

Lehigh Area School District
Lehigh, Pennsylvania
Finance Committee Meeting
Monday October 8, 2018 at 6:00 PM

Finance Committee Minutes

Present

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

TD Bank Presentation

- Kevin Wiley, Senior Government Banking Manager and Greg Stewart, Treasury Management Sales Officer presented a proposal based on the last three months of banking statements for all district accounts and one years' worth of Treasurer's Reports
 - Overall goal is to protect the district from fraudulent charges and receive a better return on investment
 - Services include Positive Pay, Positive Pay ACH, operating efficiencies, armored courier, check scanning capabilities, an online banking feature and tokens with one time use codes in order to log in to the online banking system more securely
 - No service fees associated with TD Bank as long as account balances are maintained
 - 1.95% internally managed interest rate versus an approximate 1% current interest rate
 - Investment policy is simple and low risk
 - Current local customers include Lehigh County, city of Allentown, city of Bethlehem, Bethlehem Housing Authority, Lower Macungie Township, Lehigh Northampton Airport Authority, Wilson School District, Palisades School District, Academy Charter School in Allentown, city of Philadelphia School District and various other districts in Pennsylvania
 - Other products include long term debt financing and leasing products
 - Mrs. Champ raised awareness to the fact that if the armored courier only came Monday, Wednesday and Friday, the district would be losing interest on the cash deposits
 - Mrs. Champ questioned what to do if there is a deposit that consists of cash and checks
 - Mr. Stewart explained that the armored courier can collect checks, however, the funds wouldn't be posted in the account until Wednesday or Thursday
 - If the checks are scanned and deposited with the check scanner provided by TD Bank, the funds would be available the next day
 - Mrs. Champ questioned if there are credit/debit card options with internal controls

- Mr. Stewart explained there is a credit/debit card option for any and all accounts
- Mrs. Champ thanked Mr. Wiley and Mr. Stewart for their willingness to answer her questions and commended TD Bank for their excellent service on a previous loan the district had through TD Bank
- If the district does decide to move forward with switching to TD Bank, the process takes about 3-6 months to get everything set up properly and tested
- Mr. Bradley questioned what documents were given to TD Bank in order to form the proposal
 - Mr. Feick explained that the last three months of all account statements and the last year of Treasurer's Reports were provided to TD Bank
 - Mr. Bradley requested the documents that were given to TD Bank to create the proposal
 - Mr. Bradley questioned if TD bank has to pay for those documents or file a Right to Know; Mr. Wiley stated that he did not have to file a Right to Know and he did not pay for the documents from the district
- Mr. Bradley questioned how much cash the district handles
 - Mr. Wiley stated it is estimated that the district handles about \$35,000 in cash a month
 - There are more options to pay for things; ex. school lunches can be paid for online by debit/credit card
 - Mr. Bradley questioned if any cash has gone missing
 - Mr. Feick explained there was an incident with the football startup money last school year; amount given back was \$25 less than start up, however, Mr. Feick explained that it was deposited in the wrong account
- Mr. Bradley questioned when is the district projected to fall below the \$4.8 mil threshold
 - Mr. Feick stated June and July are the lowest balance months but he doesn't believe we should fall below that threshold due to the standard cash flow unless the state doesn't pass a budget
- Mr. Bradley questioned if there is a float on payroll checks
 - Mrs. Champ stated the file is created and sent about 10 days before the payroll date and it is released no less than 2 days prior to the pay date
 - Payment is made and available to the employees for the actual pay date
- Mr. Bradley questioned if any other bank options were explored
 - Mr. Feick spoke to Mauch Chunk, BB&T and Jim Thorpe. Mauch Chunk can't offer Positive Pay, BB&T cash management is at 1.2% and Jim Thorpe does not do Act 72
- Mr. Feick asked the committee if they would like to have a full proposal to the board
 - Mr. Yenser questioned if the district called TD Bank references
 - Mr. Feick informed the committee that he knows a lot of people that work with TD Bank but would call references
 - Mrs. Spinelli stated she would be willing to move forward with TD Bank because of the security and better rate of return

George's Transportation Daily Run Bills for Approval

- All attending committee members agreed to pay the August & September 2018 transportation bills
- Mr. Bradley questioned if there is still going to be a public meeting with George's Transportation about transportation issues
 - Mr. Feick said he believes there will still be a meeting, possibly next month
 - Mr. Bradley requested that this be addressed before winter

TCC Resolution

- Mrs. Champ reviewed the TCC resolution
- 8-9 years ago, the state changed how Earned Income Tax (EIT) was collected
 - Changed to a county wide basis
 - Every county has their own Tax Collection Committee (TCC)
 - Efficient and working well for the counties
- The state has proposed the idea that EITs will go to the state and the state will distribute to municipalities and school districts
- The TCCs in Pennsylvania have been trying to contact the state legislators to prevent this from being moved to the state level
- The Carbon County Tax Collection Committee (CCTCC) has adopted a resolution to maintain the current policies and procedures related to EIT collections
- Mrs. Champ asked if the committee would like to adopt a resolution to support the CCTCC resolution
 - Mr. Yenser and Mrs. Spinelli agreed to move forward with this resolution
- Mr. Bradley questioned if the Real Estate Tax could be swapped for a larger EIT tax
 - Mrs. Champ stated she was under the impression that was the occupation tax, not real estate
 - Mr. Bradley questioned if the district collected data on this option
 - Mrs. Champ stated it was looked at before she was here but it had not been revisited since
 - Mr. Bradley encouraged looking into these options

Raptor Technologies Discussion

- Received proposals from a visitor management system company, Raptor Technologies
 - When a visitor comes to a school, they provide their license, their license is scanned through a national database of child predators
 - When the license is scanned and the visitor is cleared, the system will generate a visitor pass using the picture from the license, their name and the district employee will designate on the pass where the visitor is going
 - Custom alerts for custody orders
 - Custody information would need to be entered internally
 - Would look into the possibility of getting information directly from the county
 - If a visitor does not have an ID, they need to provide their name and address
 - Panic button option
 - \$5,859 startup fee; trying to receive a safety grant to pay for this service
 - Administration has the option of seeing who is signed in at the buildings at any given time

2019-2020 Budget Timeline

- Mr. Feick informed the committee that he is in the beginning stages of the 2019-2020 budget
- Mr. Feick will have a preliminary budget for the December Finance Meeting
- A resolution pursuant to Section 311(d)(1) indicating that there will be no raise in taxes or a proposed version of the preliminary budget needs to be submitted to the state by January 31, 2019
- 5-year projection shows no tax increase this year

Act 1 Index

- Lehighton adjusted index is 3.2%

Insurance RFP Discussion

- Mr. Feick would like to do an RFP for Insurance brokers because it has been over 6 years since the district has done so

- Currently the district has three different brokers
 - Property & Casualty
 - Stop Loss
 - Medical
 - Even though the district is self-insured, a medical broker is still needed to meet with retirees to provide options as per contracts state
 - Medical broker also gives the district advice on how to save money
- Mr. Feick questioned the committee if they would like to choose one broker for all or keep everything separate
 - Committee agreed to keep brokers separate and allow Mr. Feick to start working on this
 - Mr. Feick informed the committee that there will probably be presentations in December

Open Discussion

- Mr. Bradley requested a list of district employees, job descriptions, hire date, hourly rates/salary and how many hours they have actually worked at the district
 - Mr. Feick stated that he will be working on that but it is not something that is readily available to give to Mr. Bradley
- Mr. Bradley raised the concern that the Wellness Committee recommended hiring a new employee for the elementary center to clean breakfast tables
 - Mr. Feick explained that this potential new employee would have more responsibilities; in addition to cleaning tables and floors after breakfast, they would be responsible for cleaning up and taking everything back to the cafeteria from the Pre-K breakfast in the Pre-K classroom as well as cleaning up the breakfast grab and go kiosks at the main entrance of the school and taking everything back to the cafeteria
- Mr. Bradley would like to see problems solved in other ways rather than hiring people who are not necessarily needed
 - Would like to see the district implement a Human Resource Management program

Meeting adjourned 7:45 p.m.

Next Meeting Date: Monday November 12, 2018 6:00 p.m.
BDF/mmc