

# Finance Committee Meeting Minutes

June 8, 2021

The Finance Committee met on Tuesday, June 8, 2021, at the High School Conference Room and virtually through a Zoom Meeting Room. In attendance were committee members Tom DiBello, *Committee Chair*, Wendy Earle, Clinton Jackson and Christina Melton (via Zoom); administrators Robert Rizzo *Acting Superintendent*, James Fink, CPA *CFO*, and Mary Davidheiser, *Controller*, and community member Will Cromley. Board member Linda Fazzini arrived at 6:41pm. Mr. DiBello called the meeting to order at 6:31 p.m.

- Public to be heard on agenda items only: None.
- Review and acceptance of minutes for May 11, 2021: Accepted.
- Executive Reports – 2020/2021 reports through May 31, 2021, reviewed by Mr. Fink.
  - Liquidity:
    - Little over \$71MM; right where we should be.
  - Revenues:
    - Local real estate funds are in line with budget.
    - State sources remain slow in general.
    - Overall revenues are pacing well with 1 month to go in the fiscal year.
  - Expenditures:
    - Salaries continue to run higher due to internal Spring-Ford Cyber Learning costs.
    - Property services continue to be under budget due to not having the full Interstate cleaning staff onsite at the beginning of the fiscal year.
    - Other Services are up - transportation savings YTD (approx. \$450k) but is offset by external charter school costs which are up over \$680k from prior year due to COVID-19.
    - Supplies costs are up due to COVID related expenditures of approximately \$550K.
    - Property expenses are up over \$900k, \$942k of which are COVID related expenditures (mostly tech).
  - Assessments:
    - Gained \$3.5MM in May.
    - Just under \$12MM remaining to goal. The shortfall at the end of the year will likely be made up in interim assessments through August per experience (2020=\$10MM; 2019=\$13MM).
  - R/E Transfer Taxes:
    - Currently \$1.8MM passing budget of \$1.7MM by \$100k.
    - Projection to finish at \$1.9MM to \$2.0MM.
  - Earned Income Taxes:
    - Approximately \$650k ahead of prior year.
    - Should finish year around \$11.7MM-\$12MM.
  - Self-Funded Health Insurance:
    - May was a better month from a claims perspective.
    - Currently running over budget by approximately \$300k YTD.
  - Food Service:
    - \$361k net profit YTD.
    - YTD meals served is 600k (breakfast and lunch).
    - Seamless Summer Option (SSO) will continue through the summer.

- Ms. Earle questioned how equipment is taken care of (Aramark or District). Mr. Fink responded the equipment is owned and maintained by the district, and much of it is very old. Formal evaluation of the equipment is happening over summer.
- Review of COVID-19 related expenditures and Grants:
  - Currently working on a \$1.07MM grant receivable (moneys spent that are not yet collected).
  - Timing of the receipt will govern when it is booked per governmental accounting standards.
- Other Committee Business:
  - Mr. Fink went over the estimates for 20/21-year end as requested. These are preliminary numbers based on what is open, accruals, and estimates per trends, and these numbers will change as the close and audit processes unfold.
    - Conservative efforts were utilized and timing of revenues will greatly impact the numbers per government accounting rules. Revenues will likely only include a small portion of the grant receipts based on current receipt trends.
    - Current conservative estimates are an approximate deficit of \$400k, however this could flip to a \$500k surplus if the grant receivable is collected in a timely manner. Therefore there could be wild swings in the numbers year/year depending on how grant receipts are timed.
    - Mr. DiBello stated biggest expense was cyber and supplies and the district will get a decent portion of the money back (ESSER grant funding).
  - Mr. Fink went over the current bus contract negotiation. Current contract ends June 30, 2021. Other carrier rates were reviewed, and Custer's rates are very competitive with other carriers in our area. The numbers for new contract fit well within our budget and are within the forecasted number in our model for the length of the proposal.
    - After numerous negotiations and offers/counter offers Mr. Fink's professional opinion is this is a good contract for the district and is very competitive to other carriers. He would like the committee's approval to move forward pending solicitor review.
    - Ms. Melton asked for confirmation of a 5-year contract and what if they are short drivers? Mr. Fink confirmed 5-year contract and there are provisions in the contract that if Custer's cannot do a run that the district can go elsewhere and charge back any rate difference to Custer's.
- Board Comment - None
- Public Comment - None
- Meeting adjourned at 6:55 pm