

**NORTHERN LEHIGH SCHOOL DISTRICT
FINANCE COMMITTEE MEETING
Monday, February 6, 2023**

**Immediately Following Technology/Buildings and Grounds Committee Meeting
Administration Office
Board Room**

Committee Members		Meeting Dates	
Donna Kulp - Chairperson		Matthew Link	March 6, 2023
Gale Husack - Co-Chairperson		Sherri Molitoris - Liaison	April 3, 2023, May 1, 2023
Chad Christman		Nichole Fink	June 5, 2023, August 7, 2023
Robin Distler		Jennifer Butz	September 5, 2023, October 2, 2023
Gary Fedorcha		Tim Weaber	November 6, 2023
Michelle Heckman		Eric Hill	

Also in Attendance:

AGENDA

- Cafeteria Update
 - \$10,000 received from the Credit Union for backpack buddies' program. Thank you again.
 - Giant round up at register- continues to run through end of February, will have a check presented to us on March 6th
 - Staffing - come February 13th we will be fully staffed in all cafeterias. Two new hires starting at the high school Feb 13th.
 - Unforeseen expenses:
 - a. PE- cooler parts - \$120
 - b. HS- Oven parts - \$200
 - Price increases on food items from several manufacturers- I received email notifications early January to expect higher costs of certain goods.
 - Increased ala cart snack pricing - chips, ice cream and other snacks due to inflation as well as Northern Lehigh was not up to par with neighboring school districts ala cart prices. Now we are comparable.
 - a. Ala cart sales overall increased from last year which was about \$3,000-\$4,000 per month as a district, to now between \$7,000-\$8,000 per month.
 - Primero edge- installation and training fee of \$3,900 recently paid. Training for all food service staff to be scheduled within February and March timeframe.
 - a. New program going live on April 3rd.
 - b. Notifications will be sent to parents in stages notifying that K12 payment system for meal accounts will be no longer and schoolcafe will be replacing K12.

- Bond Refinancing
 - Brad Remig has reached out concerning the remaining 2018 bond that was not refinanced in October 2022. A portion of the School District's 2018A was not included in the taxable debt restructuring last fall since there were no resulting savings. The plan was to wait until closer to the issue's call date (9/1/2023) so a traditional tax-exempt current refunding could be considered. The School District has a refinancing opportunity on the remaining outstanding Series of 2018A

Bonds which will maintain the current final maturity in 2028 and replace the current higher rates with lower rates to reduce annual payments. Based on current market rates the District could realize approximately \$65,000 of debt service savings net of all fees. Administration is recommending that the Board of Education approve at the February board meeting a resolution to authorize PFM to move forward with refinancing of the 2018A Bonds. PFM Financial Advisors LLC, Raymond James underwriter, and King Spry District Counsel and Solicitor would develop the parameters resolution to be approved at the March board meeting, sale of the bonds would occur in May and final settlement would be in June 2023.

- Arbiter Pay
 - The district uses Arbiter to pay officials for sporting events. Each time Arbiter pays an official there is a \$3.00 transaction fee. Arbiter is offering the ability to pay an annual one-time fee per year based on a 3 or 5 year plan. Projected transaction fees for 2022-2023 are estimated to be \$969 an arbiter is offering for us to pay an annual fee for 2022-2023 of \$700. Arbiter has also agreed to credit us for transaction fees already paid to date during the 2022-2023 school year. The athletic department is recommending that we enter into a 5 year annual one-time payment plan with Arbiter at a savings to the district versus a pay per transaction model.

- Gorman & Associates, Inc
 - The current audit agreement with Gorman & Associates ended upon completion of the 2022 single audit in November. Administration has received a new agreement from Gorman & Associates for auditing services for the 2023, 2024, and 2025 fiscal years. Administration is recommending continuing to use Gorman & Associates for our annual audit.

- Portnoff Update
 - On the evening of January 8, 2023, Portnoff became aware of a network security incident that temporarily impacted the availability of their computer systems. Upon discovery, they initiated their incident response plan, took proactive steps to secure their network, notified law enforcement, and commenced an investigation with assistance from outside cybersecurity experts. Through their investigation of this incident (which is still ongoing), they confirmed that their systems were encrypted with ransomware. Their backup systems were not impacted by this incident. They are in the process of restoring their computer systems from backup and are anticipating that they will be fully operational shortly. They are working to identify the files that were potentially subject to unauthorized access or acquisition. They are working as quickly as possible to complete that review and, in accordance with applicable law, will provide notice of this incident to anyone whose personal information was potentially involved and provide them with instructions to protect the security of their information. Portnoff's website, where property owners can look for balance information and make payments, has been available throughout this entire time. There is no evidence that any funds held by Portnoff Law Associates have been involved in this incident. Portnoff Law Associates is implementing additional safeguards and technical security measures to enhance the security of its systems.

Next meeting is scheduled for Monday, March 6, 2023.