

BIG SPRING SCHOOL DISTRICT

Newville, Pennsylvania

FINANCE COMMITTEE MEETING MINUTES

MONDAY MAY 20, 2019

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The Finance Committee of the Board of School Directors for the Big Spring School District met in the High School Large Group Room in the Big Spring School District at 6:03 p.m. with eight (8) Committee members present; William Swanson, President; Todd Deihl, Vice President; William Piper, Robert Over, Kingsley Blasco, Richard Roush, David Gutshall and John Wardle

Absent – Bob Kanc

Others in attendance: Richard W. Fry, Superintendent; Kevin C. Roberts, Assistant Superintendent Richard Kerr, Jr. Business Manager; Rob Krepps, Technology Director; Vonda Kelso, Accounting Controller; Cathy Seras, Board Minutes

PRESENTATIONS:

1. FY 2020 Budget - Agenda

- Mr. Richard Kerr, Jr., Business Manager opened the Finance meeting with a review of the agenda.

2. Funds, Debt and Year End 2019 Update

- Mrs. Vonda Kelso, Accounting Controller, reviewed the general fund balance with updates on the following:
 - a. Employee health Insurance
 - b. PSERS
 - c. Healthcare
 - d. Technology
 - e. Special Education
 - f. Student Information/Financial Software
- Mrs. Kelso talked about the Capital Project Reserve Fund and shared the balance as of May 15, 2019.
- Mrs. Kelso shared with the Board of School Directors Bond Construction Fund information which was discussed amongst members. Mrs. Kelso discussed the definition of a bond payment.
- The construction fund balance for Newville Elementary and Mt. Rock Elementary was also discussed amongst members.
- Mrs. Kelso discussed the 2019-2020 debt service expenses and the 2019-2020 PA state debt service reimbursement.
- The 2019 year end expenses were reviewed for the months of July, 2018 through May, 2019.

3. Revenue and Expenditure Issues

- Mr. Kerr discussed the items listed:
 - a. FY 20 PSERS projected annual increase.
 - b. FY 20 Special Education programs, subsidy and IDEA approximated expenses.
 - c. Reviewed the tuition for the programs listed:
 - Cyber Charter Schools
 - CAOLA
 - Non-Public Schools
 - Cumberland Perry Area Vocational Technical School
 - Higher Education
 - Approved Private Schools
- Cost for medical, prescription drugs and health insurance was discussed.
- The expenditures of monies for each department within the Big Spring School District was communicated to the Board of School Directors.
- Mr. Kerr continued with discussions on the items listed:
 - a. FY 20 Revenue
 - b. FY 20 Real Estate Assessments
 - c. FY 20 Real Estate Tax at 2.25%
 - d. Total of 2019-2020 approximate revenue.
 - e. The effect on lost revenue over time.
 - f. FY Mill Variables
- Mr. Kerr talked about the Health Saving Account (HSA).
- There was discussion on the mill variables amongst Board members. Mr. Kanc was noted that he supported a 2.0% tax increase vs. the 2.9% increase. Mr. Kanc's email communication regarding his support of a 2.0% increase is attached to the bottom of the Finance Committee meeting minutes. The general consensus amongst members was a 2.25% increase of taxes.
- Mr. Kerr reminded the Board of School Directors the final budget will be voted on June 3, 2019.

4. Updates on Building Projects

- Mr. Kerr updated the Board of School Directors on the construction projects as noted below.
 - a. The middle school auditorium painting will begin and there will be walls and ceiling added behind the stage. Drywall will be installed and the electrical and mechanical work continues.
 - b. Windows and door openings at Oak Flat are cut, ceiling and carpet has been removed and some electrical work has been completed.
 - c. There are pods on site at the high school for packing. An air compressor will be removed at the high school and work will begin at the conclusion of the school year.
 - d. There are also pods on site at Mt. Rock for packing. Contractors including ECI, mechanical and electrical are working evenings until May 24th. The Mt. Rock kitchen demo is complete and concrete has been poured as well as the LGI. Work will resume at the end of the school year.

The Board Finance Conference Meeting adjourned at **7:01 p.m.**

William L. Piper, Secretary

Catherine Seras

From: Bob Kanc <bobkanc@gmail.com>
Sent: Monday, May 20, 2019 8:49 AM
To: Richard Fry; Catherine Seras
Cc: Bill Swanson (bswanson112@gmail.com); Todd Deihl; Kingsley Blasco; rroush@caassociates.net; William Piper; wardlej@pa.net; OVER, ROBERT S; Bob Kanc
Subject: Re: FW: FY20-Update-190516.docx

Good morning all, as I have mentioned to many of you, I had a prior commitment from many months ago that I was not able to revise from today's meeting date and as such I will not be in attendance this evening.

Secondly, as I previously stated, and for the record and ask this to be included in meeting minutes, I support a 2.0% increase vs the proposed 2.9% tax index rate. I believe we can support this. I believe that in the 5 year timeframe that is being illustrated there will be additional tax base expansion. I think this board has been very respectful and receptive of administration direction, but I do believe that the correct budget rate is in the 2.0% area vs full index. Mr Kerr does an excellent job as does the admin of identifying needs and projects. I do not believe that a 2.0% increase would 'handcuff' future boards. I don't know why we use a 0% tax rate in our illustration as we would NOT implement a 0% rate. Again this board and administration know the effect of such a decision. I think everyone has the same goals in mind.

In the '6100 Taxes Levied' illustration, I think the correct Variance between Year 2024 @ 2.25% and 2.0% is \$72, 669 rather than the \$71,669 as listed. Respectfully, Bob Kanc...

On Fri, May 17, 2019 at 10:24 AM Richard Fry <RWFRY@bigspring.k12.pa.us> wrote:

Board members,

Here is the "compound effect" data that I promised. It is a great data document with the final piece showing the compound effect 5 years out of our taxing decision. Again, all of this information will be in your Board packet that you receive later today. Have a great weekend!!!!!!

R. Fry

From: Richard Kerr
Sent: Friday, May 17, 2019 10:02 AM
To: Richard Fry <RWFRY@bigspring.k12.pa.us>
Cc: Catherine Seras <cseras@bigspring.k12.pa.us>
Subject: FY20-Update-190516.docx

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