

June 11, 2024 Finance Committee Meeting Minutes

Attendees: Jamie Callanan (BoE), Melissa Finateri (BoE), Donna Dougherty (Community Member), Kapil Gupta (Community Member), Scott Seaman (Community Member), Michelle Gosh, Victor Karlsson, Matt Wenz, Susan Morgan

Meeting began at 8:03am.

Victor Karlsson began the meeting by referencing the prior meeting minutes, which are available on the District's website. He shared the agenda for the meeting, the purpose of which was to review the projected year-end results of operations and make recommendations for reserve fund balances to the Board of Education. He then provided an overview of the projected results of operation, which generally resulted in positive budget variances on both the revenue and expenditure sides of the budget. The projection for the month-ending May 31st was consistent with that of the month-ending March 31st, which is reported in the Property Tax Report Card within the Budget Statement. He further shared that the two most significant positive budget variances were related to interest & State Aid revenues, the combination of which generated an operating surplus.

Discussion took place regarding a study being performed by New York State to evaluate and eventually change the funding formulas for education aid statewide. Victor shared caution that there would be "winners and losers" based on the new formula, which would likely go into effect within the next few years. He will continue to monitor the progress of the study and report back to the Committee at future meetings.

Each of the Reserve Funds were reviewed along with their recommended balances FYE 2024. Victor noted that each Reserve Fund was established in accordance with either General Municipal Law or Education Law. Most notably, an increase to the Capital Reserve is being proposed, which would afford the District the ability to draw down on it for capital improvements, should there be a need in the future. The Committee was reminded that any proposed use of the Capital Reserve would require voter approval beforehand. Questions and answers were exchanged among the Committee with respect to the District's Reserve Funds.

The accounting reserves, such as Prepaid Expenditures and Encumbrances, were described. And finally, the amount Unassigned represents approximately 4% of the ensuing year's budget, which is the maximum amount allowable per General Municipal Law. Board Policy #5512: "Fund Balance & Reserves" outlines the Board's goal of maintaining Unassigned Fund Balance of 4% in order to provide fiscal stability in the event of unanticipated expenditures, such as emergency repairs, or a significant revenue shortfall.

The Committee generally agreed with the estimated reserve balances, which will be recommended to the Board of Education at the June 25th meeting. The next Finance Committee meeting is scheduled for Tuesday, August 13th at 8am to review the 2024-25 Tax Warrant for Board of Education adoption.

Meeting ended at 8:37am.

Respectfully submitted,

Victor Karlsson