

# Finance Committee Meeting

December 16, 2021



**COUNCIL ROCK**  
**SCHOOL DISTRICT**



# Agenda

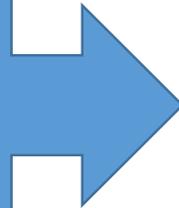
- Board Agenda Items
  - Team Mason Donation
  - Treasurer Appointment
  - Possible opt out resolution
- Discussion Items
  - 2022-2023 Budget Development Update
    - Opt Out Resolution
    - First Look - General Fund Budget
  - Transportation Bid update
  - Food Service
  - SpyGlass-telecom services audit



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# Team Mason Donation STEAM Lab at CES

Donation  
worth \$5,997!



12 wedge desks

Podcaster Kit

Wobble stools

Portrait cutters

Shelving and storage

FabMakerStudio  
software

Carpet pads

Re-Usable STEAM  
items



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# Treasurer Appointment

Business Manager is usually appointed treasurer of school monies annually.

Due to change in leadership, Assistant Business Administrator was appointed.

Requires several changes in Munis, and at the district's depositories



# Act One Opt-Out Resolution

- Option in Act 1 to bypass the statutory Preliminary General Fund Budget process.
  - CRSD is not eligible for Exceptions (SE, PSERS, Old Debt)
  - Referendum is not remotely likely (or needed) in the 22-23 budget cycle
- Streamlines administrative processes.
- Board can adopt LESS than Act 1 index in Final Adoption (June)



# 2022-2023 Budget Development

## Track 1: Adopt Opt Out Resolution

- Adopt resolution limiting tax increase to Act 1 index.
- Cannot file for exceptions (even if eligible)
- Do not prepare PDE-2028
- Deadline to adopt: January 28, 2022
- CR Board Consideration: January 6, 2022
- Board can always adopt less than Act 1

### RECOMMENDED ACTION

## Track 2: Adopt Preliminary Budget

- Advertise and consider in February 2022
- Ineligible for exceptions
- Need to prepare PDE-2028/Advertise/Post
- Deadline to adopt: February 16, 2022
- CR Board consideration: February 3, 2022



# Guiding principles of budget development

- Control the costs we can control
- Minimize the impact of rising fixed costs
- Preserve/strengthen existing programs
- Explore opportunities
- Leave room for the unexpected!



# 2022-2023 Preliminary Budget – First Look

## Fund Report - Historical Years by Fund

	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Budget
<b>Total Revenues</b>								
Total Revenues	\$215,779,441	\$216,348,749	\$226,003,958	\$232,465,025	\$238,853,555	\$241,963,686	\$253,103,077	\$248,789,330
<b>Total Expenditures</b>								
Total Expenditures	198,893,416	204,758,760	209,018,161	217,295,601	219,404,521	222,690,807	224,794,981	250,153,680
Debt Service	16,368,407	16,127,561	17,926,504	17,871,014	18,568,960	18,570,508	18,365,253	0
Total Expenditures	215,261,823	220,886,320	226,944,665	235,166,615	237,973,481	241,261,314	243,160,234	250,153,680
<b>Operating Results</b>								
Net Operating Result	517,618	(4,537,572)	(940,707)	(2,701,590)	880,074	702,371	9,942,843	(1,364,350)
Capital Inflows	0	0	0	0	0	0	0	0
Capital Outflows	0	0	0	0	0	0	0	0
<b>Fund Balance</b>								
Starting Fund Balance	29,047,327	29,564,945	25,027,374	24,086,667	21,385,077	22,265,151	22,967,522	32,910,365
Surplus/Deficit	517,618	(4,537,572)	(940,707)	(2,701,590)	880,074	702,371	9,942,843	(1,364,350)
Ending Fund Balance	29,564,945	25,027,374	24,086,667	21,385,077	22,265,151	22,967,522	32,910,365	31,546,015
<b>Transfers &amp; Adjustments</b>								
Transfers In	0	0	0	0	0	0	0	0
Transfers Out	6,181,453	4,000,000	3,312,492	3,255,553	140,519	3,042,474	5,937,741	20,916,401
Beginning Balance/Adjustments	0	0	0	0	0	0	0	0

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# Taxpayer Impact of a full Act 1 Increase

Assessed Value	20-21 Enacted	22-23 Max Tax			diff per year	diff per month	diff per week	diff per day
	Tax Levy	July '21 Tax bill	Levy (Act 1)	July '22 Tax bill				
108800	132.8073	\$ 14,449.43	137.3227	\$ 14,940.71	\$ 491.28	\$ 40.94	\$ 9.45	\$ 1.35
98800	132.8073	\$ 13,121.36	137.3227	\$ 13,567.48	\$ 446.12	\$ 37.18	\$ 8.58	\$ 1.22
88800	132.8073	\$ 11,793.29	137.3227	\$ 12,194.26	\$ 400.97	\$ 33.41	\$ 7.71	\$ 1.10
78800	132.8073	\$ 10,465.22	137.3227	\$ 10,821.03	\$ 355.81	\$ 29.65	\$ 6.84	\$ 0.97
68800	132.8073	\$ 9,137.14	137.3227	\$ 9,447.80	\$ 310.66	\$ 25.89	\$ 5.97	\$ 0.85
58800	132.8073	\$ 7,809.07	137.3227	\$ 8,074.57	\$ 265.51	\$ 22.13	\$ 5.11	\$ 0.73
48800	132.8073	\$ 6,481.00	137.3227	\$ 6,701.35	\$ 220.35	\$ 18.36	\$ 4.24	\$ 0.60
MAV → <b>38800</b>	<b>132.8073</b>	<b>\$ 5,152.92</b>	<b>137.3227</b>	<b>\$ 5,328.12</b>	<b>\$ 175.20</b>	<b>\$ 14.60</b>	<b>\$ 3.37</b>	<b>\$ 0.48</b>
28800	132.8073	\$ 3,824.85	137.3227	\$ 3,954.89	\$ 130.04	\$ 10.84	\$ 2.50	\$ 0.36
18800	132.8073	\$ 2,496.78	137.3227	\$ 2,581.67	\$ 84.89	\$ 7.07	\$ 1.63	\$ 0.23
8800	132.8073	\$ 1,168.70	137.3227	\$ 1,208.44	\$ 39.74	\$ 3.31	\$ 0.76	\$ 0.11

MAV= Median Assessed Value



# How much tax revenue would an Act 1 increase generate?

	Current Levy	Act 1 Levy @ 3.4%
Millage	132.8073	137.3227
Revenue Generated	\$ 172,335,979.51	\$ 178,195,402.81
Potential Increase	-	\$ 5,859,423.30



# Transportation Update

Updates Since November 1, 2021



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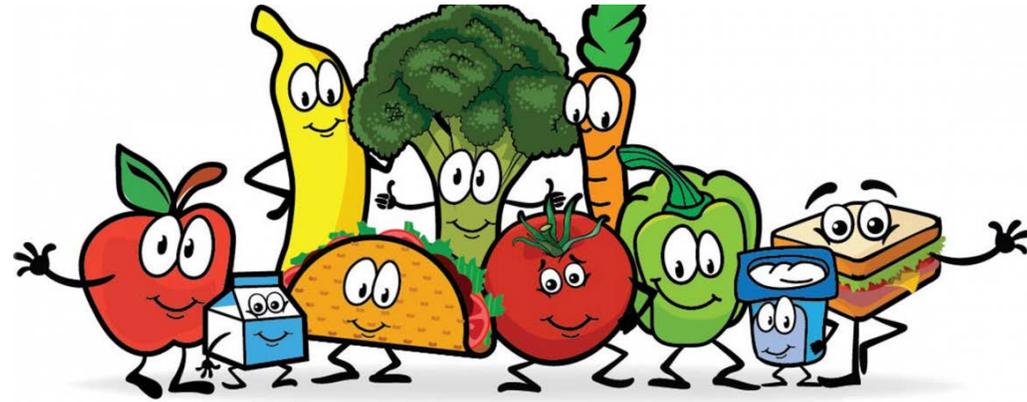
- CR Staffing Changes
  - New drivers are working and their coverage is maximized
    - Since both drivers started, average routes missed per day declined by 12!
  - Increasing Bus Monitor count
    - Backfilled 2 open positions & Working to fill a 3<sup>rd</sup> Temporary Position
    - New employees starting 12/7 & 12/13
  - Updating Bus Monitor Position Definition from 5 hours to 6
    - Six hours is a more accurate baseline
    - At 6 hours position becomes benefits eligible
    - Makes position more attractive for hiring
  - Will alleviate coverage issues related to Bus Monitor shortages that pull drivers off of routes to backfill absent Monitors
- RFQ For 2 Additional 9 Passenger Vans
  - Requesting quotes for New and Used Vans
    - Including used vehicles may help reduce lead time
    - Will enhance our coverage via increased vehicle access
- Transportation RFP Results
  - Received competitive proposals from two National School Transportation Providers
  - Proposal combinations result in rate per 6 hours increases ranging from 5.5% to 16.6% over 21-22 SY
    - The proposed increase is far less than anticipated and much less than increases seen in surrounding districts who have gone to bid recently
    - Central Bucks increased by over 30%, Quakertown increased by over 20%



- Primary Goal of RFP Was Control Cost Via Competition Between Vendors
  - RFP set specific bid scenarios to make CR a two vendor district
  - We were very successful in attracting vendor interest
    - The number of vendors we attracted mitigated our rate increase & presents options for the future
    - Proposals as is contain pricing that is much better than increases seen by neighboring districts
    - Splitting CR between two vendors will create competition ultimately benefitting students and improving the transportation experience for all of Council Rock
  
- Proposal Pricing Scenarios
  - Pricing above is prior to follow up negotiations with bidders
  - Rates may be reduced from the pricing shown

Proposals Compared to Current & Lowest Cost Options						
	Vendor	Depot	Rate	Amount	% increase	% compared to
Minimum Increase	Bidder 1	Both	\$ 479.82	\$11,659,626.00	4.0%	over current
Scenario 1	Bidder 1	Newtown	\$ 487.44	\$7,984,267.20	5.7%	over current
	Bidder 2	Wrightstown	\$ 527.81	\$5,225,319.00	14.4%	over current
			Total	\$ 13,209,586.20	13.3%	over lowest cost
Scenario 2	Bidder 1	Wrightstown	487.44	\$ 8,390,818.80	5.7%	over current
	Bidder 2	Newtown	512.26	\$ 4,825,656.00	11.0%	over current
			Total	\$13,216,474.80	13.4%	over lowest cost





Food Services

Update



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# Food Service

- Similar to transportation, staffing challenges continue to hinder efficient operations.
- Continue to advertise and recruit new staff in this area.
- We are experiencing frustrations with advertised menu items not being available due to supply chain issues. Communication is planned to notify the CR Community about the issue, and how we plan to communicate these changes as soon as possible, but likely on the day of menu production.



Budget Guiding Principle:

Control the costs we can

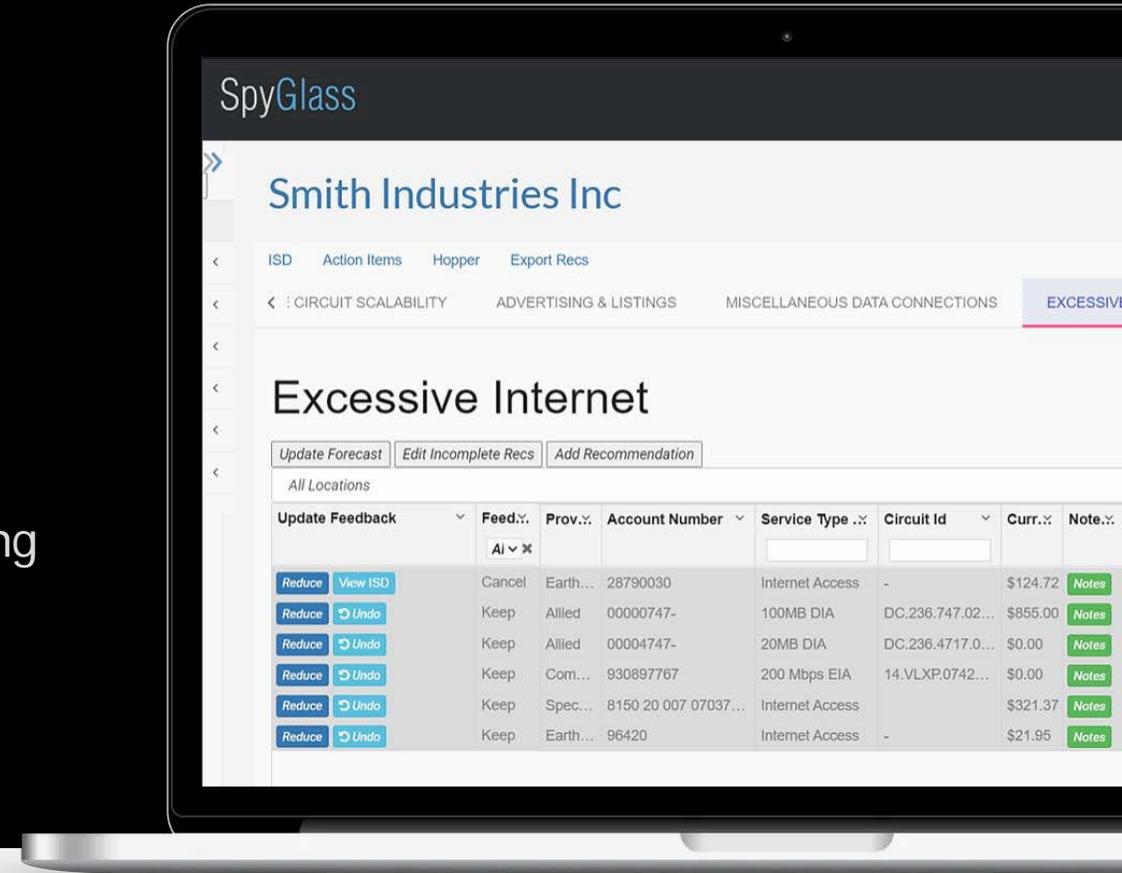


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# SpyGlass

## Challenging the Technology Cost Status Quo

Our robust technology expense audits are known for finding errors and inefficiencies in **99%** of engagements.



Carleigh Walter | [Regional Director, Sales](#)

(216) 308-4635, [cwalter@spyglass.net](mailto:cwalter@spyglass.net)

[www.SpyGlass.net](http://www.SpyGlass.net)

**99%**

*Audit Savings Success*

**60%**

*Recovered Funds*

**25%**

*Avg. Monthly Savings*

**13,000+**

*Clients and Growing*

**2,600+**

*Audits in 2019-2020*

**\$85M+**

*Identified Savings*

[LEARN MORE](#)

# OUR PROCESS

# SpyGlass



## Getting Started

It's easy to get started:

- Submit technology billing from the most recent two months
- Sign one Letter of Agency (LOA)
- Schedule a Kickoff Meeting



## Analysis

Audit Team creates inventories by:

- Dissecting all fixed and variable costs
- Analyzing data from inventories, bills, contracts, tariffs and usage information



## Summary of Findings

Implementation Team provides recommendations, including:

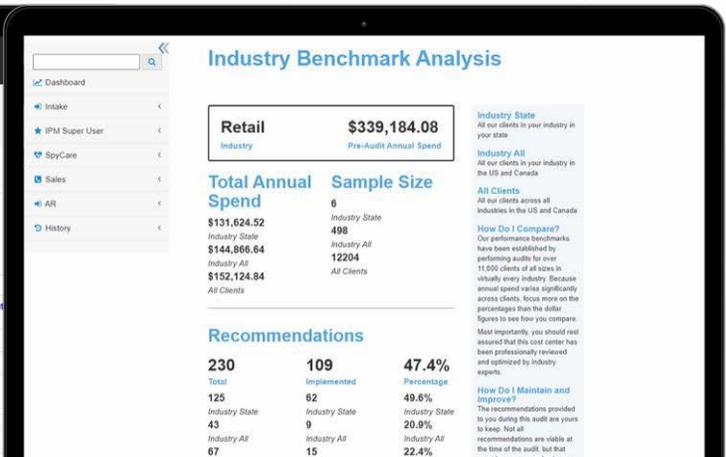
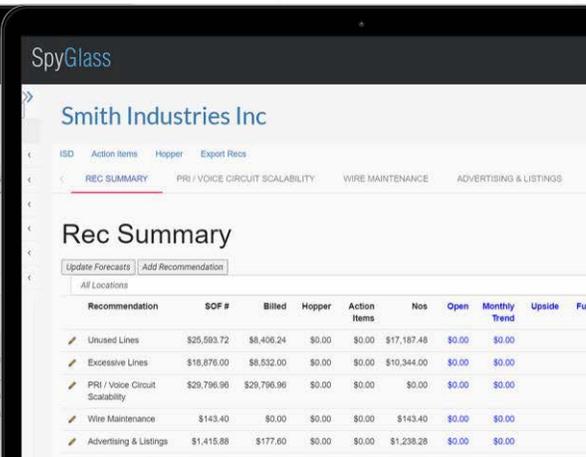
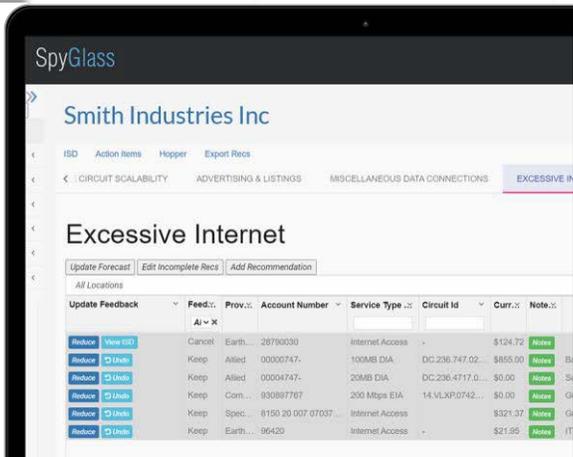
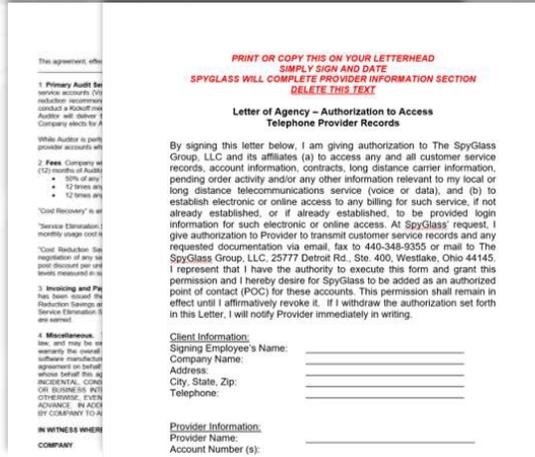
- Recovery
- Service Elimination
- Cost Reduction



## Benchmark

Finalize the process with our proprietary Benchmark Analysis:

- Compares spend against the industry
- Compares Recommendations against the industry



# SpyGlass

## Recovery:

- Improper tax or tariff applications
- Improper discount applications
- Old services
- Incomplete order entry

## Service Elimination:

- Dormant services
- Services associated with old locations
- Excessive services

## Cost Reduction:

- Latest discounts and promotions
- Plan optimization
- Benchmark analysis

The image displays the SpyGlass interface across multiple devices, including a laptop, a tablet, and a smartphone. The background features an AT&T bill and a contract summary.

**AT&T Bill (Sep 2 - Oct 1, 2017):**

Item	Amount
Previous Bill	15.2
Payment	
Adjustments	3
Past Due - Please Pay Immediately	15.6
Current Charges	9.7
<b>Total Amount Due</b>	
Current Charges	

**Summary Page (Laptop):**

Recommendation Category	Savings Potential (Total)	Savings Potential (Remaining)	Declined (No Savings)	Accepted (Savings)
<b>Elimination</b>				
Excessive Lines	\$2,568.00	\$0.00	\$960.00	\$1,608.00
Landline Features	\$300.00	\$300.00	\$0.00	\$0.00
Advertising & Listings	\$144.00	\$144.00	\$0.00	\$0.00
Excessive Internet	\$3,300.00	\$0.00	\$0.00	\$3,300.00
Unused Wireless	\$2,148.00	\$1,332.00	\$0.00	\$816.00
<b>Cost Reduction</b>				
	\$2,160.00	\$0.00	\$0.00	\$0.00
	\$7,200.00	\$0.00	\$0.00	\$0.00
	\$6,000.00	\$0.00	\$0.00	\$0.00
	\$900.00	\$0.00	\$0.00	\$0.00

**Health Check 1 (Laptop):**

Type	Update	Feedback	Feedb...	Location	Service Type	Line #	Cur...	Note...	Last Update	
Unused	Cancel	Open	Medium	Open	Full null, null	Smartphone	484 955 2130	\$10.00	Active	Hotspot
Unused	Cancel	Open	Medium	Open	210 George St	POTS		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	Federal Tax		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	State Tax		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	State Tax		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	Federal Tax		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	State Tax		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	State Tax		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	State Tax		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	State Tax		\$0.00	Active	
Unused	Cancel	Open	Medium	Open	Full null, null	State Tax		\$0.00	Active	

**Industry Benchmark Analysis (Tablet):**

Category	Value	Sample Size
Total Annual Spend	\$0.00	
Recommendations	68	46
Annual Savings Opportunity	\$30,412.20	Infinity%

Our Fees are 100% Success-Based  
We Earn Only What We Implement



## 1 RECOVERY: How we earn 50%

1. We identify you have been billed a total of \$10,000 in faulty charges on past bills.
2. We work with the carrier on your behalf to ensure you're issued a credit or payment for the \$10,000 in faulty charges.
3. We earn \$5,000, half of the recovered costs.

## 2 FORWARD LOOKING: How we earn 12X monthly savings

1. Our analysis shows \$100 per month in dormant lines can be canceled.
2. You agree to cancel the dormant lines; we execute the cancellations with the carrier.
3. We earn \$1,200 (12 months X \$100 monthly savings).

# SpyGlass

Learn about our process in the short video below



[www.SpyGlass.net](http://www.SpyGlass.net)

