



## Finance Committee Meeting Minutes April 27, 2021

### 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 process of our district.*

### Committee Leadership

*Jim Maurer, School Board Committee Chair  
Sheryl Pursel, Director of Finance*

*Per Board Policy, if you intend to record any portion of the meeting proceedings, you must notify the Communications Director or other Administrator prior to the start of the meeting. A public announcement will be made at the opening of the meeting to inform all attendees that all or part of the meeting is being recorded by an audience member.*

**Start Time:** 5:01 pm

**Location:** Admin Public Board Room

### **Attendees:**

Board Members: Adam Aloisi, Mike Donato, Grant Keener (virtual), Linda Johnston, Jim Maurer, Charles Merris (virtual), and Pat Wagner (late arrival)

Administration: Mike Bromirski, Mark Brooks, Mike Graham, Karen Hall, and Tab Musser

**Time for Public Comment:** None (5-minute limit per Board Policy 903)

### **Agenda Items:**

- 1. Contracts (CMS):** Mr. Brooks discussed the contracts we received for the roofing project that is being done at the CMS gym. Green Heck's total cost for two energy recovery units is \$66,500. This



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vendor is Costar qualified. Trane will be providing the district with their cost for two water source heat pumps in the near future. Trane is also a Costar qualified vendor.

**Contracts (Graduation):** Since the district cannot hold the graduation ceremony at F&M as they have done in the past, Hempfield is looking to contract with Stray Production Services to assist in the process. The total cost for graduation this year is \$31,812.50. Mr. Bromirski mentioned that Hempfield contacted three additional companies for estimates. The district believes Stray Production Services could handle this event. There will be over 2700 people in the stadium on graduation day. In addition to the stage and proper covering for the track, there will be two LED screens so the individuals can have a better view. Stray will take care of the sound as well. Stray needs to set this up by Wednesday, May 26 for graduation practice on Thursday, May 27. The equipment needed for this event will remain at the stadium until June 2. The stage will be secured during the times when it is not being used. All security issues have been worked out ahead of time.

**Mr. Donato made a motion, seconded by Mr. Keener** to approve moving forward with Stray Production Services for the high school graduation contract.

**Vote: “Aye” 6; “Nay” 0; Absent 3; Motion passed.**

**2. Route Finder Software Upgrade:** More information will be provided at a later time.

### **3. Budget:**

- **Changes for 2021-2022:**
  - Position-based budgeting
  - Replacement cycles (maintenance and student equipment)
  - Curriculum (permanent textbooks)
  - Return to pre-covid revenue projections
- **Tax Increase:** The real estate tax millage increases from 2013-14 to 2020-2021 were between 0% to 2.4%. The real estate millage increases have not changed since the last presentation. Every 1% of tax increase would raise \$795,870.
- **Year-end Projections:** As of April 20, 2021, there was a \$4,988,329 net deficit. After reworking some numbers, the net deficit is now \$4,151,045--a difference of \$837,284. Some of the savings came from curriculum, the copy center budget, and other miscellaneous areas. The district projects a \$839,179 budget surplus by the end of 2020-2021 to carry forward to the next year. The district sees the numbers for 2021-2022 increasing in most expense objects (salaries, benefits, purchased services, etc.).



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- **Expenses:** Mr. Brooks presented more details on the following expense objects: salaries, benefits, purchased services, purchased property services, other purchased services, supplies, property and other objects. He went on to explain the reason for various increases in specific objects for 2021-2022. The hand-out gives more specifics.
- **Fund Balance:** The district currently has a general fund balance of \$18,889,010, a debt service fund balance of \$4,556,316 (carried forward), \$18,404,547 in capital reserve, a \$3,830,987 deficit in food services, and \$3,979,388 in the internal service fund. The grand total (excluding food services) is \$45,829,261.
- **Tax Increases:** Mr. Brooks presented three options for tax increases. The worst-case scenario is if the district raises taxes by 5%, the district would receive \$3,979,350. The average tax payer would pay \$160 additional per year. This is carrying forward the food services debt. The district would draw \$171,695 from the fund balance. Option 2 would raise taxes by 2%, giving the district \$1,591,740. The average tax payer would pay an additional \$63 per year. If the district carries forward the food services debt, the district would use \$2,559,305 from the fund balance to cover the remaining deficit. Option 3 would raise taxes by 2% while paying off the food services debt. The district would use \$3,029,595 from the fund balance. Option 4 would use \$822,435 of ESSER funds and raise taxes by 1.04%. The average tax payer would pay an additional \$33.28 per year. This includes paying off the remaining deficit from food services. The district would use \$3,798,900 from the fund balance.
- **Next steps:** The next steps would be to finalize the staffing levels, submitting the proposed final budget to the board at the May board meeting and approving the final budget at the June board meeting.
- **Questions?** A board member asked if we had any further information on how the district can spend the CARES ESSER funds. Mr. Bromirski said, although it is not finalized, we can use the funds for the following items:
  - Preparedness
  - Response efforts around Covid
  - Unique needs of low-income students
  - Students with disabilities
  - English language learners
  - Racial/ethnic minorities
  - Development and implementation of procedures



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- Professional training and development
- Sanitizing and cleaning
- Technology
- Mental health services and supports
- Summer learning and supplemental learning after school
- Tracking attendance
- Facility repairs and improvements to prevent virus transmission
- Exposure to environmental health hazards
- Air quality inspection and repair
- Working with public health to develop protocols that are in line with CDC

The district is looking to embed some of these funds in the next couple of years to offset revenue and reduce expenditures.

In considering all of the tax increase scenarios, the board agreed (6 to 0) to a 2.5% tax increase. This could be changed at the next board meeting if necessary. Mr. Bromirski will present updated documents to the board at the first board meeting in May.

**Adjourn:** 6:35pm

### **Future Meeting Dates:**

*May 25, 2021 - (Administration Building, Public Board Room)*

*June 29, 2021 - (Administration Building, Public Board Room)*