



FINANCE STANDING COMMITTEE MEETING

3/25/2019 [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. by Terry Singer, Chairman.

2. Roll Call

Minutes

Present: Kip Shaw , RegisBarwin, Mike Frentz, Jeff king, Lindsey Drew, Joe McFarland, Kathy Sicher Terry Singer, Darby Valego

Absent: Todd Shaffer (excused), Faisal Aziz (unexcused)

3. Approval of Summary Minutes

Minutes

Kip Shaw motioned for approval of the minutes, seconded by Kathy Sicher and unanimously approved.

4. Unfinished Business

Minutes

a. Updated 2019-20 budget requests/projected expenditures

Minutes

a. Review of 2019 -20 requested expenditures

- \$1.1M increase in expenses for personnel include PSERS costs (increased from 32% to 35%), increases for 2 new staff (safe schools supervisor, counselor at secondary level), general fund subsidy to food service budget to cover the Director of Food Service's salary (\$120,000 over 3 years - self-sustaining school-based food service programs are extremely difficult to attain amidst the cumulative PSERS cost pressures)
- while it was recommended that the District's stance relating to opting-in/opting-out of the federal school lunch program hold steady for 2019 -20, it was suggested that future cost considerations for the DTSD food services operation be considered at a later time by the General Services Committee for 2020-21. To facilitate and begin this review it was recommended that Mr. Hummel provide a tour of the Food Services operation for board members and that Mike provide a

timeframe/outline for making an opt-in/opt-out decision for HHS for 2020-21 for the April 29 meeting.

- insurance coverage costs for about 1,000 people (employees and dependents) were very high last year due to a high level of claims and have somewhat leveled out this year, however, no general budget increase is being proposed. As a self-insured employer it is challenging to predict from year-to-year what costs might be as expenses are claim-dependent, so Mike is recommending moving \$1.5 M from the PSERS stabilization fund (since PSERS increases have slowed) to a medical insurance reserve to account for variability in claims. This would require board action which will occur at the same time as approval of the overall budget.
- payments for graduate study (Act 93 and HEA) will be increased as this year's budgeted amount has already been expended
- increases are forthcoming for tuition costs related to DCTS, cyber schools HACC, and HOLA costs have been moved from tuition to the high school budget
- substitute teacher costs have leveled off and are now more predictable relative to usage/cost
- technology budget includes i-pad refresh for elementary school
- curriculum and instruction costs have increased due to replacement text books as well books for new courses (costs of replacement books is charged to instruction while books for new courses are charged to curriculum)
- increase in tax collection costs due to the increased in earned income taxes being collected (the tax collection costs are a % of the the total amount collected)
- decrease in transportation costs due to bringing in-house transport that had previously been provided by the IU.

b. Updated 2019-20 revenue projections

Minutes

b. Updated 2019-20 revenue projections

- revenue increases are expected due to increases in our local revenue (2.3% proposed tax increase) and overall health of the economy (earned income taxes, real estate transfer taxes)
- continued refinement of budget is expected to enable the DTSD to reduce its proposed 2019-20 tax increase from 2.3% to 2% or even a bit under
- only remaining variable that may impact revenue projections may be assessed property value information from the county

Future Budget Development/ Approval Schedule

April 29th - Finance Committee needs to recommend approval to full board of the preliminary budget

May 13th - full board receives preliminary budget for final review

May 27th - board approves preliminary budget

June 30th - final budget is approved by the board

c. Vendor fair

Minutes

c. vendor fair - no update . Mike and Terry will work on bringing something back to the

committee on April 29th.

5. New Business

Minutes

a. Utility contract review

Minutes

The Committee set as one of its 2018-19 goals a desire to gain more knowledge of specific contracts and the District's process for procurement. For this meeting Mr. Singer and Mr. Frentz chose the Electricity and Natural Gas contracts to be the first contracts to review.

Attached are our contracts for Natural Gas (South Jersey Energy) and Electricity (Constellation Energy). It should be noted that we have 2 contracts for Natural Gas, one being for the Basis costs, which are fixed and cover the transportation costs of the gas on the interstate pipeline. The second contract is for the NYMEX commodity cost of the gas we use.

In 2016 the District started using Universal Rate Associates (URA) as a third party consultant to access the electricity and gas markets.

6. Public Comment

Minutes

There was no public comment.

7. Adjournment

Minutes

Adjournment was motioned by Kathy Sicher, seconded by Lindsey Drew, unanimous vote to adjourn. Meeting was adjourned at 4:59 p.m.