

2-23-26 Finance Standing Committee Meeting _____	2
2026-27 Budget Update - Finance Committee Meeting 2.23.26 _____	5

FINANCE MEETING

02/23/2026 [05:00 PM-06:00 PM] @ Board of Directors Room

1. Call to Order

Minutes

Dr. McCarver 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: Stewart McCarver, Jennifer Renz and Nicole Searfoss

Members in Attendance Virtually: Lindsay Drew

Citizen Advisors: Parker Davis, Joseph Dellasega, and Brian Ostella

Citizen Advisors absent: Anita Malhotra

Non-Voting Members in Attendance: Michele Agee, Mindy Bell, Lesa Brackbill, Jodie Dermo, Kyle Ireland, Jared Nicholson, Jesse Rawls, Honesta Romberger, Scott Shearer, Lou Verdelli, and Stacy Winslow

Attendees: Josh Cysyk, Jared Nicholson, Honesta Romberger, and Tracey Royo

3. Approval of Summary Minutes

Minutes

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

4. Unfinished Business

5. New Business

5.a. Fulton Bank Presentation - M.S. Hershey Trust

Minutes

Kyle Ireland, Senior Portfolio Manager with Fulton Financial Advisors, shared the following performance update:

- ended January 31st with just under \$61.7 million
- up 1.85% for the month
- expected income would be \$1.297 million over the next 12 months from dividends and interest payments, equivalent to 2.1% current yield

- 2025 was up 14.07%
 - began the year with \$55.187 million
 - had net withdrawals of just under \$2.2 million
 - earned income of \$1.749 million
 - market appreciation of \$5.84 million
- total managed portfolio return since inception was 7.8% annualized

5.b. Financing Plan Update Presentation - Lou Verdelli/Raymond James

Minutes

Lou Verdelli, with Raymond James, and Scot Shearer, with PFM Financial Advisors, shared the following:

- previous budgets have built in debt service for the eventual borrowings
- reviewed both the 3-year and 4-year millage increase options for debt service
- \$139,266,216 estimated borrowing capacity
- from authorization to completion of transaction is approximately 60-90 days
- Act 1 index predicted to be in the low 3% for the next several years - will impact the budget
- current debt to be paid off in the next two to three years
- Parameters Resolution gives flexibility to the finance team for pricing bonds and only requires one board action

5.c. January Finance Reports

1. The Administration recommends the approval of the Treasurer's Report for the period of January 2026,

and is summarized as follows:

General Fund Revenue	\$3,097,149
General Fund Expenditures	5,251,677

2. January 2026 - Revenue and Expenditure Analysis
3. Balance Sheet - Governmental and Proprietary Funds
4. Balance Sheet - Scholarship and Activity Funds
5. The Administration recommends the approval of the January 2026 expenditures for the paid bills for
all funds in the total amount of \$3,060,704.13 excluding net payroll.

Minutes

Mrs. Dermo shared the following:

- review of January financial statements
- revenues consisted of 2025 residual real estate taxes and PILOT receipts
- expenditures consisted of salaries and benefits

- no extraordinary revenues or expenditures
- review of new monthly revenue and expenditure graphics
- Mrs. Dermo and Dr. McCarver are exploring options and working to develop even more friendly and pertinent monthly reports

5.d. RFP For Audit Services

Minutes

Mrs. Dermo shared the following:

- although the district is happy with Boyer & Ritter, it is the district's due diligence to put services out for RFP on a rotating cycle
- the rotating cycle is typically every three years
- the district office was a year behind on audit services due to changes in the business office

5.e. Contracts

Minutes

Mrs. Dermo shared the following:

- most of the contracts were musical related
- some software/technology contracts
- one special ed placement
- one GASB related financial services contract

Mrs. Dermo also shared a brief overview of where the district's 2026-27 budget currently is. This will be attached to the minutes.

6. Public Comment

Minutes

There was no public comment for the committee.

7. Adjournment

Minutes

Dr. McCarver adjourned the meeting at 5:56 p.m. following a motion by Mrs. Renz and a second by Dr. Searfoss.

2026-27 Budget Update

Finance Committee Meeting

February 23, 2026

Where are we at in the budget process as of 2/23/26?

- We have met with building administrators and directors to review their 2026-27 departmental budgets in detail
 - All departmental budgets are listed in their preliminary form – no adjustments have yet been made
 - B&G budget as well as some licensing/software line items are still being explored
- Salaries and benefits are still being worked on
 - All positions are currently built into the budget
 - Current form of budget does not reflect upcoming retirements
 - Medical insurance is currently unknown and budgeted conservatively at an 8% increase until more information becomes available
- This version of the budget contains preliminary estimates of 26-27 revenues
 - State and Federal revenues have been conservatively budgeted
 - There currently is not a millage increase built into the budget

2026-27 PRELIMINARY BUDGET - 2.23.26 FINANCE COMMITTEE MEETING

	2026-27 Preliminary Requested Budget	2025-26 Final Approved Budget	
REVENUES			
LOCAL	57,464,979.00	57,751,462.00	
STATE	17,748,394.00	17,210,612.00	
FEDERAL	888,347.00	888,347.00	1% increas
OTHER REVENUES	2,560,000.00	3,357,522.00	4% withdra
	<u>78,661,720.00</u>	<u>79,207,943.00</u>	
EXPENDITURES			
ATHLETICS	575,000.00	569,635.00	
TRANSPORTATION	1,155,583.00	942,247.00	
SPECIAL EDUCATION	2,906,189.00	2,606,916.86	
CURRICULUM	274,432.00	456,048.35	
BUSINESS MANAGER/MISC/OTHER	788,616.00	1,198,683.78	
VOTECH TUITION	436,877.00	537,437.00	
HUMAN RESOURCES	-	-	
SUPERINTENDENT	216,981.00	165,039.19	
SAFE & SUPPORTIVE SCHOOLS	257,824.00	304,036.00	
CAOLA	200,000.00	180,300.00	
HIGH SCHOOL	604,000.00	594,198.00	
MIDDLE SCHOOL	233,838.00	233,274.89	
BUILDINGS & GROUNDS	3,088,475.00	2,871,194.33	
CYBER/CHARTER/APS TUITION	2,000,000.00	2,304,087.00	
ELEMENTARY	91,731.00	95,502.17	
EARLY CHILDHOOD	54,347.00	54,803.00	
PRIMARY	61,405.00	71,831.63	
INTERMEDIATE	80,106.00	80,455.00	
TECHNOLOGY	2,018,443.00	2,015,580.80	
DEBT SERVICE (VOTECH)	286,116.00	286,116.00	
INTERFUND TRANSFERS - DEBT SERV	5,645,317.00	4,471,812.00	*
INTERFUND TRANSFERS - DEBT SERV	-	750,000.00	
PERSONNEL BUDGET	<u>60,994,750.00</u>	<u>58,575,080.00</u>	
	<u>81,970,030.00</u>	<u>79,364,278.00</u>	
PRELIMINARY EXCESS (DEFICIT)	<u><u>\$ (3,308,310.00)</u></u>	<u><u>\$ (156,335.00)</u></u>	

* Raymond James Run Rate - Debt service increasing from \$4,471,812 to \$5,645,317 in 26-27

	2026-27 Preliminary Budget	2025-26 Final Budget	2024-25 Final Budget
CURRENT REAL ESTATE TAXES	41,959,699.00	41,667,682.00	40,987,153.00
INTERIM RE TAXES	300,000.00	300,000.00	100,000.00
PUBLIC UTILITY REALTY TAX	48,500.00	46,000.00	45,000.00
PYMT IN LIEU OF CURR TAXS	1,194,000.00	1,100,000.00	1,100,000.00
CURR ACT 511 OCC TAX-FLAT	1,700,000.00	1,740,000.00	2,350,000.00
CURR ACT511-LOCAL SVC TAX	140,000.00	150,000.00	160,000.00
CURR ACT511-EIT	6,700,000.00	6,600,000.00	6,300,000.00
CUR ACT511 REAL EST TR TX	1,000,000.00	1,000,000.00	1,100,000.00
CURR ACT511-AMUSEMNT TAXS	1,500,000.00	1,500,000.00	1,650,000.00
DELINQ REAL ESTATE TAXES	400,000.00	600,000.00	600,000.00
DELINQ ACT511 OCC TX-FLAT	700,000.00	1,130,000.00	625,000.00
INT INVEST/INT-BEAR CK AC	1,100,000.00	1,100,000.00	1,000,000.00
ADMISSIONS	65,000.00	65,000.00	100,000.00
FEES	95,000.00	95,000.00	153,000.00
FED IDEA REV FROM IU	320,360.00	320,360.00	365,444.00
IDEA SEC 619 FROM IU	2,420.00	2,420.00	0.00
ARP IDEA	0.00	0.00	0.00
OTHER IU REVENUE	0.00	0.00	0.00
RENTALS	30,000.00	60,000.00	65,000.00
GRANTS	0.00	0.00	0.00
RECEIPT FROM OTH PA LEA'S	60,000.00	75,000.00	100,000.00
SAT	0.00	0.00	0.00
MISC REVENUE	150,000.00	200,000.00	200,000.00
REFUND PRIOR YR EXPEND	0.00	0.00	0.00

TOTAL LOCAL	57,464,979.00	57,751,462.00	57,000,597.00
	2026-27	2025-26	2024-25 BUDGET

BASIC ED FUNDING	6,155,395.00	6,047,778.00	5,673,664.00
CHARTER SCHOOLS/CYBER	0.00	0.00	0.00
SECT 1305/1306	0.00	0.00	0.00
SPEC ED FUNDING-SCH AGE	1,700,915.00	1,651,372.00	1,635,130.00
PUPIL TRANS SUBSIDY	563,410.00	547,000.00	450,000.00
NONPUBLIC & CHART SUBSIDY	58,000.00	58,000.00	63,000.00
RENTALS & SINKING FND PMT	85,580.00	85,580.00	84,051.00
MEDICAL/DENTAL SERVICES	65,000.00	65,000.00	70,000.00
SUPPL REIM OF BASIC ED	1,204,657.00	1,169,570.00	1,020,583.00
SCHOOL MENTAL HEALTH SAFE	160,000.00	200,430.00	181,624.00
READY TO LEARN BLOCK GR	0.00	0.00	225,559.00
READY TO LEARN-FOUNDATION	285,774.00	285,774.00	0.00
READY TO LEARN-ADEQ SUPP	30,108.00	30,108.00	0.00
OTHER PA GRANT REVENUE	0.00	0.00	37,500.00
STATE SS/MEDICARE TAXES	1,450,000.00	1,300,000.00	1,263,263.00
STATE RETIRE CONTRIBUTION	5,989,555.00	5,770,000.00	5,597,987.00

TOTAL STATE	17,748,394.00	17,210,612.00	16,302,361.00
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2026-27 PRELIMINARY	2025-26 PRELIMINARY	2024-25 BUDGET
TITLE I, PART A	448,573.00	448,573.00
NCLB TITLE II	64,432.00	64,432.00
TITLE IV	39,742.00	39,742.00
CARES ACT-ESSER FUND III	0.00	0.00
ARP ESSER 7% LEARNIG LOSS	0.00	0.00
ARP ESSER HOMELESS	0.00	0.00
ACCESS	335,600.00	304,300.00
TOTAL FEDERAL	888,347.00	857,047.00

2026-27 PRELIMINARY	2025-26 PRELIMINARY	2024-25 BUDGET
PROCEEDS-EXTEND TERM FINA	0.00	0.00
GRANADA PROPERTY TRANSFER	0.00	0.00
PERMANENT FUND TRANSFERS	2,560,000.00	1,932,520.00
SALE OF FIXED ASSET	0.00	100,000.00
INSURANCE RECOVERIES	0.00	0.00
TOTAL OTHER	2,560,000.00	2,032,520.00

TOTAL REVENUES	78,661,720.00	79,207,943.00	76,192,525.00
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DERRY TOWNSHIP SCHOOL DISTRICT
2026-2027 - PRELIMINARY SALARY AND BENEFITS BUDGET

		2026-2027	Est	2025-2026
		Prelim Budget 2/23/26	% Increase	Projected as of 2/23/26
Admin	111	4,135,958.00	3.75%	3,810,584.00
Act 93 Merit	121	107,620.00		103,731.00
Professional	130	23,589,799.00		22,917,499.00
Support	141	7,252,742.00		6,902,413.00
Coaches	151	575,825.00		596,058.00
LSC	161	619,050.00		624,411.00
Employee Gross Pay		36,280,994.00		34,954,696.00

Temp Wages	132	-		-
Other Prof Temp	142	-		-
Tech Asst Temp	152	78,000.00		78,000.00
Operative/Labor Temp	172	-		-
Instruct Asst Temp	192	-		-
Operative/Labor	173	48,000.00		48,000.00
Instruct Asst Extra	193	48,000.00		48,000.00
Sabbatical - Admin	114	-		-
Sabbatical - Professional	124	-		-
Other Hours		174,000.00		174,000.00

Total Object 100 Salaries		36,454,994.00		35,128,696.00
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Total Object 200 Benefits		24,539,755.76		23,446,384.39
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Total Sal/Ben		60,994,749.76		58,575,080.39
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DERRY TOWNSHIP SCHOOL DISTRICT
BENEFITS BUDGET

		2026-2027	Est	2025-2026
		Prelim Budget 2/23/26	% Increase	Projected as of 2/23/26
FICA/Medicare	220	2,735,253.05		2,655,585.49
PSERS	230	11,889,559.59		11,543,261.74
Tuition Reimb	240	290,000.00		290,000.00
Unemployment	250			
Workers Com'	260	328,249.85		324,999.85
Medical	271	8,863,293.82	8%	8,206,753.54
Dental	272	311,639.40	2%	305,528.82
Life Ins	213	37,864.20	2%	37,121.76
Disability	214	38,895.85	2%	38,133.19
403b Match	290	45,000.00		45,000.00

Total Object 200 Benefits		24,539,755.76		23,446,384.39
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	2026-2027 Preliminary Budgeted	2025-2026 Final Budget	Increase (Decrease)
Professional Staff	23,418,799.00	22,755,249.00	663,550.00
Longevity	171,000.00	162,250.00	8,750.00
Act 93	4,135,958.00	3,810,584.00	325,374.00
Merit	107,620.00	103,731.00	3,889.00
Support Staff	7,252,742.00	6,902,413.00	350,329.00
Coaches	548,075.00	571,308.00	(23,233.00)
Longevity	27,750.00	24,750.00	3,000.00
LSC	558,300.00	570,911.00	(12,611.00)
Longevity	60,750.00	53,500.00	7,250.00
	\$ 36,280,994.00	\$ 34,954,696.00	\$ 1,326,298.00

2023-2024 2024-2025 2025-2026

2026-2027

Base Index

	2.7%	1.9%	0.0%	0.0%	1.71% (per Raymond James 4-yr millage increase)	2.28% (per Raymond James 3-yr millage increase)	3.0%	3.5%
County Tax Roll	2,118,413,240	2,123,461,000	2,164,328,500	2,167,597,600	2,164,328,500	2,164,328,500	2,164,328,500	2,164,328,500
Base Millage	19.9595	20.3387	20.3387	20.3387	20.6845	20.8024	20.9489	21.0506
Tax Revenue	42,282,469	43,188,436	44,019,628	44,086,117	44,768,053	45,023,227	45,340,301	45,560,414
Less Homestead/Farmstead	(850,227)	(1,020,583)	(1,020,583)	(1,020,583)	(1,020,583)	(1,020,583)	(1,020,583)	(1,020,583)
Estimated Tax Revenue	41,432,242	42,167,853	42,999,045	43,065,534	43,747,470	44,002,644	44,319,718	44,539,831
Budget 97.2% Collection Rate	40,603,597	41,087,153	41,667,682	41,859,699	42,522,541	42,770,570	43,078,766	43,292,716

YTD Growth - Tax Base	3,269,100
YTD Growth - % Increase Tax Base	0.15%

Additional Tax Revenue

662,842	910,871	1,219,067	1,433,017
revenue for corresponding millage % increase			

Median Assessed Value																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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TAX INCREASE OPTIONS					
	0.0%	1.71%	2.28%	3.0%	3.5%
Prelim Budget Revenues (0% tax increase)	78,661,720	78,661,720	78,661,720	78,661,720	78,661,720
Add Tax Increase		662,842	910,871	1,219,067	1,433,017
Prelim Budget Expenses	81,970,030	81,970,030	81,970,030	81,970,030	81,970,030
2026-2027 Surplus/(Deficit)	(3,308,310)	(2,645,468)	(2,397,439)	(2,089,243)	(1,875,293)

What's Next?

- Salaries and building budgets will be further examined and adjusted
- Revenues will be updated as ending 25-26 projections come more into focus
- Guidance on millage increase – direction and input from the Board

Derry Township School District

2026-2027 Budget Calendar

Date	Description	Action
March 23, 2026	Finance Committee Meeting	Discussion
April 20, 2026	Finance Committee Meeting	Discussion
May 4, 2026	Board Meeting - Approve Proposed Final	Board Vote
May 18, 2026	Finance Committee Meeting	Discussion
June 8, 2026	Board Meeting - Approve Final Budget	Board Vote
June 30, 2026	Deadline to adopt Final Budget	File PDE Form 2028