

## **Finance and Audit Committee Minutes**

Monday, April 2, 2018 – 6:00 PM  
Colonial Elementary - Board Room

The meeting was called to order by Chairman Adam Schupack at 6:05 p.m. in the Colonial Elementary Meeting Room in the District Office, 230 Flourtown Road, Plymouth Meeting, PA.

**Finance Committee Member Present:** Adam Schupack, Eunice Franklin-Becker and Sue Moore

**Other Board Members Present:** Leslie Finegold, Mel Brodsky, Jennifer Dow, Cathy Peduzzi, Felix Raimondo

**Others Present:** Dr. Michael Christian, David Szablowski, and Mark Digian

**Public Present:** Approximately 5

No public comments on the agenda

### **Regular Meeting:**

Mr. Szablowski presented an update on the 2017-2018 Budget through the month of March, comparing the results with March of 2017. Mr. Szablowski explained that due to the early committee meeting there may be some timing issues that prevent full reporting of March 2018. The April report presented on May 7 should be more accurate. Revenue is approximately .5% off of last year's results. Expenditures reflect a .83% increase over last March. These two factors combined result in the 2017-18 budget being relatively unfavorable when compared to the same period last year.

Mr. Szablowski discussed future large investments in Technology over the next several years. Besides ongoing maintenance and upgrades that are required for the District's infrastructure, building equipment upgrades and a new phone system have been identified as needs. In order to begin the planning and replacement, Mr. Szablowski recommended to the Committee the establishment of a new capital reserve fund entitled the Technology Reserve Fund, Fund 33. By establishing this fund the School Board could begin saving for major purchases in the future. There was a brief discussion and all committee members in attendance supported the recommendation and moved the item to the May Board meeting for approval.

An update on the full 2018-2019 Budget was presented by Mr. Szablowski. The Committee had not seen the full budget prior to this meeting. The revenue projections were updated with Mr. Szablowski explaining that the March assessments were not included in revenue due to the timing of the meeting. The May meeting would include any assessment increases for both March and April. Regarding wages and benefits, training on the Financial Software's Personnel Budgeting was scheduled for April 13. With

**Serving the students of Conshohocken, Plymouth and Whitemarsh**

the exact figures unavailable, Mr. Szablowski explained that the projected increases included in each bargaining groups' contract were applied to the existing budgeted wage and benefit expenditure to provide a rough estimate of expenditures for the 2018-19 budget. The Health Care Consortium "third look" forecasted premium changes were included in the presentation. Mr. Szablowski also explained the recent departure of several school districts from the consortium. Given this fact, a "fourth look" would be provided by the Consortium later in April. Actual budgetary requests were included for the objects 300, professional services through the 900 objects, Debt Service and Transfers. Comparing the projected revenues, not assuming a tax increase versus the anticipated expenditures produced a deficit totaling \$4,805,825. There was discussion on what could be done to reduce this deficit. Assuming a roughly \$2 million increase in taxes by implementing the Act 1 Index of 2.4%, the new deficit would be approximately \$2.8 million. There was discussion about the use of Fund Balance to close the deficit. The last two years' budgets included the use of \$4 million and \$3.25 million of fund balance in each respective year. Mr. Szablowski explained that the Budget did not include any new teachers, but reassigned current staff to new positions to handle the continuing student population growth. The budget presented also does not include any transfer of funds to either the Capital Reserve Fund or the soon to be created Technology Reserve Fund. The committee gave direction to administration to continue to review the budget trying to reduce the deficit and needed use of fund balance.

Mr. Szablowski briefly explained the format of reporting the 2018-19 Budget. The Budget Report is presented by Major Object, detailing each category of wage (100s) by group, i.e. Administrative, Professional (teachers), clerical, maintenance, custodial, etc. Each type of benefit is also presented separately to better identify the impact of the pension liability (PSERS) and healthcare costs. All projected expenditures from professional services (300) to Debt Service (900) are then added for a total expenditure budget. Revenues as projected are then compared to produce a surplus or deficit. As of April 2, the revenues are \$4.8 million less than expenditures. The deficit can be reduced by increasing revenues or decreasing expenditures.

There were discussions about the Board Members use of technology. Mr. Raimondo explained that all members would be issued a device to access the new BoardDocs website. Based on each member's preference a device would be issued for school usage but Board members can utilize their own device as the BoardDocs information is web-based.

There was a public comment on what the process is to reduce the budget deficit. Dr. Christian responded explaining the proposed departmental meetings to determine wants versus needs. There was a question about the projected increase in enrollment. Dr. Christian again addressed the process of evaluating enrollment, placement, and class size. Special needs placements were discussed with annual re-evaluations of special needs students.

It was announced that the Committee would be adjourning from Executive Session to discuss legal issues. The meeting was adjourned at 6:56.