

Finance Committee Meeting Minutes

November 10, 2015
TEAO Room 200
7:45 P.M.

Attending all or part of the meeting:

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

Other Board Members: Kristine Graham, Dr. Peter Motel, Rev. Scott Dorsey

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: Edward Furman, Maillie, LLP

Community Members: Douglas Anestad, Peg Layden, Nicole Brigham, Todd Kantorczyk, Wendy DeMarco, Neal Colligan, Jerry Henige, Ray Clarke, Kate Murphy, Cheryl Lowery, Neill Kling, Roberta Hotinski, Edward Sweeney, Jamie Lynch, Michelle Eisenberg, Wendy Brooke, Michelle Burger

Approval of Minutes:

- The Committee approved the minutes of the October 13th meeting.

Monthly/Year to Date Financial Report – October 2015:

- The Committee reviewed the Treasurer's reports for October 2015. Mr. Francella reported that due to the PA state budget impasse, subsidy payments are down approximately \$2.5M compared to the prior year at this time. Local revenue is consistent with the prior year and spending is slightly higher compared to last year at this time.
- Mr. Francella reviewed an updated summary of the Tax Appeals for 2015-16. Remaining open appeals for 2015-16 have an estimated revenue loss of \$73,211 from 15 residential properties and \$45,888 from 2 commercial properties.

Legislative Update:

- The Committee discussed two pieces of legislation in the Senate that could impact school districts. The first bill is the requirement of a backend voter referendum for any property tax increases. This would eliminate the ability of school boards to utilize Act 1 index and exceptions. The second senate bill would prevent school districts from appealing property assessments. The Committee voiced concerns about how this legislation could affect the school district's ability to produce much needed revenue to balance the school district's budget. The Committee asked the Administration to check with local legislators and review the board resolution process.

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2014-15 Year-end Analysis:

- Mr. McDonnell reviewed the 2014-15 budget to actual revenue and expenditures variances. Revenue was approximately \$1.1M over budget due largely to variable revenues of transfer and interim taxes. The expenditure variance was favorable totaling approximately \$2.3M with salaries and benefits being under budget and healthcare and special education costs over budget. The result was a year-end contribution to fund balance of approximately \$700,000 or 0.59% of the total budget.

2014-15 Local Audit Presentation:

- Edward Furman, Partner from Maillie, LLP presented the audited June 30, 2015, Annual Financial Report. The school district received an unqualified audit opinion, with no disagreements or material weaknesses in internal controls noted.
- Mr. Furman discussed the implementation of GASB 68 requiring school districts to record its share of the PSERS pension liability for the first time in 2014-15, which totaled \$168,575,000. This liability has resulted in the District showing a negative position of over \$80 million on its financial statements.
- The Committee agreed to place the June 30, 2015 Annual Financial Report on the next Board consent agenda for acceptance.

Fund Balance Commitments:

- Mr. McDonnell presented the 2014-15 fund balance commitment amounts that were represented in the annual financial report. These ending fund balance amounts will be the beginning fund balance commitments for the 2015-16 fiscal year. The Committee accepted the fund balance commitment amounts as presented and agreed to place them on the next consent agenda for approval.

Special Education – Individualized Student Services:

- Dr. Chipego presented an overview of Individualized Student Services/Special Education program. There are 20 district-wide mandated support services provided to approximately 1,000 students in the District. Special Education staffing is currently 38 FTE's in 2015-16.
- Mr. McDonnell reviewed the Act 1 Special Education referendum exception calculation and liability insurance coverage.

Public Comment:

- Douglas Anestad commented on long term debt and special education.
- Ray Clarke commented on assessed real estate values and special education.
- Michelle Eisenberg commented on special education.
- Jamie Lynch commented on special education.
- Roberta Hotinski commented on special education.
- Ed Sweeney commented on special education.

Adjournment:

- The meeting adjourned at approximately 10:16 P.M.

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Next Meeting:

The next meeting is Tuesday, December 15, 2015 at 7:30 P.M.