



FINANCE STANDING COMMITTEE MEETING

11/26/2018 [4:00PM-5:00PM] @ Board of Directors Room

- FINANCE STANDING COMMITTEE MEETING -

1. Call to Order

Minutes

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

2. Roll Call

Minutes

Committee Members

Mrs. Lindsay Drew (excused absence)
Mrs. Kathy Sicher (present)
Dr. Kip Shaw (present)
Mr. Terry Singer (present)

Mr. Mike Frentz (present)
Mr. Joseph McFarland (present)

Citizen Advisors

Faisal Aziz (present)
Jeff King (present)
Todd Shaffer (present)
Darby Valego (excused absence)

3. Approval of Summary Minutes

a. Approval of Summary Minutes

Minutes

Motion to approve minutes was made by Mrs. Sicher. Mr. Shaffer noted that his name was spelled incorrectly. Mr. Singer noted that it will be corrected. Mr. Shaw seconded minutes and they were approved unanimously

4. Unfinished Business

a. 2019-2020 Budget/Index

Minutes

After considerable discussion about cost-drivers (full-day kindergarten, pension), the methods, data, and tools used to project revenues and expenses, as well as explanations regarding projected budget deficits over the next five years and controllable (personnel) and uncontrollable variables (health insurance, non-property tax related sources of income), the committee voted unanimously to recommend to the board that the district plan to operate within the 2.3% Act 1 index for the fiscal year 2019-20.

*It was noted that while budget projections over the next five years show deficits (even after factoring in revenue increases in accord with future Act 1 indexes), that the district is both very conservative in its projections and has progressively improved in managing costs through zero-based budgeting. Consequently, while the 2017-18 projections initially showed a \$700+K deficit, the unaudited financials for the year show almost a \$2M surplus.

5. New Business

a. Technology Presentation

Minutes

Traci Landry, Director of Instructional Technology and David Sweigert, Director of Infrastructure Technology made a presentation about a proposed new I-pad refresh initiative for our Kindergarten through Fifth grade students for the 2019-20 school year.

With leasing being the preferred option, it was recommended that the district enter into a four-year lease to purchase 1,066 32 gigabit I-pads at a cost of \$99,777 per year. It was recommended that this item be put into the general budget, as opposed to financing it through a one-time drawdown of the fund balance. AppleCare (level of support & warranty) will also be explored.

While the Curriculum Committee will have to approve the purchase from a pedagogic perspective, the Admin. was not calling on the committee for any action other than to recognize that these costs may need to be factored into the 2019-20 budget discussion.

b. Milton Hershey Trust Fund

Minutes

Mike explained that the following steps would be required to change the management of the district's Milton Hershey Trust:

1. A non-binding RFP would need to be issued to determine if any potential cost savings would make it worthwhile to pursue a change (including offering FFS an opportunity to participate)
2. If responsive bids yielded cost savings and/or service arrangements that the committee felt warranted utilizing a new fund manager (and the full board agreed), action steps 3 & 4 would be undertaken
3. Fulton Financial Management would have to agree to resign
4. Approval would be required from the PA Attorney General's office to authorize a switch in trustee management

Todd noted that additional information would be needed to understand ALL of the fees/costs (FFS, individual fund fees) associated with the management of the fund as well as the overall performance of the trust. Terry and Mike indicated that any further information required for full and transparent analysis would be provided.

c. Contract List

Minutes

Mike explained the contents of the contract list that was attached to the agenda. The committee members agreed to review the list (attached along with these minutes) and to rank by spend amounts, ending dates (soonest to latest), type of service,

negotiation/purchasing options (contracts that can be terminated by either party with notice, contracts that are month-to-month or year-to-year, cooperative purchasing arrangements), etc. so that the committee can determine targets of opportunities for potential savings.

6. Public Comment

Minutes

There was no public comment.

7. Adjournment

Minutes

The meeting was adjourned at 5:02 p.m.

The next meeting is January 28, 2019 at 4:00 p.m.