

## **Finance Committee Meeting Minutes**

**November 22, 2016  
TEAO Room 200  
7:00 P.M.**

### **Attending all or part of the meeting:**

**Board Committee Members:** Virginia Lastner, Chair, Kevin Buraks, Todd Kantorczyk, Roberta Hotinski

**Other Board Members:** Douglas Carlson, Rev. Scott Dorsey, 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:** Edward Furman, Maillie, LLP

**Community Members:** Travis Hartley, Doug Anestad, Mary Williams, Lilliane Min, Neal Colligan, Mark Levine, Ray Clarke, Paul Eisenberg

### **Approval of Minutes:**

- The Committee approved the minutes of the October 18, 2016 meeting.

### **Monthly/Year to Date Financial Report – October 2016:**

- The Committee reviewed the Treasurer's report for October 2016. Mr. Francella reported that local revenue is trending lower than last year at this same period due to interim tax collections. State revenue is higher due to the fact that we hadn't received any subsidy payments at this point last year. Expenditures are slightly lower compared to last year due to timing of payments.

### **Advance Refunding of 2010 Bonds:**

- Mr. McDonnell reviewed the Series 2010 Advance Refunding, which resulted in a new Series 2016 Issue of \$13,040,000. All parameters established by the Board were met, with a total debt service savings over the life of the issue at an NPV of \$1,068,425.
- Mr. McDonnell also reported that the post-election volatility of the market would have reduced the savings by an estimated \$160,000.

### **June 2016 Year-end Financial Report and Summary:**

- Mr. McDonnell reviewed the 2015-16 budget to actual revenue and expenditures variances. Revenue was approximately \$2.2M over budget due largely to variable revenues of transfer and interim taxes. The expenditure variance was unfavorable totaling approximately \$34K 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 \$500,000 or 0.41% of the total budget.

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### **2015-16 Local Audit Presentation:**

- Edward Furman, Partner from Maillie, LLP presented the audited June 30, 2016, Annual Financial Report. The District received an unqualified audit opinion, with no disagreements or material weaknesses in internal controls noted.
- Mr. Furman discussed GASB 68 requiring school districts to record its share of the PSERS pension liability for 2015-16, which totaled \$188,638,000. This liability has resulted in the District showing a negative position of over \$90 million on its financial statements.
- The Committee agreed to place the June 30, 2016 Annual Financial Report on the next Board consent agenda for acceptance.

### **2016-17 Fund Balance Commitments:**

- Mr. McDonnell presented the 2015-16 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 2016-17 fiscal year. The Committee accepted the fund balance commitment amounts as presented and agreed to place them on the next consent agenda for approval.

### **Capital Funding:**

- Mr. McDonnell reviewed the District's long-standing capital funding plan that has included a combination of transfers from the General Fund from committed fund balances and bond proceeds. The capital expenditures plan uses the infrastructure report as the basis of long-term planning reported on Capital Sources and Uses report.
- The Committee discussed the concept of budgeting funds to the capital plan through a combination of fund balance commitments and transfers included in the annual operating 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 and a specific funding goal amount during 2017-18 budget discussions.

### **Public Comment:**

- Douglas Anestad commented on the pension liability and the capital plan
- Ray Clarke commented on the OPEB liability and the capital plan
- Neal Colligan commented on the OPEB liability and the capital plan
- Lilliane Min commented on Access funds

### **Adjournment:**

- The meeting adjourned at approximately 9:15 P.M.

### **Next Meeting:**

The next meeting is Tuesday, December 13, 2016 at 7:00 P.M.