

## Finance Committee Meeting Minutes

September 20, 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, Marianne Cleary, Mark Cataldi, Dr. Mike Szymendera, Dr. Wendy Towle

**Other:** Michael Wolf, Boenning & Scattergood

**Community Members:** Paul Eisenberg, Douglas Anestad, Cindy Verguldi, Jerry Henige, Lillian Min, Jamie Lynch, Wendy Brooks, Julie Lingberg, Neal Colligan, Peg Layden, Gulia Ghibellini

### Approval of Minutes:

- The Committee approved the minutes of the June 8, 2016 meeting.

### Monthly/Year to Date Financial Report – July/August 2016:

- The Committee reviewed the Treasurer's report for August 2016 as the most recent month. Mr. Francella reported that revenue is consistent with the prior year, with transfer taxes again trending higher and subsidies down due to delayed payment from the State. Spending is slightly behind last year, primarily due to the timing of the expenditures.
- Mr. Francella reported that the District received \$45,879.11 from FEMA for reimbursement of snow removal expenses for the snowstorm in January 2016.

### Property Tax Appeals Update:

- Mr. Francella reviewed the tax appeals filed by taxpayers and the District that will impact the 2017-18 fiscal year. The fifty-six (56) residential properties appealed have a potential tax revenue loss of \$422,750; the fourteen (14) commercial properties appealed have a potential tax revenue loss of \$258,528; and the seven (7) T/E initiated appeals have the potential tax revenue increase of \$593,909.

### Back to School Transportation Report:

- Mrs. Cleary provided the annual back to school report for the Transportation Department. During 2015-16, the District busses traveled 1.6 million miles. For 2016-17, the District has over 6,000 bus stops transporting students to 8 District, 35 non-public and 27 special needs schools.

### 2017-18 Budget Development Calendar:

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- Mr. McDonnell reviewed the District's 2017-18 Budget Calendar, Act 1 deadlines, school code deadline and election dates.
- Mr. McDonnell reported that the State released the 2017-18 Act 1 index of 2.5%. This would equate to approximately \$2.6M in property tax revenue if applied to the District's current millage rate and the assessed property values from Chester County.

### **Bond Discussion:**

- Michael Wolf of Boenning & Scattergood, reviewed the advantages for the District to perform an advance refunding of the eligible portion of the Series of 2010 Bonds. Interest rates have fallen to a 60-year low and the net present value of the total debt service savings is currently about \$1.2M.
- Mr. Wolf will return at the October Finance meeting to discuss parameters for this potential advance refunding.

### **Capital Funding/Fund Balance:**

- Mr. McDonnell explained the funding of capital projects, which has historically included transfers from the General Fund and the committed fund balance attributable to capital projects. He also discussed 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.

### **Other:**

- Mrs. Pocalyko reviewed the District's substitute pay rates, how they compare to other districts in the county and that they have not been raised in nine years. The current budget is \$850,000, up about \$100,000 over the prior year's budget in anticipation of presenting the increase in the daily pay rate to be more competitive. The Committee recommended tabling the discussion for an Executive Session.

### **Public Comment:**

- Douglas Anestad commented on cameras on busses.
- Jerry Henige commented on the HB 1993 pertaining to reverse appeals.
- Neal Colligan commented on the bond advance refunding.
- Cindy Verguldi commented on traffic at TEMS.
- Lilliane Min commented on transparency by the Board in relation to the fund balance.
- Pat McHugh commented on foreign languages at the elementary schools.

### **Adjournment:**

- The meeting adjourned at approximately 9:34 P.M.

### **Next Meeting:**

The next meeting is Tuesday October 18, 2016.