

*Oneonta City School District
Finance/Audit Committee Meeting Minutes
March 22, 2022*

The meeting began at 3:36pm.

Members Present: Lisa Weeks, Business Manager; Joe Temming, Board of Education; Tom Brindley, Superintendent

Members Absent: Amy Burnsworth, Board of Education; Mike Iannelli, Board of Education

Others Present: David Lembo, District Energy Educator (attended for Energy Bid topic)

Energy Bids (Electricity)-handouts-Committee reviewed bids for electricity received from Constellation (our current electricity supplier) and BidUrEnergy. Both provided various options with fixed pricing for up to 4 years. Constellation offered the lowest prices. After discussion, with such a volatile energy market right now, the committee is recommending contracting with Constellation for a new fixed rate for a 12 month period, beginning December 28, 2022. It was acknowledged that any choice we make (or don't make) is really a gamble.

On an energy related note, we discussed our Energy program. This has been a very successful program and is overseen by David Lembo, our Energy Educator. With energy costs on the rise, we will be looking to tighten up our program. We've relaxed a little in order to be COVID compliant and make accommodations for our staffing and students over the past couple of years. Mr. Lembo has reached out to the Energy Education consultants for new energy saving ideas and will be performing energy audits more frequently.

Internal Controls Audit for 2019-2020; Cash Receipts-The district is required by NYSED to have an outside audit firm perform an Internal Controls Audit. This audit was not performed in 2019-2020 due to the COVID shut down. Cwynar Farrow & Locke have recently gone back to the 2019-2020 year and did a focused audit on cash receipts in order for the district to comply with this mandate. This audit, including district response, is being presented to the Board at the March 23, 2022 meeting for acceptance. The committee discussed the findings and recommendations as well as district response.

Repair Reserve Proposal-handout-We continued our discussion regarding work that needs to be done and the best way to fund it. Since the need to address the following items are more immediate and we don't have a project anytime soon, we would like to propose using the already existing repair reserve funds to take care of these safety related issues. We received quotes for MS pavement, failing catch basins, Riverside entrance repair and Valleyview pathway, totaling around \$162,000 (we have increased the estimated cost to account for outdated pricing). We would like to have a public hearing on these repairs on April 6th followed by Board approval on April 20th.

A suggestion was made to see if this could be handled as a Capital outlay project in order to receive aid. We have looked into this option. It would be time and cost prohibitive as we would need to do at least \$10,000 worth of work in each building to make it aidable, get involvement by architects/engineers, wait for NYSED approval, and have it added to our incidental cost allowance, which is already maxed out at some of our buildings. We did note, however, that the lighting repairs in the auditorium would be a great way to utilize the Capital outlay option since it is work in the building. This could be added to the budget with an offset utilizing unappropriated fund balance. Embedded in the budget, it would be considered voter approved with a successful budget vote. We are currently waiting on a quote from Syracuse Scenery, who were onsite to evaluate on February 24th. We are also waiting to see if NYS is going to increase the Capital Outlay Project limit from \$100,000 to \$250,000.

Capital 1-Grey Barn Replacement-Engineers and survey crews have visited the site and determined that half of it is located in the flood plain. This would require additional paperwork that the engineers would complete. This building would never generate aid but needs to be replaced as it is a safety risk. Our Architect is gathering information from the crews and expects to be able to submit some solid estimates soon so that we can move forward with a vote and planned funding.

All capital reserves would require voter approval to establish and withdraw from them. If the board decided that they wanted to establish these reserves, we would need to determine a vote date, which may or may not be the same as the annual budget vote.

Grant Review-handout-Using a handout provided, we reviewed the various grant funding that the district has been awarded, the amount, which grants are recurring and planned use. We also discussed that a significant amount of this funding is from Federal Stimulus and will be non-recurring. This is important as we determine what is being paid for by these grants now, and the planned shift of positions into the general fund over time.

There was discussion regarding how progress is being evaluated and reported.

2022-2023 Budget Development Status-handout-Using handouts, we reviewed the current status of our budget proposal. We don't anticipate any major changes to the plan at this point. We do not want to reduce it further for a variety of reasons. One being that it is a responsible budget that maintains our current programming and secondly, we need to show that we are utilizing our own funding in order to receive the grant funding. At this point, we are just waiting to see what the final state aid proposal will be to determine how we are paying for this plan. We will likely receive some sort of increase in state aid. The remainder of the funding will need to come from reversal of funds set aside to absorb the transportation aid deduct and from unappropriated fund balance.

We reviewed our aid ratio changes over the past few years. They have increased which should in turn help our state aid.

Lastly we talked about some of the proposals out there at the state level and how they might affect us.

Capital Outlay Limit-Proposal to increase limit from \$100,000 to \$250,000.

Universal PreK-Potential increase to funding for existing programs. Funding has not had an increase in over 10 years.

Building and Transportation Aid forgiveness for Clerical Errors-This would eliminate our potential reduction in aid for approximately \$200K.

School Building Financial Transparency Reporting-Considering elimination of this reporting since it is duplicated with ESSA Reporting.

New York State Based Food Incentive-State Subsidy for schools to purchase food from NYS growers.

Review of Financial Memorandum-Most of the information was covered earlier in the meeting. The two rental agreements for space in Center Street are increasing by 5% to help cover additional utility costs. We generally have not increased rent and will have this discussion with the YMCA and Otsego County following board approval. NYS Farm to School initiative would be funded by the district (not Chartwells) but would provide much needed nutrition and variety to our current food service offerings. In addition to the Financial Memorandum, the Board is being asked to approve the proposition for bus purchases to be placed on the ballot, and the approval to bond the bus purchases.

Our meeting ended at 4:53pm.

Next meeting: April 19, 2022, 7:00pm (*note time change*)

Location: DL Room, Center Street

Respectfully submitted,

Lisa J. Weeks

Business Manager