

Finance Committee Meeting Minutes

**January 17, 2017
TEAO Room 200
7:00 P.M.**

Attending all or part of the meeting:

Board Committee Members: Todd Kantorczyk, Chair, Kevin Buraks, Rev. Scott Dorsey, Roberta Hotinski

Other Board Members: Douglas Carlson, Virginia Lastner, Edward Sweeney, Kate Murphy, Michele Burger

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

Other: None

Community Members: Travis Hartley, Jamie Lynch, Christine Wright, Tarin Cataldo, Jerry Henige, Ray Clarke, Barry Sandler, Giulia Ghibellini, Doug Anestad, Liliane Min, Susie Geib, Dan O'Brien

Approval of Minutes:

- The Committee approved the minutes of the December 13, 2016 meeting.

Monthly/Year to Date Financial Report – December 2016:

- The Committee reviewed the Treasurer's report for December 2016. Mr. Francella reported that local revenue is consistent compared to this same period last year. State revenue is higher due compared lack of subsidy payments at this point last year. Expenditures are consistent with last year.

Review of 2017 Committee Goals:

- The committee reviewed the established goals and no changes were recommended.

FY 2017-2018 Budget Development:

- Mr. McDonnell reviewed the 2017-18 Preliminary Budget including the projected tax impact from the Act 1 index and referendum exceptions, budget impact items and key dates.

Fund Balance and Capital Funding:

- Mr. McDonnell reviewed the District's history of the capital funding plan that has included a combination of transfers from the General Fund from committed fund balances and bond proceeds. The capital plan uses the infrastructure report as the basis of long-term planning reported on Capital Sources and Uses report.

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- The Committee discussed budgeting funds for the capital plan through a combination of fund balance commitments and general fund transfers included in the annual authorized budget. The Committee discussed ways to achieve past funding levels of the long-term capital plan at a goal of 25% fund balance commitments and 75% bond proceeds for five years of the capital plan. The Committee plans to revisit this topic in the future and agreed to include \$1.2M in the 17-18 preliminary budget as a contingency amount.

Proposed Resolution Opposing Property Tax Elimination:

- Mr. Sweeney updated the Committee on the probability of property tax elimination legislation being re-introduced by the PA General Assembly this session. He mentioned a PSBA alert sent to districts to warn them of the severity of this bill. Dr. Gusick discussed the aspects of the previous Senate Bill 76 from 2015. Similar legislation would eliminate property taxes levied by school districts, except for existing debt payments. The lost revenue would be replaced by increasing both the state personal income tax and sales/use tax. The districts would receive this revenue entirely from the state. Mr. McDonnell then reviewed some potential implications if this legislation of this type were to pass.
- The Committee agreed to have the administration prepare a resolution opposing property tax elimination legislation to be placed on the next Board meeting agenda.

Other:

- Mr. McDonnell reviewed the Audit RFP. Based on the results, it was recommended that the district retain Maillie, LLP for the next 3 years. The Committee agreed this be placed on the next Board meeting consent agenda.

Public Comment:

- Ray Clarke commented on the budget development.
- Doug Anestad commented on the budget development.
- Lilliane Min commented on the proposed resolution opposing property tax elimination.
- Jerry Henige commented on the proposed resolution opposing property tax elimination.
- Xavier Arnold commented on capital funding.
- Barry Sandler commented on capital funding.
- Giulia Ghibellini commented on the proposed resolution opposing property tax elimination.
- Jamie Lynch commented on the proposed resolution opposing property tax elimination.

Adjournment:

- The meeting adjourned at approximately 9:18 P.M.

Next Meeting:

The next meeting is Tuesday, February 14, 2017 at 7:00 P.M.