

June 2023 Finance Committee Meeting Minutes

Monday, June 12th, 2023

Virtual; 2:00 PM

Google Meet joining info:

Video call link: <https://meet.google.com/gff-wruu-ncx>

Or dial: (US) +1 904-580-9288 PIN: 459 660 033#

Committee Members: Wendell Sletten- Board Treasurer, Randy Vetsch- Executive Director, Kate Hinton- HS Principal, Shauni Holt- Business Assistant, Dustin Reeves- Contracted Business Manager, Isaac Leonhardi- Teacher

Members Present: Dustin Reeves, Wendell Sletten, Randy Vetsch, Shauni Holt, Isaac Leonhardi

Community Members: None present

Agenda: Meeting call to order at 2:03pm by Sletten

1. May Finance Reports (Reeves)

- Healthy cash balance meets required for bond compliance.
- End of May 91.67% of the fiscal year was completed, and the budget reflects accordingly.
- \$141,818 owed from MSA Building Company. School will be repaid by the end of month to clear out this balance.
- Prepaid expenditures- Social Studies digital subscription will be budgeted out over the next several years
- Prior year carry over of \$171,976- Reeves verified we are able to carry these funds over.
- Revenues at 93.3%- just ahead of our target at 92%.
- Several items that are very close to/approaching budget- not an area for concern at this time.
 - Slightly under expenditures at 89.9%.
- At May month end, ADM was 543.19 vs a revised budget of 543- right on target
- Reeves projects an end of year revised budget surplus of \$19,585 (lease aid payments will impact this)
- Supplementals- potential to eliminate/reclassify some unused codes in future for organization and ease of reading reports.
- **Glows and Grows form FY 22/23**
- Sletten would like to know what went well and what we can improve on in future with school financials.
 - Reeves- enrollment. Has seen a lot of districts decrease throughout the year and feels that maintaining our enrollment has been on track and target. Reeves stated increasing capacity is a critical need to bring in more revenue in future years as a growth opportunity.

- Vetsch- clean audit was a glow, consistent enrollment throughout the year and consistency in finances. Area for growth is the alternative funding sources and looking at other sources. Glow was also cleaning up systems for making purchases.
- Holt- relationship with BKDV and communication has been a growth.
- Sletten- task as Treasurer is not as daunting as they had thought it would be.
- Leonhardi- glow is feeling that things are organized and that the school had a plan for the funds.

2. Final Draft of FY 23/24 Budget (Vetsch)

- Administration has reviewed the draft FY23 revised budget for presentation at the June BOD meeting.
- Enrollment at 648, ADM equates to 598 (*PSEO causes this adjustment, as the school does not receive funding for full-time PSEO*).
- Majority of line items are taking inflation rate of 2% and student ADM into account in projections.
- Projected surplus of \$50,151 or a 34.2% surplus for 23-24 school year.
- Salaries and extracurricular pay updated based on information provided by Holt from pay scales.
 - 2.3 million for licensed staff (included some extracurricular pay)
 - Administration budget (will include office staff, but not counselors/other staff)
- Sletten raised questions on curriculum review cycles and budgeting for new curriculum. Reeves stated that BKDV is not usually privy to that information with schools. Sletten also urged ED to account for PTO payout at the start of the year to ensure we stick to our surplus.

3. 5 Year Budget Projection (Vetsch)

- Reeves shared a copy of a 5 year projection
 - Vetsch- the understanding is that we do need to expand and what the enrollment numbers would need to change to once the Facilities Committee determines further what we need to do. The 5 year projection needs continued work as we go through the expansion process and is likely to change.
 - Reeves was able to update the numbers with staffing assumptions based on projected enrollment numbers.
 - Concern raised by Sletten on bids for large group insurance as we continue to expand to over 50 benefits earning employees.
 - Unfortunately this information is not available at this time due to rates with carriers not being out for bid yet (won't until Spring 2024 when new rates are published)
 - Reeves verified that with the 5 year budget model we are within the limits for days cash on hand/debt service coverage.

4. End of Year Expenses (Holt)

- **403b match**

- Approximately \$30k projected.
 - Will be submitted with the 6/30/23 payroll for the end of year match.
- **PTO payout (*estimation*)**
 - Approximately \$118,000
 - Vetsch has concerns on the amount and current policy on payout. Would recommend exploring other options for PTO payout policies (such as having a cap on the amount/daily rate payout for all staff)
 - Sletten is concerned due to teachers being paid less than the competing district that this incentive may cause staff to leave for higher compensation or use their PTO to ensure equitable compensation.
 - PTO payout will be on 6/30/23's payroll.

5. **Pay Schedule for Non-licensed Staff (Vetsch)**

- Sletten stated that this has been a topic of conversation by administration but was not presented with the teacher pay scales. The BOD approved the teacher scale only, and should have included the pay scales for EA/Office/District Staff as well.
 - Concern that there are members of office/district staff with higher compensation than licensed staff who have higher degrees and more job responsibilities. Thus keeping a mind to equitable pay.
 - Wage notices have already been signed for all staff with updated pay information; approval would go in effect after the 23/24 school year.
- Holt provided an overview of the wage structure for EA and Office/District Staff.
 - The EA scale had similar eliminations of steps that the teacher scale did.
 - Historically MSA did not have a pay scale for Office and District staff. One was created to maintain consistency and determine compensation in the event of new hires from turnover.
- Vetsch stated it could have been an oversight of the scales not being part of the BOD approval when the teacher pay scale was approved
 - Vetsch instructed Holt to get these to the Executive Assistant to add to June's BOD packet for approval.

6. **Updates:**

- **ABC Update (Vetsch)**
 - **Potholes, pest control, and summer work.**
 - Parking lot- approximately \$9,000 with repaving and numbering the lot spots.
 - Approximately \$75,000 work throughout the school to be completed in repairs/maintenance.
 - Painting- we have approximately 4 hourly staff members that will be coming in over the summer at the rate of \$20 per hour to perform these tasks. Can be coded to the building company for finances.
- **Lease Aid Letter (Reeves)**

- Reeves is currently working on. Due to changes at BKDV they are slightly behind. Reeves is hopeful to have these sent out electronically Tuesday 6/20/23 for BOD members to sign.
 - **Employee Retention Credit (Reeves)**
 - No further action necessary on MSA's side.
 - Funds will arrive via check (date is not determined due to federal funds not having a timeline for disbursement).
 - **Universal School Lunches (Reeves/Vetsch)**
 - Reeves informed the committee that there has been very little update from MDE on the rate of reimbursement for Fiscal Year 2024.
 - Many of startup expenses would come from the General Education Fund
 - Adding a SNP (School Nutrition Program) will have a number of costs associated with starting up
 - Storage, trash/facilities, pest control, staffing
 - The school will need to see the reimbursable amount to decide if it is possible to move forward at this time.
 - Committee agreed that with plans for expansion we need to plan to have a SNP to provide our students with. Parents will be expecting it to be part of the school going forward with expanding.
 - Sletten referenced WLA's concession stand as a model we can look at mirroring for a "kitchen space" at MSA.
 - Concerns raised that we need to start looking at ideas now to be prepared to implement something within our expansion.
 - **AFC Committee**
 - **Fundraising 23/24 Ideas**
 - Vetsch stated that AFC did not meet since the May meeting. Looking to officially launch the committee during back to school to reach out to members.
 - Sletten encouraged AFC to make plans this summer to get parent engagement from the start of the 23-24 school year.

Additional Comments:

- July- no meeting for the Finance Committee.
- August- meeting will be determined based on the BOD meeting schedule.
- Audit- Reeves stated that we will likely be using Abdo again for the audit.

Meeting adjourned at 2:54pm