



FINANCE STANDING COMMITTEE MEETING - Minutes

10/22/2018 [4:00PM-5:00PM] @ Board of Directors Room

1. Call to Order

The meeting was called to order at 4:00 p.m.

2. Roll Call

Committee Members:

Mrs. Lindsay Drew

Mrs. Kathy Sicher

Dr. Kip Shaw

Mr. Terry Singer, Chairperson

Citizen Advisors:

Faisal Aziz

Jeff King

Todd Shaeffer

Darby Valego

Administration:

Mr. Mike Frentz

New citizen advisors were welcomed and provided short introductions.

3. Approval of Summary Minutes

a. Motion to approve Sept. 24, 2018 minutes- Dr. Shaw; second - Lindsay Drew. Minutes were approved unanimously.

4. Unfinished Business

a. Review of unaudited 2017-18 financials

Expense Highlights

- once PSER's annual adjustments are made, expenses will come-in around \$490K under projected budget (not over as currently presented)
- health insurance costs were closer to budgeted amount than usual due to several individuals encountering serious health conditions (DTSD is self-insured)
- special education was about \$330K over budget due primarily to new, unanticipated enrollments
- about \$2M under-expended (including one-time payment from DCTS)

Revenue Highlights

- local earned income tax was about \$330K higher than budgeted
- real estate transfer fee was up \$150K higher than budgeted
- DTSD is 497th out of 500 school districts in the amount received from the state
- \$45M in permanent trust from Milton Hershey - about \$1.9M came from fund for 2017-18 (on March 31st annually a 5 year average balance is calculated and 4% is allocated annually to DTSD revenue - the fund is intended to operate in perpetuity)

□ Other Highlights

- \$2.3M reserved for PSERS (or portion thereof) could be repurposed at the direction of the board for health insurance, safe schools, etc.
- \$590,000 payment from Dauphin County Technical School is recommended to be earmarked for safe school improvements - the committee supported this recommendation
- \$8M in fund balance
- Capital reserve fund is \$4.5M

b. 5-year budget projection model

- the model is still be updated and will be used to project 2019-20 expenses
- initial projections should be available at the Nov. 26th committee meeting

c. committee goals

- identify board priorities (human resource/capital needs, short and long-term)
- decide whether board will plan to operate in 2019-20 within the 2.3% index or opt-out by Nov. 26th*
- contract review (prioritize contracts that will be expiring soonest) to consider opening them up to future competition; once priorities are determined full contracts will be reviewed)
- examine Milton Hershey Trust to determine if opening it up for bid would be beneficial (check with state to see what's involved with changing our Trustee)

5. New Business

a. Identification of priorities/action items

- board priorities (including decision to live within index)
- contract review
- Milton Hershey Trust

6. Public Comment

There was no public comment.

7. Adjournment

Meeting was adjourned at 5:07 p.m.

*While it was not stated during the meeting, it is expected that DTSD will live within the 2.3% index