

FINANCE AND LONG RANGE BUDGET
PLANNING COMMITTEE MINUTES – MEETING
OF JANUARY 20, 2015

IN ATTENDANCE: Committee Chair Steven Adams, members Jane Schrader Lynch, Mark B. Miller (via telephone). Mr. Hartline and Mr. Kleinschmidt were absent.

BOARD MEMBERS: None

STAFF: Dr. Joyce Mundy, John Schank, Katie Braun

PUBLIC:

CALL TO ORDER

Mr. Adams called the meeting to order at 7:00 p.m.

MINUTES

2.1 Approval of Minutes from December 15, 2014 (Action)

Mr. Miller made a motion to approve the minutes of December 15, 2014, Mr. Adams seconded. **Motion carried 2-0-1.** [Mrs. Lynch abstained since she was not a member at the December meeting.]

FINANCE

3.1 Financial Statement Highlights as of December 31, 2014 (Information)

Mr. Schank reviewed the financial highlights as of December 31, 2014.

- Real Estate Tax collections continue to be higher; Earned Income Tax collections are running about the same; Real Estate Transfer Tax collections are up; and Delinquent Real Estate Tax collections are up over last year.
- State revenues are slightly less for the Basic Instructional Subsidy, but significantly higher for Transportation Subsidy. Rental Subsidy Payment should significantly exceed the budgeted amounts, because the District received notice that PDE would be releasing \$850,571 as a result of our reimbursement percentages being increased.
- Federal subsidies were lower.
- Expenditures are significantly higher because of larger outplaced tuition bills, increased retirement costs, higher wage costs, purchases of textbook, buses and other vehicles, and purchases of computers and other technological equipment.

3.2 PlanCon Part H “Project Financing” (Action)

Mr. Schank explained that the District received information from PDE regarding PlanCon reimbursement for projects done during the 2011-12 SY at Davis Elementary School, McDonald, Elementary School and Willow Dale Elementary School. In order for the District to receive reimbursement from the State, the Board must approve the acceptance of the documents along with approving the filing of PDE-2071 “Application for Reimbursement for School Construction

Project” for all schools listed above and the Filing of PlanCon Part J “Project Accounting Based on Final Costs” for McDonald Elementary School.

Mr. Miller made a motion to move to the full Board, Mrs. Lynch seconded.

Motion carried 3-0-0.

3.3 Revised Budget Timeline (Action)

Mr. Adams explained that the revised budget timeline is in keeping with the required timelines set by the State for adopting the General Fund budget for 2015-16.

Mr. Schank explained the dates for the 2015-16 budget timeline;

February 10	Board Adopts Proposed Preliminary Budget
March 5	Deadline for filing Referendum Exception Requests with PDE
March 16	Finance Committee – Presentation of Proposed Budget
April 7	Board posts Proposed Budget
April 20	Finance Committee – Discussion of Proposed Budget
May 1	PDE notifies School District of Slot Money available for Homestead Tax Relief
May 9	Advertise Final Budget Adoption Date (30 days prior to Final Budget Adoption)
June 9	Adopt Final Budget for 2015-16

Mr. Miller made a motion to move to the full Board, Mrs. Lynch seconded.

Motion carried 3-0-0.

3.4 Act 1 Referendum Exception Notice (Action)

Mr. Schank explained that since the District would be applying for Act 1 exceptions, the District is required by state law to advertise an Act 1 Referendum Exception Notice. Mr. Schank read the Act 1 Referendum Exception Notice for approval.

Mr. Adams explained that the Committee was only approving the language for the notice, not the exceptions.

Mr. Miller made a motion to move to the full Board, Mrs. Lynch seconded.

Motion carried 3-0-0.

3.5 Presentation of Proposed Preliminary Budget for 2015-16 School Year in the amount of \$106,799,542. (Action)

Mr. Schank explained that the Administration had reduced the proposed general fund budget by three million dollar from what was originally requested.

The budget of \$106,799,542 is the District’s best estimate at this point in time, of what the District would need to continue operations of our Educational and support programs for 2015-16.

The budget was prepared without knowing the level of State and Federal Financial support. These issues will become clearer as we go through our budget process, culminating with the adoption of a final budget on or before June 30, 2015.

Mr. Schank reviewed a power point presentation representing a 3.7% millage rate increase of 4.59 from 122.17 to 126.76 with an average increase of \$121.00 for an average homeowner assessment of \$26,400.

The 2015-16 Preliminary Budget was balanced with Act 1 Index of 1.9% Real Estate Tax increase and use of Special Education and PSERS Exceptions of 1.8%.

Mr. Schank reviewed the District's fund balances:

General Fund Balance as of 7/1/14	\$12,189,125
Committed to PSERS	<u>\$ 2,509,519</u>
Total Available	\$ 9,679,606
Assigned to Capital Project (i.e. Swan Way)	\$ 2,500,000
Contingency in General Fund Budget	
2014-2015	\$ 500,000
2015-2016	<u>\$ 500,000</u>
Unassigned Fund Balance	\$ 6,197,606

Capital Reserve (Fund 32) Balance \$ 2,910,515
(note: this amount has not been assigned to any future project.)

Debt Service (Fund 40) Balance \$ 1,146,753
(note: the District has one more principal and interest payment to make for 2014-15 school year. After this payment is made, this account will be significantly reduced by year end.)

Mr. Schank gave the Board three options to reduce the tax increase for 2015-16:

1. Utilize more of Unassigned Fund Balance
2. Make Additional Cuts to Budget
3. Discover more Revenues, receive more Federal or State grants

Mr. Schank reviewed the Expenditures and Revenues increases/decreases from 2014-15 final to the 2015-16 proposed general fund budget.

Mrs. Lynch inquired about the \$1,838,000 in the category of fund transfers. Mr. Schank replied that this figure was in the budget as a placeholder for the proceeds from the sale of property the District has currently on the market, the monies would have to be received in the general fund and then transferred to the Capital Reserve Fund. If we do not receive the monies in the 2014-15 school year, it will have to be budgeted for the 2015-16 school year.

Mrs. Lynch further asked if this would fund the purchase of Swan Way. Mr. Schank replied that the purchase and renovations could be funded out of the Capital Reserve Fund.

Mr. Miller stated that this is a preliminary general fund budget and the District may come up with other options before the Final General Fund Budget is adopted.

Mr. Miller made a motion to move to the full Board, Mr. Adams seconded.

Motion carried 3-0-0.

ADJOURNMENT

4. Adjournment

Mr. Miller made a motion to adjourn the meeting, Mrs. Lynch seconded.

Motion Carried 3-0-0.

Mr. Adams adjourned the meeting at 7:38 p.m.

NEXT MEETING

4.1 Next Finance Committee Meeting - Monday, February 23, 2015 at 7:00 pm

Respectfully submitted:

Katie Braun
Assistant Business Manager

5. Read at Home

5.1 MBIT Audit Report for fiscal year ended June 30, 2014 and DCED Annual Report for Municipal Authorities 2014 (Information)

5.2 Tax Assessment Appeal #1 (Information - Confidential)

5.3 Tax Assessment Appeal #2 (Information - Confidential)

5.4 Tax Assessment Appeal #3 (Information - Confidential)