

Finance Committee Meeting Notes

November 12, 2019

The Finance Committee met on Tuesday, November 12, 2019 in the District Office Conference Room. In attendance were: Chairperson Thomas DiBello and committee members Christina Melton. Administrators present were Robert Rizzo – Assistant Superintendent, James Fink – CFO, and Mary Davidheiser - Controller. Also present were board member Linda Fazzini, and residents Will Cromley, Wendy Earle, and Denis Rees. Mr. DiBello called the meeting to order at 6:31 p.m.

- Review and acceptance of minutes – October 8, 2019. Accepted.
- Executive Reports – 2019/2020 reports through October 31, 2019
 - Reviewed by Mr. Fink
 - Liquidity: Currently \$136MM, last year's balance was a slightly higher due to approximately \$8-9MM in construction funds, therefore cash position is on par for the year.
 - Revenue detail: Revenue slowed up this month which evens out the YTD revenue flow and overall trending nicely and according to plan.
 - Expenditures: generally expenditures are falling in line in accordance to plan. The one exception is in self-funded health insurance where claims are currently higher than anticipated.
 - Assessments Update: Assessments gained \$14MM from last month putting the district within \$34MM of its year-end assessments goal.
 - Other reports:
 - Real Estate Transfer Taxes are pacing on average with the prior 3 years where the budget target was surpassed.
 - Earned Income Taxes are also trending higher than budgeted due to a strong economy.
 - Self-funded insurance costs are higher than anticipated. The remaining budget is around 55% compared to this time last year it was 63%. There are 4 claims exceeding stop loss and an additional 9 claims over \$100K compared to last year 1 claim. Mr. Fink stated we do have a backstop reserve for large claims, and Mr. DiBello stated not for budgeting purposes. Mr. Fink and his team are keeping a close watch on this area.
 - Food Services is doing very well with Aramark. Health claims are high as mentioned earlier, but otherwise the business area is operating in the black. Up 137 lunches/day from the prior year, and over 6,000 more lunches served this year than last year (after adjusting for the number of service days). Breakfast YTD revenue is \$12,200 including subsidies with an additional \$1,000 in lunch subsidies for offering breakfast. Breakfast is now being served in all buildings with the 9th grade and the 10-12 buildings coming online on November 4th. For the month of October over 5,300 breakfast meals were served to students, and over 6,000 breakfast meals were service YTD.
 - HS Project: Mr. Hunter will go into more detail at property meeting. Recent expenditures for the electric wiring for the elevator and strobe lights.
 - Timeline 2020/2021 Budget
 - Mr. Fink reviewed his power point presentation for Monday's Work Session. Reviewing timeline, factors and budget as it stands now. Expenditures and revenue gap; expenditures coming in at a 4.2% increase and revenue at 2.17% increase reflecting a \$4,801,720 shortfall. Mr. Fink pointed

out that last year at this time the budget gap was approximately \$4.5MM and reminded the committee members this is a preliminary and still need to sharpen pencils. The budget/forecast is personnel-cost driven. Mr. DiBello stating we do not have a lot of wiggle room.

- Other Committee Business
 - Mr. Fink mentioned some agenda items to include an assessment appeal for Limerick Center Road and the agenda item for the ability to advertise to the public the preliminary budget. Mr. Fink also noted that Jay Panfil the Spring City tax collector and Sharon Romer the Royersford tax collector will be resigning at the end of the year due to moving out of the district.
- Board Comment
 - Ms. Fazzini mentioned that she was at the Upper Providence Township meeting and when the discussion of development came up stated that the school district would like to be notified of the development that is approved and going to occur.
- Public Comment
 - Ms. Earle commented on property mentioned at the last meeting regarding property for sale in Royersford. Mr. DiBello stated that the land is under contract to develop and will likely be a mix of residential and commercial property.
- Meeting adjourned 7:20 pm.