

APPROVED



Pioneer Valley Performing Arts Charter Public School

Minutes

Finance Committee

Date and Time

Tuesday April 2, 2019 at 8:30 AM

Location

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

Committee Members Present

Bob Hann, Deborah Jacobson, Elmo Wright, Marc Kenen, Marcy Conner, Owen Sordillo, Stephanie Burbine

Committee Members Absent

Keith Black

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 Apr 2, 2019 at 8:50 AM.

C. Approve Minutes from March 5, 2019

Deborah Jacobson made a motion to approve minutes from the Finance Committee on 03-05-19 Finance Committee on 03-05-19.

Bob Hann seconded the motion.

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

II. Finance

A. Audit Services RFP Review

Members were previously supplied with copies of five proposals for auditing services and a rating sheet. Attributes of all of the companies were discussed and it was agreed that all of the applicants were qualified. One proposal (RBF) was excluded from the evaluation as it did not submit all of the materials requested. The range in the total cost was from \$7,500 to \$20,450 for the audit alone and the addition of the Friends tax returns were closer in cost. The Committee asked Marcy to call references and make an inquiry to the company with the lowest cost to confirm language in the proposal. This item was tabled until the next meeting.

B. FY 19 Year to Date & FY 20 Budget Review

The report FY19 Projected w/FY20 Proposals dated March 29, 2019 was reviewed:

FY19 YTD 3/28/19

This column of the report represents actual figures as of March 28, 2019. The net income line can be confusing in the context that we will be discussing a significant deficit by the end of the year as it currently shows \$392,909.50. DESE has not yet adjusted tuition payments to reflect the 394 enrollment numbers - lower than normal payments will be made in May and June.

FY19 Projected

The previous FY19 projection was as of December 31, 2018 and showed a deficit of -\$158,824.59. The March 28, 2019 projection now shows the deficit at -\$173,634.93. The fundraising section was updated to reflect the \$75,000 contribution from the Friends for their support of the Community Outreach & Alumni Director position and contributions were adjusted to reflect numbers that are attainable for the remainder of the year. There were some areas of both savings and added expenses in Facilities as we have experienced some issues with the HVAC system. An additional \$20,000 was projected in Board of Trustees legal fees for union negotiations.

FY20 Proposed Budget

In the version that was discussed at the March 5, 2019 meeting the proposed budget deficit was -\$110,500. After evaluating the actual expenses through March 28, 2019 the FY20 proposed budget was changed to reflect the FY19 projected plus any known additions or deletions resulting in an overall increased total deficit of -\$212,983.04. Facilities increased mainly due to higher estimated costs associated with the maintenance of the HVAC system. On the revenue side, both production revenue (-\$5,500) and transportation revenue (-\$19,000) were decreased to reflect actual numbers for FY19. Fundraising revenue of \$30,000 and the \$75,000 contribution from the Friends

for support of the Community Outreach & Alumni Director position were voted on by the Finance Committee on March 5, 2019. Board of Trustees legal fees were adjusted from \$75,000 FY19 projected to \$55,000 for FY20 proposed budget.

FY20 W/Cuts

This column includes the FY20 Proposed Budget plus all of the additions and cuts that have been discussed by the Finance Committee and the Board of Trustees:

- Addition of .40 FTE ESL position
- Field trip revenue to continue at FY19 budget level with transportation fees being passed to parents for field trips. Transportation budget for Paideia reduced to \$4,000 rather than eliminated to provide Paideia field trip support to free & reduced lunch students.
- Elimination of the Soccer Program.
- Fundraising revenue set at \$30,000 plus the Friends continued support of the Community Outreach & Alumni Director position.
- Education Departmental Expense decrease of 10%.
- Production Expense decrease of 10%.
- Board of Trustees legal fee reduced to \$45,000
- Board of Trustees elimination of Board on Track subscription -\$12,000
- Plus staff reductions as presented to the Board of Trustee on March 12, 2019 of \$134,030 in salaries and benefits. This does not include the .20 FTE recommended reduction in Administrative Support Staff.

This still leaves a deficit of -\$39,073.04. At this point there are few options left for submitting a balanced budget to the Board of Trustees; wait to see what the legislature will approve for a budget, look for more areas to make cuts or adjust the percentage increase to tuition revenue. Item was tabled until next meeting.

III. Other Business

A. Committee Requests

The Finance Committee requested information for the next meeting:

1. Job descriptions and salaries of the Administrative staff
2. Schedule with possible savings in health/dental insurance if rates come in under the 10% & 5% projected increase.
3. Cost of health insurance with a change in employer/employee cost sharing percentages.

The FY20 Capital Budget will also be presented at the next meeting.

The next meeting was scheduled as a special meeting on April 23, 2019 to continue work on the budget - deadline is May 14, 2019.

IV. Closing Items

A. Adjourn Meeting

Bob Hann made a motion to adjourn the meeting.

Stephanie Burbine seconded the motion.

The committee **VOTED** 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 9:35 AM.

Respectfully Submitted,

Marcy Conner