

APPROVED



Pioneer Valley Performing Arts Charter Public School

Minutes

Finance Committee

Date and Time

Tuesday February 5, 2019 at 8:30 AM

Location

Room 304, 15 Mulligan Dr., South Hadley, MA 01705

Committee Members Present

Bob Hann, Deborah Jacobson, Keith Black, Marc Kenen, Marcy Conner, Stephanie Burbine

Committee Members Absent

Elmo Wright, Owen Sordillo

Committee Members who arrived after the meeting opened

Stephanie Burbine

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Marcy Conner called a meeting of the Finance Committee of Pioneer Valley Performing Arts Charter Public School to order on Tuesday Feb 5, 2019 at 8:36 AM.

C. Approve Minutes

Stephanie Burbine arrived.

Discussion included a clarification in Section B Financial Report thru 12/31/18 about the projected tuition amount. No changes were made.

Deborah Jacobson made a motion to approve minutes from the Finance Committee on 01-08-19 Finance Committee on 01-08-19.

Keith Black seconded the motion.

The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Request for Proposal - Auditing Services

The Committee was presented with a draft Request For Quote for auditing services. This service falls under the Massachusetts procurement laws and as such should be placed out for bid. At the current time we have no contract with our current auditors, The MP Group. The Committee suggested including a link to the FY2018 financial statements and asking for any fees that may be associated with the Friends Form 990 and Form PC.

Quotes will be due to the Business Office by March 15th and the Committee will review the proposals at the April meeting.

B. FY20 Budget - Tuition

A couple of reports were given to the Committee as discussion points for the history of tuition:

1. DESE report showing the history of actual tuition paid from FY10 through FY19.

Some additional information was added to the report reflecting what PVPA is projecting for FY19 and DESE's tuition projection for FY20 as of 12/21/18. The projected FY19 is lower than the DESE figure based on enrollment - DESE is projecting at 400 students vs actual of 394 that will be reported in March. Also it was pointed out that the 5% increase that is projected for FY20 is due to the Governor's proposal that is currently in the legislature - the maximum rarely becomes reality upon approval of the legislature.

2. Tuition Budgeting History and FY20 Options.

A. FY17 - FY19 Budgeting History - this section shows a three year history of the conservative budgeting approach that has been employed by the Committee vs the actual tuition dollars received. Ultimately, any funds that are received in excess of the budgeted tuition (with a balanced budget) become a part of the reserves. For FY19 with student enrollment lower than 400 the result is less excess tuition for the reserves plus there was a deficit budget of over -\$89,000. This means that no funding will be added to the reserves and with the projected deficit being even larger than the budget, funds will be taken from the reserves to meet financial obligations for FY19.

B. FY20 Tuition Options - this section shows possible options for budgeting the FY20 tuition. The options differ in student enrollment and percentage of increase. The Committee discussed budgeting the current 394 enrollment figure vs the 400 cap on

enrollment. The lottery for FY20 will be held on February 15, 2019 with 360 students entered - this is slightly down from 400 in FY18. The pros and cons about sticking with the 1.5% of the prior years actual tuition were discussed. This year there will be a decrease in the reserves and the only way to continue to build funds for capital needs, or for circumstances such as this year, are through this conservative approach.

Deborah Jacobson made a motion to to use the DESE 12/21/18 FY19 projected tuition with 400 students as a base tuition with a 1.5% increase totaling \$5,985,927 as the tuition figure for the FY20 budget.

Stephanie Burbine seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Moving forward with the remainder of the budget process (things to ponder):

1. The increase in budgeted tuition for FY20 (\$176,924) will cover the currently projected FY19 budget deficit of -\$158,825 if no changes are made in budget. This includes raises, health insurance premium increases and possible shortfalls in budgeted fundraising.
2. A review of spending trends can be done to see where funds are being spent - especially in light of the increasing expenditures in Academic Support.
3. Staffing - is there overcapacity in any departments?
4. Can we be more efficient? What are our priorities? What is our programming?
5. Union negotiations have not gotten to the point of discussing salaries or benefits. What approach should be taken in regards to raises - an across the board COLA increase or budgeting a sum of money specifically designated for raises?

In March we will continue to discuss these items and the Administration will present proposals for consideration around essential needs, unavoidable increases, staffing at the appropriate levels and options for pay increases.

III. Closing Items

A. Adjourn Meeting

Bob Hann made a motion to adjourn the meeting.

Deborah Jacobson seconded the motion.

The committee **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:36 AM.

Respectfully Submitted,

Marcy Conner