

APPROVED



## Pioneer Valley Performing Arts Charter Public School

### Minutes

#### Finance Committee Meeting

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**Date and Time**

Tuesday April 23, 2019 at 8:30 AM

**Location**

Room 302, 15 Mulligan Drive, South Hadley, MA 010175

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**Committee Members Present**

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

**Committee Members Absent**

*None*

**Committee Members Arrived Late**

Bob Hann

**Guests Present**

Andrea Nathanson

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**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 23, 2019 @ 8:36 AM at Room 302, 15 Mulligan Drive, South Hadley, MA 010175.

**C. Approve Minutes**

Stephanie Burbine made a motion to approve minutes from the Finance Committee on 04-02-19 as amended to change time meeting adjourned to 9:35 a.m.

Deborah Jacobson seconded the motion.  
The committee **VOTED** to approve the motion.

**Roll Call**

Deborah Jacobson Aye  
Keith Black Abstain  
Stephanie Burbine Aye  
Andrea Nathanson Abstain  
Bob Hann Absent

**II. Finance**

**A. Audit Services RFP Review**

Bob Hann arrived late.

As requested by the Committee, Marcy reached out to Powers & Sullivan to confirm the details of the bid submitted and contact charter school references. Fancis Serreti of Powers & Sullivan stated that the quote for services was based upon a review of our current financial statements and their experience with similar charter schools the size of PVPA. He also stated that Powers & Sullivan will honor the quote given. The Committee talked briefly about the merits of the experience some of the other firms have but also remained conscious of the budgetary issues facing PVPA.

Deborah Jacobson made a motion to to recommend to the Board of Trustees that PVPA engage Powers & Sullivan for auditing services for FY19 - FY21. Such contract for services to include a termination clause.

Stephanie Burbine seconded the motion.

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

**Roll Call**

Stephanie Burbine Aye  
Andrea Nathanson Aye  
Keith Black Aye  
Bob Hann Abstain  
Deborah Jacobson Aye

**B. FY 20 Capital Budget**

A total Capital budget of \$137,200 for FY20 was presented. Historically the Capital budget has been in the neighborhood of \$100,000. Several of the items were discussed and could be removed as they do not reach the \$5,000 threshold for capitalization. There were also concerns over what responsibility the Friends may have in regards to the parking lot lights and the facility plans. This item was tabled until the next meeting.

**C. Information Requests from April 2, 2019**

Several items of information were requested by the Finance Committee for discussion:

2019 Administrator Positions and Salaries/Job Descriptions- the purpose for this information was to give clarity to the cost of the Administrative salaries vs the total budget. The current evaluation of the administrative structure being conducted by the Board of Trustees should have this information to determine how the Administration functions and if there are areas for reduction. It was pointed out that in FY18 there was an Assistant Director of Academics position that was left vacant, reducing the administrative costs. This position was eliminated for FY19 under the current Executive Director model.

Change in Health Insurance Premium Percentages - this was for information purposes only - no one was recommending any changes to the current cost sharing percentages. This data showed that for each 5% change the cost or savings to PVPA (based on current staffing and a projected 10% increase over FY19 rates) would be estimated to be \$50,000. The cost or savings to the employee was dependent upon the plan the employee had and was approximately 17%.

FY20 Budget - Health/Dental Insurance Premium Cost Projection w/ Current Staffing - the current version of the FY20 budget is projecting a 10% increase in premiums. This document shows the cost savings for every 1% change in the increase. At the on-set of school vacation, Marcy had received information that the increase for FY20 proposed by Blue Cross Blue Shield was actually 13%. This would have resulted in an additional increase to the budget of approximately \$36,000. Marcy was able to negotiate with Blue Cross Blue Shield and the result was an increase of 8% - coming in lower than the projected 10%. This will reduce expenditures to the FY20 budget by approximately \$25,000.

#### **D. FY20 Budget Review**

The report sent out with the agenda reflected a deficit of -\$41,xxx. Some changes were made and an updated version was dispersed reflecting a net income of \$8,569.68 - a balanced budget! The biggest change was the difference between the projected 10% increase in health insurance and the actual increase of 8%. There were also some adjustments made to several categories in the facilities budget lines:

- Telephone Equipment - reduced from \$6,100 to \$3,000 due to new provider maintenance contract

- Building Supplies - should have been a total of \$10,000 divided between maintenance and the theater

- Grounds - increased \$2,000 for new landscaping contract

- Security - reduced \$1,800 by scaling back CCTV replacement schedule

- Permits & Inspections - increased \$1,000 - FY20 will bring an air quality test and asbestos evaluation

- Repairs & Maintenance - HVAC - this item was questioned at the last Board of Trustees meeting because the FY19 budget was \$15,000 and is doubling for FY20 to \$30,000. During FY19 we had one of the roof top unit need repair that took several months to get the part and have the work done - this points to the urgency of having the HVAC units replaced. At this time the Friends do not have a plan for replacing the units this summer. For this reason the FY20 budget remains higher than normal. There was discussion of asking the Friends to cover the costs of any repairs in lieu of replacement so that the budget line could be reduced. Any further increased expense for the Friends could also result in an increase in rental expenses.

An additional change that enabled the budget to balance was a change to the percentage increase in tuition. It was proposed that the percentage be increased from 1.5% to 1.75% resulting in an estimated increase of \$17,000. This will require a vote from the Finance Committee.

An alternative may be to reduce the Repair & Maintenance-HVAC to \$15,000 and leave the tuition increase at 1.5%. This would result in an approximate net income of \$6,000.

The legislature continues to make plans that will effect PVPA tuition dollars for FY20. DESE will be releasing new projections the first week of May based on the proposal making its way through the House.

### **III. Closing Items**

#### **A. Adjourn Meeting**

Deborah Jacobson made a motion to adjourn the meeting.

Keith Black seconded the motion.

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

**Roll Call**

Keith Black           Aye  
Andrea Nathanson Abstain  
Bob Hann            Aye  
Deborah Jacobson Aye  
Stephanie Burbine Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:47 AM.

Respectfully Submitted,  
Marcy Conner