

BIG SPRING SCHOOL DISTRICT

Newville, Pennsylvania

FINANCE COMMITTEE MEETING MINUTES



APRIL 19, 2022

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1. Call to Order

The Finance Committee of the Board of School Directors for the Big Spring School District met in the Big Spring School District Middle School Auditorium at 6:00 pm with seven (7) Board of School Directors present; William Swanson, Board President; Todd Deihl, Vice President; William Piper, Secretary; Kenneth Fisher, Robert Over, Frank Myers, and John Wardle

Absent: Richard Roush

Others in attendance: Kevin C. Roberts, Jr., Superintendent; William August, Assistant Superintendent; Michael Statler, Business Manager; Caleb Barwin, Accounting Controller, Nicole Donato, Director of Curriculum & Instruction; Mike Front, Technology; Darrin Baughman, Technology, and (remotely) Donna Minnich, Board Minutes

2. Presentation:

2.a. Cafeteria Update - Mr. Michael Statler, Business Manager

Mr. Statler provided a Cafeteria Update:

Food Service FY22

Proposed Meal Prices for FY23

Meal Reimbursement

Food Service Management Company RFP

Dr. Roberts stated that we're comfortable with the proposed rate for breakfast because there are many other things being done creatively to make up for that deficit and said we will increase breakfast meal costs incrementally over the next few years.

Mr. Swanson asked Mr. Statler to explain the RFP since Mr. Fisher is new to the Board. Mr. Statler said every 5 years the state requires the RFP for Food Service and 3 vendors responded with proposals. All five RFP team members scored Chartwell's with the highest score and a contract will be presented in May for Board approval. Mr. Statler explained that Chartwell's offered the highest guarantee in their proposal which relieves stress on the part of the school district.

Mr. Piper was a member of the RFP team and said he expected more from some of the companies and stated that Chartwell's by far presented the best proposal and is evident in what they are doing here and what they have done here to date in terms of being part of the Bulldog family.

Dr. Roberts said he agrees with Mr. Piper and stated that any time Chartwell's can operate in the black they put money back into the kitchen or programs to make things better. Dr. Roberts said they have been a great partner and their proposal shows they want to remain a partner with us.

Mr. Wardle asked what the relationship is with food prices that we charge versus the ability to make a profit? Dr. Roberts said there is a direct correlation to costs much like we're seeing at home which is why a price increase for breakfast and lunch is necessary.

Mr. Over asked if the surplus of \$324,000 is district money or Chartwell's money and Mr. Statler confirmed it is district money. Mr. Over asked what does Chartwell's get? Mr. Statler said the administrative fee and expense is Chartwell's and Mr. Over said Chartwell's is getting \$71,000 and Mr. Statler said that is correct.

Mr. Wardle asked if Chartwell's is still interested in doing banquets and Mr. Statler said yes that is correct.

2.b. General Fund FY22 Update - Mr. Caleb Barwin, Accounting Controller

Caleb Barwin presented General Fund Updates:

Budget Performance Update

Monthly Revenue Overview

Monthly Expenditures Overview

General Fund Financial Forecast

2.c. Proposed Final Budget FY23 - Mr. Michael Statler, Business Manager

Mr. Statler provided proposed final budget updates for fiscal year 2023:

FY23 Proposed Final Budget

Charter School Expense

General Fund Balance

Fund Balance by Percentage

General Fund Historical Summary

FY23 Budgeted Expenditures

FY23 Budgeted Revenues

Real Estate Tax Info

Budget Assumptions

Estimated Potential Revenue Generated from Real Estate Tax Increase FY23

Proposed Final Budget Millage Rate?

Dr. Roberts said the different colors of the graphs on the Fund Balance by Percentage slide shows the expenses that are committed which means there is a purpose for those funds and when you compare that with other districts it is important in terms of being prudent to the tax payers for those funds to be sitting there for things like student information system, healthcare, and PSERS.

Mr. Wardle said we're self-insured and some other district are not. Dr. Roberts said that is correct and in a high usage year with significant costs we have to be prepared to address that.

Dr. Roberts reminded the Board that our index is 4.3 percent and that Mr. Statler was directed at the last meeting to look at 2 2½ and 3 percent to show the budget impact.

Mr. Statler stated that we asked all departments to cut their budget by 5% and Dr. Roberts said the amount of the budget we can impact is minimal as previously discussed because the rest of the budget is mostly state and federal mandates.

Mr. Wardle asked when we start to get tax funds from the new warehouses and Mr. Statler said there are new facilities coming online this year and we have received some funds but have not seen tax dollars from all of the new warehouses. Mr. Piper stated one of the buildings is open now and Mr. Statler said he will check into the status of that building and the tax money owed to us.

Mr. Myers asked if there is a reason we didn't go higher than a 3% tax increase and stated we know we don't really want to but wondered why we haven't discussed above 3. Dr. Roberts said starting at 3% would give us an idea of what a balanced budget would look like and Mr. Swanson said we only asked Mr. Statler to show us 2, 2½ and 3.

Mr. Piper asked Mr. Statler about the index mill line and Mr. Statler said that shows the increase if we would go to the index but said we're not looking at going to the index rate of 4.3%. Mr. Piper shared his perspective based on the world and this economy stating he is looking at adopting a 2.5% increase because he thinks we can cover the negative number and said he's not crazy about 2% or 3% because we don't know what the future holds.

Mr. Wardle said inflation being one factor we're lucky to have a 5-year teacher contract and we may see a little bit more earned income because some people locally have gotten raises. He stated the warehouses are going to pull in more people that we haven't accounted for in the numbers so he favors 2.5 percent.

Mr. Over stated he doesn't even like 2 percent and asked if teacher benefits and salaries are going to increase by \$813,000 and Mr. Statler said that is correct. Mr. Over asked what a 10% cut across the board would look like and Dr. Roberts said that could involve program cuts.

Mr. Swanson said we already asked everyone to cut 5% from their budget. Mr. Over stated he doesn't even like 2 percent because we can do better and this is not the year to raise taxes like this.

Mr. Deihl and Mr. Myers said they favor adopting a 2.5 percent increase.

Mr. Fisher said he's still thinking about this and Mr. Swanson said to keep in mind we can still adjust the final budget and that tonight is for Mr. Statler to get us closer to final numbers. Dr. Roberts said at the June meeting the Board will decide and tonight is to give Mr. Statler guidance to develop a proposed final budget.

Mr. Piper said if we cut by a sizeable percentage it could affect class sizes and we have taken great pride in maintaining small class size in order to offer the best individual instruction and education. He said he doesn't relish the fact that he's voting to increase taxes but its impossible to run a school district on a zero dollar increase.

Mr. Swanson stated a 2.5% percent increase is the consensus of the Board members.

3. Other Items – Nothing offered

4. Adjournment

President Swanson stated at 7:02 pm that we will proceed directly to the Committee of the Whole Meeting which was immediately called to order.

William L. Piper
