Building & Grounds / Finance Committee Meeting
Tuesday, November 17, 2020

Start Time: 4:34 p.m.

Location: Performing Arts Center, Hempfield High School

Attended:

Board Members: Adam Aloisi, Dylan Bard, Mike Donato, Linda Johnston, Grant Keener, Jim Mauer, Charles Merris, Pat Wagner

Administration: Mike Bromirski, Mark Brooks, Denise Galen, Mike Graham, Karen Hall, Kim James, Tab Musser, Sheryl Pursel, Shannon Zimmerman

Other: None

Time for Public Comment: None

Discussion Items:

1. Review of Audit Report – Trout CPA

Nicole Cradic, Audit Partner and Sean Post, Audit Manager presented the draft form of the District’s audited financial statements for the fiscal year ended June 30, 2020. The final report will be presented at the December 1 Board meeting and will be formally adopted by Board vote at the December 8 Board meeting. Key points from the results of audit:

   o No new audit policies were issued or adopted.
   o The Covid-19 pandemic significantly impacted operations beginning in March, 2020, but school districts expect the greater impact to happen in the 2020-2021 school year, potentially into 2021-2022.
   o The audit produced a clean audit with one finding noted in the area of child nutrition. Two verification errors were found resulting in misclassifications of students as free or reduced. This area will be focused on during 2020-2021 to ensure proper documentation for all applications.
   o The district recognized a savings of $3.8 million from the refinancing transaction. The fund balance remaining in the Rate Stabilization account will help to offset other district needs now that the variable rate debt has been refunded.
   o PSERS is still growing but at a slower rate.
   o Depreciation remains consistent.
   o Special Education costs continue to increase. This is common across many school districts.
   o The Capital Reserve fund has increased due to the issuance of the bond for $10 million of new money for capital projects as identified in the feasibility study. Although the study was put on hold due to Covid, the work will continue in 20-2021 to complete both the feasibility study and enrollment projections.
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- Food Service continues to struggle financially. A food service consultant has been hired to review operations and recommend changes to improve processes.
- The Internal Service fund balance has increased to approximately $4 million due to expenses decreased as a result of the pandemic shutdown.

2. Bond Refunding – RBC and PFM

Lou Verdelli, RBC Capital Markets, and John Frey, PFM, presented an update on two smaller re-finance opportunities for the District in 2021. As rates continue to hold at nearly record low rates, although the savings are low, it would provide an opportunity for the district to save approximately $300,000 to refund the Series 2016 bonds early in 2021. The District should continue to identify capital projects and plan for any future capital needs. Recommendation of the Board is to proceed with the refunding and vote on the parameters resolution at the December 8 Board meeting with refinancing to occur in January 2021.

3. Last Mile Wireless Access – Mike Graham

This is the future of providing wireless access in education. Internet access is a requirement for education and will continue to be a concern for all families who for various reasons do not have access to internet. If the District continues to offer virtual and cyber options for students, the District must ensure that all students have access to internet options. CBRS (Citizens Broadband Radio Service) was authorized by the FCC in 2017 with final regulations in January 2020. This is an option for education to use as an intermediate between wi-fi and full 4G/5G cellular. Next step is for the Board to approve the results of the RFP and approve an agreement for network design and consulting. Recommendation of the Board is to add this to the December agenda for approval.

4. Support Staff Compensation Plan – Karen Hall

Job descriptions were revised/completed jointly with employees and supervisors for all support staff positions then evaluated against the position evaluation guide (rubric) by IU13. This is a tool to look objectively at all jobs to look at many factors such as technical knowledge, communication, accountability, etc. Ranges were established by point values to ensure internal equity. To implement this plan January 1, 2021, this will cost the District an unbudgeted amount of approximately $81,811. Recommendation of the Board is to add this to the December agenda for Board approval.

5. Uncompensated Leave Policy – discussion by the Board

This was approved at the November Board meeting but wasn’t thoroughly discussed. Recommendation of the Board is to research more from a legal standpoint and delay the effective date.
6. Decision on Referendum Exceptions

Act 1 index established by PDE is 3.0% with Hempfield School District having an adjusted index of 3.5%. Options in the budget process are to adopt an opt out resolution or to continue with the development of a preliminary budget and to file for referendum exceptions. Recommendation of the Board is to continue with the development of the preliminary budget and to file for exceptions. This will give the Board options to consider a higher tax increase if there are unexpected circumstances.

7. Student Activity Balances

Several account balances have higher than expected balances. Recommendation of the Board is to research options to bring those balances down. Administration will work with Trout CPA and with both advisors and student leadership to develop plans.

8. COVID-19 Update – Mike Bromirski

Superintendent Mike Bromirski presented to the Board an update on Covid-19 and new guidance from the state.


The following topics will be presented during December meetings.
   a. Roofing Projects at Hempfield High School and Centerville Middle School
   b. Update on Farmdale Elementary School Storm Water Runoff
   c. Follow-Up on Penn DOT Study – Traffic Calming Lights

Mark Brooks requested Board approval for two contracts:

The District rented a tent for the high school to accommodate student seating for lunch. This contract is set to expire at the end of November. Recommendation is to extend the rental agreement through the end of the school year for an additional cost of approximately $30,000.

Motion Charles Merris, second Adam Aloisi. All in favor 8-0
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The District has an opportunity to enter into a $1 lease agreement for a facility for wrestling practice.

Motion Linda Johnston, second Grant Keener. Vote 7-0 (abstain Dylan Bard)

Adjourn to Exec Session 8:19 PM

Future Meeting Dates
Unless otherwise noted, meetings are scheduled at 5:00 p.m. in the Performing Arts Center of the Hempfield High School.

December 15, 2020 (Joint with Buildings and Grounds Committee)
January 26, 2021 - CMS Auditorium
February 23, 2021 - Location to be determined
March 30, 2021 - Location to be determined
April 27, 2021 - Location to be determined
May 25, 2021 - Location to be determined