

BIG SPRING SCHOOL DISTRICT

Newville, Pennsylvania

FINANCE COMMITTEE MEETING MINUTES

APRIL 22, 2024



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1. Call to Order - President Wardle

The Finance Committee for the Big Spring School District met in the Big Spring Middle School Auditorium at 5:58 pm with nine (9) Board of School Directors present: John Wardle, President; Michael Hippensteel, Vice-President; Frank Myers, Treasurer; Julie Boothe, Secretary; Seth Cornman, David Fisher, Kenneth Fisher, Robert Over, and Lisa Shade. David Fisher participated virtually.

Absent: No absences

Others in attendance: Nicholas Guarente, Superintendent; Nadine Sanders, Assistant Superintendent; Michael Statler, Business Manager; Nicole Donato, Director of Curriculum & Instruction; Rob Krepps, Director of Technology; Darin Baughman, Technology, and Donna Minnich, Board Minutes

President Wardle announced the Board met in Executive Session this evening prior to the beginning of the Finance Committee Meeting to discuss safety and security concerns.

2. Presentation:

2.a. Proposed Final Budget - Michael Statler

Mr. Statler presented the Proposed Final Budget:

Where to find Budget Info?

Where to find Budget Info? Part II

Special Education

Ask for Proposed Final Budget – Speech Position

Mr. Wardle asked if the proposed speech person would be our employee and Mr. Statler responded yes. Mr. Wardle asked if the person would work exclusively with our students or also work with students from other districts for which we would be reimbursed and Dr. Guarente said it could be both scenarios.

Asks for Proposed Final Budget – Special Education Position

Mr. Over asked what positions were being eliminated as mentioned in the special education budget and Mr. Statler responded we would be cutting 5 secondary student slots at River Rock.

Mr. Myers asked how many student slots we have at River Rock currently and Dr. Guarente responded we have 16 secondary which would take us down to 11. He explained we have 23 total slots but already repurposed one elementary slot based on need and said this proposed budget allows us to keep students in house which is more cost effective since out of district special education placements are much more costly.

Special Education Cost per Student

Special Education Enrollment Breakdown

FY23 Budget Variances

FY23 Revenue Variances

Mr. Wardle asked in terms of real estate and warehouses, do we see a bump in taxes when the property is sold? Mr. Statler responded when the property is sold, there are real estate transfer taxes but brand new warehouses get a bump in real estate taxes once they are occupied.

Financial Data and Analytics

Total Expenditures by Object

Total Expenditures by Object (Salaries and Benefits)

Total Expenditures by Object (PSERS & Health)

Future Year Considerations

Future Year Considerations – CPACTC

Mr. Wardle asked if the CTC numbers include the fuel spill situation and Mr. Statler said they have reserves to cover that cost but the increase is to replenish their reserves and said they spent a lot to work out the legal issues from the spill.

Mr. Myers asked if the CTC building project would give us more student slots and Dr. Guarente said it would be proportional to student interest which in some avenues is growing at an enormous rate.

Mr. Hippensteel asked if the student slots are based on student enrollment and Dr. Guarente said yes, based on a rolling ADM for a certain number of slots but students could still experience a waitlist based on specific areas of interest. Mr. Wardle said he believes the new project would give a total of 300 more student slots but there would be no guarantee for a certain area of interest. Dr. Guarente said some shops could have vacancies depending on desire.

Future Year Considerations – PSERS

Fiscal Year 2024-25 Budget

Budget Assumptions

Changes to Budget since March

Homestead/Farmstead Credit History

Expenditures by Sub Function (Department)

Expenses – History with FY25 Budget

Revenues – History with FY25 Budget

General Fund – Fund Balances

Capital Project

Budget Scenario 0% increase over 5 years

Budget Scenario – FY25 0%, FY26 1%, FY27 1%, FY28 1%, FY29 1%

Budget Scenario – FY25 0%, FY26 3%, FY27 3%, FY28 3%, FY29 3%

Budget Timeline – Revised

Mr. Wardle said this year by adopting a 0% tax increase, we're \$500,000 less in revenue than expenses. Mr. Statler said that is correct. Mr. Wardle said if we adopt the proposed budget on May 6, we cannot go above 0% but we could go below because there is a ceiling and Mr. Statler confirmed that is correct.

Mrs. Shade asked if the 38.9% increase on the expenses page is property and Mr. Statler said he would have to look into that but it may be a reclassified supply issue.

Mr. Wardle asked if we are aware of any major real estate expansions on the table at this point and Mr. Statler said there is a potential for a warehouse in West Pennsboro. Mr. Wardle asked if retirements are the main way to affect our PSERS costs by replacing teachers are the high end of the salary scale with teachers coming in at the low end of the scale and Mr. Statler said that is

correct. Dr. Guarente said we are in the process of Act 93 salary discussions but need the final considerations from the committee which will be presented to the Board.

Mrs. Boothe said looking at the graphs of the budget scenario and the 0% option, we're going to take \$521,000 out of reserve funds and asked Mr. Statler what was put into the reserve fund. Mr. Statler said 4.2 million dollars was moved to capital projects from the general fund. Mrs. Boothe said given the excess amount beyond what is anticipated, the 0% increase is justified in her opinion.

Mrs. Shade asked about a difference in amounts on the capital project page ESCO account and Mr. Statler said we borrowed 11.5 for the ESCO project which was 13.5 million dollars and the difference is coming from capital projects. Mr. Statler said we discussed and knew we were going to be over to fit the bond structure.

Mr. Wardle said summer projects came in lower than expected and Mr. Statler said yes except the pool deck.

3. Other Items – Nothing Offered

4. Adjournment

Motion to adjourn the meeting by Mrs. Shade was seconded by Mr. Myers

Voting Yes: Boothe, Cornman, D. Fisher, K. Fisher, Hippensteel, Myers, Over, Shade, and Wardle

Motion Carried unanimously. 9-0

Meeting adjourned at **6:42 pm**

