

**Lehigh Area School District
Finance Committee Virtual Meeting
Monday, May 11, 2020 at 6:00 PM**



Finance Committee Minutes

The meeting was called to order at 6:00 p.m.

The following Board Members were present:

Rita Spinelli, Nathan Foeller, Larry Stern (audience) and David Bradley (audience)

The following Administration Members were present:

Jonathan Cleaver, Patricia Denicola, Tina Champ and Meghan Christman

Annual Financial Report

The 2018-2109 AFR has been certified by the auditors, submitted to the state and available for review on the district website. The \$1,776,518 deficit would have been more significant if the district did not receive a one-time revenue of \$702,054 for sale of buildings and a one-time revenue of approximately \$1,000,000 in PlanCon reimbursements from previous years.

The audit report is being finalized and will be presented and shared with the full board in June.

St. Luke's

Review of handout comparing the current Lehigh Valley Health Network athletic/physician services and proposal from St. Luke's. All attending committee members agreed to recommend the St. Luke's contract to the full board for approval at the May Board Meeting.

Real Estate Tax Collection Timeline

Review of the 2019-2020 Real Estate Tax Collection timeline handout. Mr. Foeller suggested implementing an application process to extend deadlines for taxpayers instead of extending all deadlines.

State Budget Update

The state and district budgets need to be passed by June 30, 2020. It is possible the state may pass a six-month budget for the time being. The district cannot count on the CARES Act money to be additional funding.

Open Discussion

Mr. Bradley questioned why the audit report has not been shared with the board. Ms. Denicola explained the audit report is in draft form and it is still being finalized and anything that is marked as a draft from the independent auditor is not shared with the public.

Mr. Bradley asked how much delaying due dates for real estate tax bills would impact cash flow and calculated it to be about \$400,000. Ms. Denicola explained she is still looking at the numbers and hasn't

finalized them because this situation has not happened yet. Mrs. Spinelli asked what revenue the district would have if the tax payers did not pay until the end of December.

An audience member asked about the current financial status of the 2019-2020 fiscal year. Ms. Denicola stated the budgeted revenues are \$41,361,426 and the total collected revenues are \$35,384,779. The budgeted expenditures are \$43,895,493 and the total expenditures are \$34,017,367. The district may see some savings due to the pandemic but Act 13 requires the district to continue to pay all employees.

There were additional conversations about the payment to audit firms, extending real estate tax collection deadlines, the St. Luke's proposal and paying employees in accordance with Act 13.

The meeting was adjourned at 7:05 p.m.

LEHIGHTON AREA SCHOOL DISTRICT

Jonathan J. Cleaver, Superintendent
Patricia J. Denicola, Business Administrator
Tina L. Champ, Assistant Business Administrator
1000 Union Street, Lehigh, Pennsylvania 18235
Telephone: 610-377-4490 Fax: 610-577-0032

“Partnering with students, families, and community to provide opportunities for life-long success through academic excellence and individual growth in a safe and supportive environment.”

Real Estate Tax Collection Timeline 2019-20	
Payment with Discount On or Before	September 30, 2019
Base Tax Due on or Before	November 30, 2019
Penalty on or After	December 1, 2019
Dates for Installment Payments	September 30, 2019 October 30, 2019 November 30, 2019

Should the state or District decide to extend the real estate tax due dates, the District would experience a significant cash flow challenge. A short term Tax Revenue Anticipation Note may be needed should real estate tax due dates be extended, additional information on a potential TRAN will be shared with the board should a TRAN become necessary.

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	Current	Proposed
Athletic Training Provider	Lehigh Valley Health Network	St. Luke’s
Athletic Training Fees	\$55,250 annually	\$0
District Physician Services	\$6,000 annually (+\$7/physical)	\$0

Additional benefits of St. Luke’s agreement:

- One additional Athletic Trainer
- D11Sports.com Streaming Equipment
- Moravian College Scholarship \$5,000 annually
- Athletic Training Room Supplies
- Sports Medicine Injury Claims Management System - \$35,000 approximate annual savings