

# FINANCE MEETING

08/28/2023 [05:00 PM-06:00 PM] @ Board of Directors Room

---

## 1. Call to Order

### Minutes

Mr. Rizzo called the meeting to order at 5:06 p.m. and announced the meeting was being live streamed and audio recorded.

## 2. Roll Call

### Minutes

**Members in Attendance:** Lindsay Drew, Michael Rizzo, Ericka Schmidt, and Terry Singer

**Members Absent:** Kathy Sicher

**Citizen Advisors Absent:** David Katz and Joshua Smith

**Non-Voting Members in Attendance:** Michele Agee, Sheryl Pursel, Tawnja White, and Stacy Winslow

**Attendees:** Jared Nicholson

## 3. Approval of Summary Minutes

### Minutes

Following a motion by Ms. Drew, and a second by Mr. Singer, the Minutes were approved.

## 4. Unfinished Business

## 5. New Business

### 5.a. Quarterly Update - MS Hershey Trust Fund - Fulton Financial Advisors

#### Minutes

Sheri Leo of Fulton Financial shared the following:

- background / history of the Trust
- Fulton Financial offers \$5000 for scholarship to a student at the school
- review of payment history as noted in the chart
- goal to keep the pay out of the fund between 2% and 7% with 4% being ideal to allow the Trust to grow which will give a larger piece of the bucket at 4%
- 4% for 2023-24 - \$1,848,155 set up in quarterly payments on the 20th of September, December, March, and June
- as of 7/21/23 the account had \$49,243,100.57
- growth strategy of 65% stocks and 35% bonds with leave way to move around within Fulton guidelines and policies as needed
- year to date performance - started year with \$45,146,012 and ended with \$49,243,100 - \$4.7 million market appreciation
- currently sitting at 12% returns for the past 6-7 months that is likely to change the second half of the year

### 5.b. Financial Planning for Capital Projects - Raymond James

#### Minutes

Lou Verdelli and Olivia Atlasik of Raymond James Public Finance for Financial Planning of Capital Projects had the following to share:

- maintaining AAA rating - 1 of 10 school districts in PA to do so - translates into borrowing money at the lowest cost possible
- existing debt - \$17,624,632
- must spend borrowed tax exempt monies within 3 years
- transaction timeline is 60-90 days
- School districts have unique opportunity due to recent interest rate increases by the fed
- arbitrage - borrow money at a specified rate i.e., 4% and then invest that money at a higher rate i.e., 5% = 1% of positive arbitrage
- opportunity to borrow \$15,000,000 in advance of a project. The funds can be invested to earn significant interest income without requirement to rebate any arbitrage back to the federal government
- doing this will allow for a potential gain of \$1.2 million dollars on the \$15,000,000 borrowed
- debt service will be dropping off rapidly in the next couple of years, running scenarios that wrap around the drop of debt thereby minimizing any budget impact that the new borrowings would cause
- current non-electoral and lease rental borrowing capacity is \$131,020,823
- still below 30 year averages for bond rates
- as the debt service comes on line the millage would bump up by about a third of a mill a year over the next three years to manage the debt on the budget on an annual basis
- if the tax base grows there would be less need to increase taxes
- this transaction must be finalized by end of December

Following a motion by Ms. Drew and a second by Mr. Singer, the recommendation of the Finance Committee to have a presentation to the full board on potential financing at the September 11, 2023, board meeting, was approved.

### 5.c. Financial Update

1. Audit Update
2. PA State Subsidies
3. Capital Reserve Plan Update

#### Minutes

Mrs. Pursel shared the following on the:

- currently cleaning up and closing out year end
- pushed audit back until October 9th
- will be in better shape for year-end numbers at that time
- PA State Subsidy Funding still has School Mental Health & Safety and Security Grant still as an unknown

### 5.d. Contracts

#### Minutes

Mrs. Pursel shared that she had created the google doc that the board members requested, which was well received and will be shared with the full board.

## 6. Public Comment

#### Minutes

There was no public comment for the committee.

## 7. Adjournment

### Minutes

Mr. Rizzo adjourned the meeting at 6:14 p.m. following a motion by Ms. Drew and a second by Mrs. Schmidt.