

Finance Committee Meeting Minutes

September 8, 2015
TEAO Room 200
7:00 P.M.

Attending all or part of the meeting:

Board Committee Members: Virginia Lastner, Chair, Kevin Buraks, Karen Cruickshank, Douglas Carlson

Other Board Members: Kristine Graham, Liz Mercogliano

T/E School District Representatives: Dr. Rich Gusick, Dr. Andrea Chipego, Jeanne Pocalyko, Art McDonnell, David Francella, Marianne Cleary, Mark Cataldi, Dr. Mike Szymendera

Other: None

Community Members: Douglas Anestad, Todd Kantorczyk, Neill Kling, Neal Colligan, Roberta Hotinski, Ray Clarke, Michele Burger

Approval of Minutes:

- The Committee approved the minutes of the June 8th meeting.

Monthly/Year to Date Financial Report – August 2015:

- The Committee reviewed the Treasurer's reports for August 2015. Mr. Francella reported that due to the PA state budget impasse, subsidy payments are down approximately \$1M compared to the prior year at this time. Local revenue is on par with the prior year and spending is slightly higher compared to the prior year at this time.
- Ms. Lastner asked Mr. McDonnell to review the investment vehicles for the bond proceeds.

Property Tax Appeals Update:

- Mr. Francella reviewed a summary of the Tax Appeals for 2014-15. Twelve residential properties have a potential tax loss of \$53,713. Two commercial properties have a potential tax loss of \$96,990. Six T-E initiated appeals have the potential tax increase of \$69,113.
- All appeals for 2015-16 are open with estimated revenue losses from thirty residential properties of \$130,163 and seventeen commercial properties of \$83,926.

Back to School Transportation Report:

- Mrs. Cleary provided an update on back to school for the transportation department. During 2014-15, the district buses traveled 1.6 million miles. For 2015-16, the District has over 6,000 bus stops transporting students to 8 district, 35 non-public and 29 special needs schools.
- Several Committee members commented on the smooth start to the busing this school year.

2016-17 Budget Calendar:

- Mr. McDonnell reviewed the District's 2016-17 Budget Calendar, with Act 1 deadlines, school codes deadline and election dates.

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- Mr. McDonnell reported that the State released the 2016-17 Act 1 index of 2.4%. This equates to approximately \$2.4M in property tax revenue if applied to the District's current millage rate and the assessed property values from Chester County.

Capital Funding:

- Mr. McDonnell explained the funding of capital projects, the development of the capital projects list from the infrastructure report, and the use of the Capital Sources and Uses report to summarize the projects typically spanning two fiscal years.

Committee Goals:

- Mrs. Lastner reviewed the Committee Goals for the upcoming year.

Other:

- Mr. McDonnell reported on the exit interview with the State Auditor General's Office regarding the Limited Procedures Engagement auditing the period June 30, 2012 through June 30, 2015. The district received a clean opinion with no written findings, no observations and no verbal comments, which is the best result the district could have received. The audit examined the budget process, Right-to-know law compliance, Sunshine law compliance, internal controls, risk vulnerability, and positive learning environment. The written report will be issued soon.
- Mr. McDonnell stated the independent audit of the 2014-15 fiscal year will begin next week with an anticipated report to the Finance Committee at the November meeting.
- Mr. McDonnell discussed the Governor's proposed Basic Education Subsidy (BES) funding and the use of the new funding formula. Using an increase of \$200M to the BES, the projected increase for TE could be an additional \$172K in state revenue.
- Mr. McDonnell discussed the addendum to the CCRES contract, which includes rates for staffing that will appear on the upcoming Board meeting consent agenda.
- Dr. Gusick discussed the FLITE After-School Homework Club. The funding was provided by a combination of a State grant and a FLITE grant. To assist with providing a talent pool large enough to staff the program, the District will advertise and hire appropriate leaders and assistants. The additional staffing is contingent upon FLITE's approval of grant money to cover the costs.

Public Comment:

- Doug Anestad commented on the real estate tax increases.
- Ray Clarke commented on the check register and year end.
- Michele Burger commented on transportation.
- Neal Colligan commented on the investment of the bond money.

Adjournment:

- The meeting adjourned at approximately 8:42 P.M.

Next Meeting:

The next meeting is Tuesday October 13, 2015.