

FINANCE MEETING

04/22/2024 [05:00 PM-06:00 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, Jennifer Renz, and Michael Rizzo

Citizen Advisors: Brian Ostella

Citizen Advisors absent: Michael Bunn, David Katz and Joshua Smith

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

Attendees: Joshua Cysyk, Kyle Ireland, Jason Reifsnyder, Honesta Romberger, and Tracey Royo

3. Approval of Summary Minutes

Minutes

Following a motion by Dr. McCarver, and a second by Ms. Drew, the minutes were approved.

4. Unfinished Business

5. New Business

5.a. Quarterly Update MS Hershey Trust - Fulton Financial

Minutes

Kyle Ireland of Fulton Financial shared the following on the Milton Hershey Trust Fund:

- review of background and history of trust
- payment history with draw/disbursement percentage of each year
- fiduciary expertise of Fulton Financial for the trustee benefit
- quarterly update as of 3/31/2024
 - current market value is \$53,449,346
 - 4% cash position within the allocation
 - 23% bonds

- 68% equities
- 4.5% alternatives
- Fulton Financial, based on current market conditions
 - becoming a little credit sensitive
 - upping credit quality
 - shorter duration than indexes
 - positioning for extending duration for expected rate cuts from the Fed
- within the equity portfolio-
 - a little bit more large cap weighted than small cap
 - mid caps a little bit more growth weighted than value weighted
 - a little bit more domestically oriented
- performance has been very solid at about 7% returns to start the year - benchmark of 5.2%
- outperformed benchmark in 2019, 2020, and 2021 - very positive years
- negative year overall in 2022 for equity and fixed income markets
- strong performance in 2023, up almost 17% compared to benchmarks 16% return
- compound annual return of 8.26% since inception compared to benchmarks return of 7.05% return
- across 5, 3, and 1 year periods - all asset classes within the account have beaten their respective benchmarks
- top contributors-
 - large cap growth had been the number one performer over the last 12 months
 - large cap value also strong performance
 - equities have beaten fixed income

5.b. Monthly Update

5.b.a. 2023-24 General Fund Revenues

Minutes

Mrs. Pursel shared the following on the General Fund Revenues:

- 97.2 collection rate net
- delinquent real estate taxes are minimal - most paid to receive the 2% discount
- brought budget amount for next year down to 600,000
- ocp tax is a watch area that could still potentially go up
- looking to get a better understanding to allow for a good projected amount for the 24-25 budget
- interest income is pausing on rate drop until the fall sometime
- consortium students - prior to 22-23 there were several students on site - 23-24 we have one, due to home district funds, we recognize revenue but will likely not see cash
- pulled consortium student projection for 24-25 back to \$100,000 instead of \$300,00
- currently at 4% draw/distribution from the trust for the year
 - Fulton Financial can come on May 20th if we want to have more conversation for changing the draw/distribution percent for next year based on need

5.b.b. 2023-24 General Fund Expenses

Minutes

Mrs. Pursel shared the following on the General Fund Expenses:

- will be better able to project year end at the end of April for the May Finance meeting
- at this point in the year revenues outpace expenses which will come in during July and August
- with Penn State Health no longer as a tenant, the Granada building ceases to be a revenue generating entity
 - as of June 30th the Granada fund will be shut down and the 1.3 million dollars will be moved back to the general fund
 - will show as an increase to the general fund but will remain specific to Granada to offset \$250,000 of expenses in insurances and general upkeep of the building
 - we do still have some room/space rentals; the bottom part of the gym and Life Church but they don't warrant keeping the fund open
 - the transfer of the Granada fund will be brought to the Finance committee in May with Board approval in June

5.c. 2024-25 Budget Update

Minutes

Mrs. Pursel shared the following on the regarding the 2024-25 Budget Update:

- currently transportation expenses are up due to the rising cost of propane and auto insurance, will increase that budget line item to accommodate the increases
- the current salary figures at the last Finance meeting were missing the pay weeks since February due to a functionality that wasn't completed between running payroll and actual posting
- scaling back the salary budget line is an option but caution is advised
- worker's comp is increasing due to claims with the insurance

Ms. Drew made a motion, followed by a second from Mrs. Renz, the committee not provide a budget recommendation at this time, but bring it to a full board discussion. The committee approved the motion.

5.d. Contracts

6. Public Comment

Minutes

There was no public comment for the committee.

7. Adjournment

Minutes

Mr. Rizzo adjourned the meeting at 6:02 p.m. following a motion by Ms. Drew and a second by Mrs. Renz.