Committee Purpose

*The Finance Committee provides the board with the opportunity to more closely review various aspects of financial administration. This committee provides input to the budget process, meets with auditors, does long-term debt planning with financial consultants and oversees the ongoing business processes of our district.*

Committee Leadership

*Jim Maurer, School Board Committee Chair*

*Sheryl Pursel, Director of Finance*

Start Time: 4:30 p.m.

Location: Administration Building, Board Conference Room

Attended:

**Board Members:** Adam Aloisi, Mike Donato, Grant Keener, Linda Johnston, Jim Maurer, Charles Merris, Bill Otto

**Administration:** Mike Bromirski, Maria Hoover, Tab Musser, Sheryl Pursel, Ellen Rinier, Randy Smith, Shannon Zimmerman

**Other:** There were 2 people in the audience.

Time for Public Comment: None

Discussion Items:

1. Interest Rate Hedge – Refunding Update and Discussion on District Needs for New Money Borrowings (PFM/RBC)

   - Lou Verdelli (RBC) and John Frey (PFM) updated the Board on the Interest Rate Hedge Refunding timeline and began discussions on the need for new money to support district repairs/maintenance/upgrades that will be needed in the future. The decisions will be to identify the likely financial costs that will be needed in the first year as well as what is reasonable to expect in the first 3 years after the feasibility study has been completed.
   - The Finance Committee will review how new debt financing will impact the debt payment structure to determine the financial impact to the district budget.
   - Currently the district Moody’s credit rating is Aa2 which is very good and will be beneficial to maximize savings when it’s time to sell bonds.
   - Next steps in this process:
     - Continue to review feasibility and enrollment study results to identify a priority list for renovation work to be done.
o RBC and PFM will attend the next Finance Committee meeting scheduled for October 30 and will present at the November 12 Board meeting.

2. Follow-up from Buildings & Grounds – Additional Temporary Custodial Support

- Currently there are 5 openings for custodial staff positions at the high school and 3 custodial floater staff positions district-wide.
- Randy Smith, Director of Human Resources, has been working with Dan Clawser, Custodial Supervisor, to review options to fill these positions.
- One option is to look to a temporary staffing solution with temporary staff provided by an outside vendor until the district is able to fill these positions. Mr. Smith will request contracts from various vendors and will present a recommendation at the next Finance Committee meeting October 30.

3. Audit Update

- Review Preliminary Year-End Results
  - Trout, Ebersole & Groff are continuing their audit work, but the preliminary results for the 2018-19 school year is an increase in revenues and a decrease in expenses resulting in preliminary profits of approximately $808k.

- Review of Fund Balances and Transfers to Cap Reserve Requiring Board Vote in October
  - Recommendations for transfers from General Fund to Capital Reserve for 2018-19:
    - $64,524 to Capital Reserve from General Fund (Market Street Sports Group revenues)
    - $56,939 to Capital Reserve from General Fund (E-Rate revenues from USAC Schools and Libraries Program for data transmission and Internet expenses)
    - $1,400,000 to Capital Reserve from General Fund as budgeted
    - $10,159 to Capital Reserve from General Fund (Energy Efficiency Rebates)
    - $660,000 to Capital Reserve from General Fund (remaining funds in 2018-19 Maintenance budget)

  - Finance Committee agrees with recommendations.

4. Review 2020-21 Budget Calendar and Timelines

- Because the primary election is early in 2020 (set for April 28), the budget timeline dates are set accordingly and decisions regarding the preliminary budget will need to happen in December.
- Hempfield School District has applied for but has not utilized referendum exceptions. Recommendation of the Finance Committee is to continue with the preliminary budget process and request the exceptions. Act 1 index for 2020 is 2.6%. The adjusted indexes
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Tuesday, September 24, 2019

have not yet been released, but the district does expect to receive the adjusted index as set by PDE.

5. Purchasing Policies to be Reviewed during the October Board Policy Committee Meeting

- The focus of the Board Policy Committee meeting scheduled for October 10 will be a review of all policies that guide purchasing decisions (322 – Gifts; 610 - Purchases Subject to Bid/Quotation; 611 - Purchases Budgeted; 612 - Purchases not Budgeted; 702 - Gifts, Grants, Donations; 827 - Conflict of Interest).

Adjourn: 6:02 p.m.

Immediately following this meeting, the Board met in executive session to discuss collective bargaining.

Future Meeting Dates
Unless otherwise noted, meetings are scheduled at 4:30 p.m. in the Board Conference Room of the Administration Building.

October 30, 2019
November 19, 2019 (joint with Buildings and Grounds Committee)
December 18, 2019 (joint with Buildings and Grounds Committee)
January 29, 2020
February 26, 2020
March 25, 2020 (joint with Buildings and Grounds Committee)
April 28, 2020
May 27, 2020