

# FINANCE MEETING

05/20/2024 [05:00 PM-06:00 PM] @ Board of Directors Room

---

## 1. Call to Order

### Minutes

Mr. Rizzo called the meeting to order at 5:01 p.m. and announced the meeting was being live streamed and audio recorded.

## 2. Roll Call

### Minutes

**Members in Attendance:** Lindsay Drew, Michael Rizzo, Stewart McCarver, 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:** Josh Cysyk, Ryan Myslinski, Jared Nicholson, Honesta Romberger, and Tracey Royo

## 3. Approval of Summary Minutes

### Minutes

Following a motion by Ms. Drew, and a second by Mrs. Renz, the Minutes were approved.

## 4. Unfinished Business

## 5. New Business

### 5.a. Monthly Update - 2023-2024 General Fund Revenue and Expenses

#### Minutes

Mrs. Pursel shared the following on the Revenues:

- the governor's budget looks to including a significant increase to the homestead/farmstead line items
- OCP tax increase - will be at least 2.5 if not higher - Keystone Collections to be in touch with more definite number

### 5.b. Fund Balance

#### 5.b.a. General Fund Designations

## Minutes

Mrs. Pursel shared the following on general fund designations:

- final fund balances - meeting with Boyer and Ritter Thursday to prepare for June 10th
- committing health benefits- two million, retirement stabilization - five hundred thousand, and committed seven million - ear marking for a commitment to the elementary school build, and unassigned balance of five point two million (within the PDE regulations of 8% of the general fund budget - can't go over five point seven million)

## 5.b.b. Food Service

### 5.b.b.a. Equipment Purchases

#### Minutes

Mrs. Pursel shared the following on Food Services equipment purchases:

- on this evenings board agenda to approve the equipment
- Food Services fund looks like a negative \$780,000 but is running pretty good right now
- Food Services is basically a business entity and needs to recognize PSERS liability of one point six million dollars making the fund appear to be negative
- as of this point in time the food services fund balance on 6/30/23 is actually one point two million dollars and have the balance to pay for the equipment being purchased
- one hundred fifty-thousand of the four hundred thousand balance was transferred from the general fund to the food service fund - something to be considered moving forward

## 5.b.c. Capital Reserve

#### Minutes

Mrs. Pursel shared the following on the Capital Reserve:

- remains the same as it was at the end of 22-23 school year with the projects to look at for the 23-24 school year
- focus has been repair and maintenance things with Mr. Fready coming on board in November
- some capital plan projects have been put on hold
  - Rettew working with the storm water and parking lot projects that are tied up with the Conservation District
- will work with Mr. Fready to bring forward a cap plan for the 24-25 school year in August and where things stand at that time with projects
- the cap plan was approved in June of 2023 to end with a balance of six point five million, and the final balance after the audit is finalized just over seven million
  - costs may have come in lower than estimated
  - county grant contributed as well
- enough work has been done district wide to satisfy the rolling three year timeframe of fund utilization

- Policy 625.1 for capital reserve fund states an annual update be included with the budget - look at any measures that need to be taken to acknowledge that the Board needs to approve an exception to policy so as to not be in a position of inadvertently violating policy

### 5.c. 2024-2025 Final Budget Update

#### Minutes

Ryan Myslinski, our insurance consultant with AIA, and Mrs. Pursel shared the following:

- definitions:
  - stop/loss insurance - when an individual has a medical condition that exceeds \$170,000, the district pays the first \$170,000 and then after that the stop loss insurance picks up
  - laser - a known risk on the plan
- shopping insurances
- have been with Pareto since July of 2020 -
  - considered going with Pareto due to premium increases at renewal of 45 to 47% which was a means for financing the risk of high-cost claimants which the district had some at the time
  - at the time we opted to go with Pareto because the risk share with a capital arrangement - meaning it's risk share with other employers that allows the district to purchase a reinsurance policy that's best in class or best in the market
  - the risk share offers options like the renewal will not exceed a 30% rate increase
  - high cost claimants severity the reinsurance policy has no new laser protections as part of that into perpetuity as long as you are a part of the captive
  - these options are not available on the market
    - typical rate caps are at 40-50% as opposed to 30%
    - no new laser provision is only for one renewal cycle at a time - they will laser a member at a higher liability to the district than \$170,000 for the district to cover that liability
  - July 2022, Pareto identified 2 cancer claimants that would have otherwise been lasered but due to the policy and the protection of the Pareto Captive, the laser was not applied
  - in comparison of evaluating other captive arrangements, Pareto was found to be much more advantageous
  - focused on cost containment programs
  - if the district left Pareto and then returned, the district would be considered a new member to the captive, at which time Pareto would be able to apply lasers on any member due to the first year of joining the captive
  - in loss ratio - since joining Pareto Captive, the reinsurance versus premiums collected, the district is running at 124% loss ratio - meaning they've been paying out 24% more in claims than they've collected in premium based - on the risk profile - causing the renewal that has come in
- Highmark option -
  - switching to Highmark would give the district a savings of \$211,000-\$213,000 on the premium
  - more favorable plan for the next two years
  - considering the reinsurance increases of Highmark at 50% (possibly 100%) versus the 30% increase at Pareto the cost savings catch up might hit us in July of 2026
  - premium savings could be wiped out by high medical expenses

- The HR committee, including three of the members from Finance, will discuss and dive a little deeper in order to make a recommendation to the full board in June

Additional information from Mrs. Pursel:

- went line by line and identified all the seats and confirmed who is out, who is the replacement
- identified about another one hundred fifty thousand dollars that could be removed from the professional salaries line
- more costs did come in
- discovered the Dauphin County Technical School for two hundred ninety thousand dollars of debt service was listed and also included under the debt service line item
- currently expenses are about seventy-six million eight hundred thousand
- currently revenue at seventy-six million
- showing a deficit of eight hundred twenty eight thousand dollar deficit for the 24-25 budget
  - expect a quarter of a million dollars to the good on the OCP taxes when they come in to reduce the deficit to six hundred / six hundred five thousand
  - if we go with HMIG that will be another two hundred thousand towards the deficit
  - workers comp is three hundred twenty-nine thousand, up from budgeted amount
  - medical at eight million plus, up from budgeted amount of seven point nine million
    - looking to adjust these numbers in the final budget
    - looking into a carrier change for workers comp
  - charter school tuition is running above budget and will likely be next year as well
  - administration is recommending the 1.9% tax increase to continue on the path for fiscal planning for the elementary build, not to cover operations

Dr. McCarver made a motion, followed by a second from Mrs. Renz, to recommend the 1.9% tax increase for the 2024-25 school year to primarily support the elementary school debt service growth. The motion was approved by the committee.

#### 5.d. Contracts

### 6. Public Comment

#### Minutes

There was no public comment for the committee.

### 7. Adjournment

#### Minutes

Mr. Rizzo adjourned the meeting at 6:03 p.m. following a motion by Ms. Drew and a second by Mrs. Renz. The next Finance meeting will be held June 10, 2024.