradley questioned if there is another person taking pictures of the bills because there is an estimation of 15 hours a month for review of the bills
 - Mr. Feick stated that estimation also includes the time it takes to prepare the bills for review
 - Mr. Bradley asks Mr. Feick to read the sentence in the proposal that states "One board member takes pictures and required the business administrator to sit for approximately 10-15 hours a month and review the approved packets"
 - Mr. Feick confirmed that statement is inaccurate
 - Mr. Bradley asked Mr. Feick if a board member is the person who corrects the mistake
 - Mr. Feick stated that he will go back through and correct things
 - Mr. Feick stated that there is no Cost Benefit Analysis for this proposal because he will have multiple proposals and when it is decided which proposal is the best fit, he will then have a Cost Benefit Analysis
 - Mr. Bradley questioned how much the taxpayers will save by using this software
 - Mr. Feick explained that there will not be a savings to the taxpayers because the district would be providing a service to the public
 - Mr. Bradley questioned if a Cost Benefit Analysis is done for the biggest expenditure which is personnel
 - Mr. Feick stated he would need to ask the curriculum department for that information

- Mr. Bradley would like to have the Finance Committee recommend that a Services Benefit Analysis is done for a new hire, an extension of hours or a reduction of hours instead of one person making that decision

Meeting adjourned 6:55 p.m.

Next Meeting Date: TBD
BDF/mmc