

**Lehigh Area School District  
Finance Committee Virtual Meeting  
April 29, 2021 6:00 p.m.**

**Finance Committee Minutes**

The Meeting was called to order at 6:02 p.m.

**The following Board Members were present:** Mrs. Rita Spinelli, Mr. Nathan Foeller, Mr. Richard Beltz (absent), Larry Stern (audience), Gail Maholick (audience)

**The following Administration Members were present:** Jonathan Cleaver, Edward Rarick, and Rebecca Karpowicz

**George's Transportation Bill**

Mr. Rarick goes over the April Transportation Bill

Mr. Foeller is good to pay

Mrs. Spinelli is good to pay

**Budget Transfers**

Mr. Rarick goes over the budget transfers presentation. These will need to be board approved and will get the budget into the correct budget codes, no more balances being negative.

**PFM**

Mr. Rarick talks about the PFM Presentation and enclosure included in the agenda. He explains the restructuring of the bonds.

Mrs. Spinelli states that she remembers seeing that the auditors recommended to restructure or refinance in the audit.

Mr. Foeller has no questions but thanks them for putting this extra paper together it helps to make the necessary decisions.

Mrs. Spinelli states that if we go through with the restructure it would only be stupid if we spent those funds in our budget

Mr. Rarick states that this is correct and we should still budget to pay the bonds we would not remove those figures from the budget.

Mr. Foeller asked if this would have an impact on our cash flow issues

Mr. Rarick agrees

Mr. Foeller states he has no more questions and looks forward to this moving to the board

Mrs. Spinelli states the same

**2021-2022 Proposed Budget Update**

- **Library discussion**

Mr. Rarick reads a statement that he wrote in regards to the library budget

Mr. Rarick highlights the district's library enclosure included in this agenda and explains the contributions made by Lehigh Area School District and the local municipalities. What is the yearly contribution based on?

Mr. Rarick discusses the various contributions made over the past years and the variety in the dollars donated

Mr. Rarick talks about the various ways the district could contribute to the library and the many different options

Mr. Rarick is asking questions about where the dollar amount that we are currently giving the library came from and how it came about

Mrs. Spinelli talks about how the library does deserve the donation however we do not donate to the fire company or the police who do things for our students as well. The Library should look for a more legal and binding, library tax or some sort of foundation. Just giving funds at the whim of a board is not the best way to finance something as important as a community library.

Mr. Foeller comments that he has many people come to him about paying taxes when they don't either have someone in school or even have children, educated community is a strong community, understanding that this is part of being in a community. He explains a bit of his growing up and how he read a lot and how his education was supported by a library. He talks about the benefits of the library and how he has no issue to continue the funding the library. He has no position to the funds we give the library

Mr. Rarick talks about that this is a board decision to be made

Mr. Rarick reviews the budget update

Mr. Foeller asks if we still have a deficit in the balance – how does our fund balance go up

Mr. Rarick explains the fund balance and all of the ways we could not be in a deficit any longer, bringing students back from charter schools for one.

Mrs. Spinelli wants to clarify that this budget brings everything back to pre COVID conditions, transportation, sports and activities – the standards we were pre COVID

Mr. Rarick states that the budget does

Mr. Cleaver states that if we were to do the restructuring it would bring our fund balance to a better number

Mr. Rarick states that yes it will go dramatically higher and the ability to have future savings

Mr. Rarick states that the district has controlled costs and it is helping over all

Mr. Rarick explains that cost may vary depending on charter schools and the number of students who may come back – we may need to hire a teacher(s).

Mr. Rarick then explains that there are some unknowns with the charter cyber schools and the budget

Mr. Bradley asks about the new payroll contract and what was the total net payment related to that contract? Gave away two steps and \$159,000 in stipends. What is the difference between the 2020 budget and the one on line is fuzzy and needs to be rescanned? Change in our payroll expenses as a result of this new contract, steps, stipends and benefits.

Mr. Rarick will work on that

Mr. Bradley talks about the refinancing of the bonds

Mr. Bradley asks what was the financial metric used for the 159,000.00 in stipends to these teachers

Mr. Cleaver states this was part of the negotiations

Mr. Bradley states that if you extract some of the non-mandated services- which would be the police, social workers, and the department called the assistant to the superintendent, I asked this last week and was wondering if that was reviewed yet

Mr. Rarick and Mr. Cleaver both stated they did not see that email

Mr. Rarick talks about what that department does and that is the mandated reporting which is required by the state. Based on what the position is doing, it is necessary

Mr. Bradley will find the email and resend

Mr. Bradley states that the reason it looks like we are balancing our budget is because we took the maximum tax amount

Mr. Rarick stated it is going to charter schools

Mr. Bradley states that since he has been on the board the amount of waste and corruption has gone down

Mr. Rarick and Mr. Bradley continue to discuss some budget topics

Mr. Bradley then asks how the district legally spent money that was not assigned in the budget prior to these transfers, how did they consume those dollars, code is pretty clear how did this legally happen when it was not in the budget, how did you write those checks

Ms. Hawk comments on the public library issues, the timing of the payments is always requested by the library board representative and when they ask. She states that the library is part of the department of education and must do reporting. She then goes on to read a statement.

Mr. Cleaver asks Ms. Hawk to give the information when they do community events to be put on our website

Ms. Bowes asks that from April 12-29<sup>th</sup> the depth service payments jumped by \$250,000.00, it seems to have been removed in the new budget

Mr. Rarick state the correct number

Ms. Bowes states that this number also helped with the budget being balances

Mr. Rarick said that is was rolling up from one of his other spreadsheets

Ms. Bowes asks if we could see budget transfers prior to spending the funds in those areas, that it would be helpful to see the transfers before funds are spent

Ms. Bowes stated that on the PFM it could take three years for the credit rating to go up

Ms. Bowes states that she feels we will have more students come back to the district with the transportation coming back

Mr. Rarick agrees

Ms. Bowes another thing that would help – could not remember name but they left the brick and mortar because of bullying, she removed her child from the school. We need improvement there we could get more kids back; policy should be fairly applied across the board. As far as the restructure and refinancing- this must be considered very carefully. Concerns about these funds being spent.

**Next meeting date: June 14, 2021, 5:45 p.m.**

