

# FINANCE MEETING – BUDGET 3/11/2024 5:00 PM BOARD OF DIRECTORS ROOM

## 1. Call to Order

### Minutes

Mr. Rizzo called the meeting to order at 5:00 p.m. and announced the meeting was being live streamed and audio recorded.

## 2. Roll Call

### Minutes

**Members in Attendance:** Lindsay Drew, Stewart McCarver, Michael Rizzo, and Jennifer Renz

**Citizen Advisors:** Michael Bunn, and Brian Ostella

**Citizen Advisors absent:** David Katz, and Joshua Smith

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

**Attendees:** Bob Bennett, Joshua Cysyk, Jared Nicholson, Jason Reifsnyder, Honesta Romberger, Tracey Royo, Ericka Schmidt, and Lou Verdelli

## 3. Approval of Summary Minutes

### Minutes

Following a motion by Dr. McCarver, and a second by Mrs. Renz, the minutes were approved.

## 4. Unfinished Business

### 4.a. Audit Update

#### Minutes

Mrs. Purcell shared the following on the audit update:

- items still open that need completed and turned into the auditors
  - will work on those items tomorrow
- tax office wrap up as well

## 5. New Business

### 5.a. Revenue Projections

#### Minutes

Mrs. Pursel shared the following on the Revenue Projections:

Real Estate Tax Millage Increases:

- grown a little bit from the end of last year
- 1% equals about \$415,000 in our budget

EIT Collection Estimate

- asked for projections of earned income and as well as occupation- earned income is possible but occupation is not

- projecting 6.3 million dollars for 2024-25
- expect 6.3 million dollars for current year as well

#### Occupation Tax Collections

- Keystone really can't project occupation taxes because of move ins and move outs and this tax is based on where they are working
- collections are very strong in both current and delinquent tax collections
- they're scanning their databases for any new that they will automatically send out monthly bills to
- expect this to be higher
- the first year is under our belt and we have a good grasp on what this collection process looks like now
- really trying to work out all the bugs prior to our big mailing that goes out in July

#### PA Subsidy Funding

##### local

- no change from last month
- still set on what we're getting for this year
- no change in talks from the state level

#### DTSD Summary Financials

- working to come up with some good projections to give a better idea earlier on of where we will land
- will keep looking at the data as it comes in to make adjustments for 24-25 accordingly for the proposed budget
- will work with the county to get the combined numbers for interim plus current separated
- projecting the Pilot at 1.1 million dollars
- looking to get a better handle on what has been pushed out as far as bills, and what they're showing is current due
- amusement tax came in at 1.6 million last year and its estimated at 1.7 million this year
- IDEA is pass through money that goes to our local IU

##### state

- the only thing new in State funding right now are The School Mental Health and The Safety and Security Grants that just opened up
- Mrs. Sviben Miller just completed the grant applications with the State
- eligible now but we won't start spending the funds until the next school year

##### federal

- the loss of ESSER funds
- will likely see significant drop in funds

##### other

- Milton Hershey Trust
- expected in April with a March 31st valuation of the trust
- currently at a 4% draw
- will get an idea of what options are for next year's draw

Following a motion by Ms. Drew with a second by Dr. McCarver, the committee recommend to the full board approval of the Interfund transfers.

## 5.b. Elementary Project Financing

## Minutes

Dr. Winslow shared the following:

- met with Fidevia last Wednesday
  - to bring them up to speed on the project
  - they asked two questions we had no answers to
    - what is our budget
    - what is our upset price - the walk away number
- we have been using a hypothetical number of \$100 million to help plan
  - we cannot continue to operate from a hypothetical number and give solid recommendations, particularly around tax increases to support debt service
- do NOT need any additional taxes to support operations
  - the economy in our area has rebounded
  - with ESSER funds going away at the end of this fiscal year, many districts are facing what is being called a Fiscal Cliff
  - we are NOT facing that cliff
  - with the education funding increases from the state, and last year's tax increase, .8% of which went towards operations, we are in excellent shape for standard district programming
- we asked Raymond James to prepare scenarios for us for funding the building project at three different price points
  - \$100 million
    - hypothetical planning number (close to square footage costs)
  - \$125 million
    - accounts for renovations of the ECC with possibly moving district offices on campus in the ECC
  - \$140 million
    - this is the number we were given for a new build in March of 2020
    - we shelved and walked away from the project both because the Covid financial situation was a great unknown, and because that number felt outlandish
    - what is our walk away number in 2024?
  - Our goal:
    - to guide the architect and his team
    - to prepare our budget to support our building plans
  - we asked on Thursday and the scenarios were done and in our hands by Friday afternoon - gratitude to Raymond James Team
    - looking at around 265,000 square feet
    - current costs are coming in at about \$400 a square foot
    - puts us at \$106 million for the building
    - soft costs for fixtures, furniture & equipment are 6-8% of the construction costs - \$7.5 million
      - with careful management, could pay out of pocket if we choose to
    - none of these figures take into account a renovation of the ECC and a move for the district office
- Lou Verdelli of Raymond James walked the committee through the attached documents

## 6. Public Comment

### Minutes

There was no public comment for the committee.

## 7. Adjournment

### Minutes

Mr. Rizzo adjourned the meeting at 6:15 p.m. following a motion by Mrs. Renz and a second by Ms. Drew.