

Finance Committee Meeting Notes

June 11, 2019

Meeting Notes

The Finance Committee met on Tuesday, June 11, 2019 in the District Office Conference Room. In attendance were: Chairperson Thomas DiBello and committee members Christina Melton and Kelly Spletzer. Administrators present were Dr. David Goodin – Superintendent, James Fink – CFO, and Mary Davidheiser – Controller. Also present were board members Mark Dehnert and Linda Fazzini, and residents Will Cromley, Denis Rees and Wendy Earle. Mr. DiBello called the meeting to order at 6:36 p.m.

- Review and acceptance of minutes – May 14, 2019. Accepted
- Executive Monthly Reports – 2018/2019 results through May 31, 2019
 - Reviewed by Mr. Fink
 - Liquidity: higher cash balances from prior year mainly due to construction funds yet to be disbursed, but on par as expected.
 - Revenue detail: Tracking as expected generally. Have received all of Basic Ed Subsidy for the year. Amount received was more than budgeted as we budget 1 year behind due to not know what the state will budget each year. Retirement is behind due to 2 quarters that are yet to be received (fiscal Q3 comes in June, and fiscal Q4 will be received in Sept and accrued back to 2018/2019). Real estate taxes started off slower, but were covered by the overages in transfer taxes and EIT. Other local revenue, rental loss of the churches who have moved on. On the Federal side, medical access funds are still to come in during June.
 - Expenditures: June is a big month for us. We still have salary accruals to post which is a big chunk of the expenditures to go through yet. Expenditures are in good shape and generally running as expected.
 - Assessments Update: Assessment goal for the 2019/20 budget is 4.038 billion and current actual is 4.035 billion. This equates to approximately \$80k in taxes at face value. Mr. DiBello questioned the 2019-2020 budget amount and Mr. Fink confirmed it was \$4.038 billion. Mr. Fink stated with the better economy and more taxpayers took the discount this past year which in turn means we have less delinquent taxes and penalties.
 - Other reports: Real estate transfer tax is in the black should come out with an estimated overage of \$450-500K. Ms. Melton inquired on the 2019-2020 budget amount and if it would stay flat at \$1.7MM which Mr. Fink confirmed it would stay the same. Earned Income Taxes are doing well and we are over budget and Mr. Fink is estimating being over by about \$800K. Ms. Spletzer inquired about the 2019-2020 budget and Mr. Fink confirmed that was being raised by \$300k to \$10.3MM. He is estimating to be under budget by about \$200K. We have been averaging about \$1.2-1.3MM per month in claims for the past 2 years.
 - Food Service: Is currently in the black but depreciation, final inventory counts and adjustments will need to be made before final numbers are in. Still about 2,300 meals lower than prior year. More discussion to follow.
 - HS Project: Change order summary has not changed since last month and there will be more details at the Property Committee Meeting with Mr. Hunter following this meeting. Ms. Spletzer asked if contingency funds are not fully spent if it goes back to the capital reserve and the answer is yes. Mr. Dehnert question if those figures included the sewer for the baseball stadium and the answer was no as this would be a separate project.
 - Food Services Update
 - Mr. Fink stated that the agreement has been approved by PDE, signed by him and awaiting counter signature by Aramark which should be finalized this week. Mr. Fink had a meeting with Aramark and

Spring-Ford staff today. Ms. Spletzer asked how it was received by our staff and Mr. Fink stated that staff is still receiving this well, but as is expected there is nervousness about the change and general unknowns. Mr. Fink stated this will pass as operations start to roll forward and staff members settle into their new routines.

- Aramark will be doing some internal catering events this summer for meetings and will also be catering Convocation.
- Friday before school a dry run will take place with staff.
- Ms. Spletzer questioned about Aramark poaching our employees and Mr. Fink replied the Aramark pays less than we do and without the district's level of benefits (including retirement) and will not be an issue overall.
- Mr. DiBello questioned if we are starting breakfast this year and Mr. Fink said yes but the details still need to be worked out. Ms. Spletzer questioned if it would be available for all schools and Mr. Fink confirmed yes.
- Mr. DiBello stated with no meeting in July would like to be kept up to date with what is happening. Mr. Fink assured the committee will be kept in the loop as things progress over the summer months.
- Other Committee Business
 - Mr. DiBello questioned how the taxes are going and Ms. Davidheiser confirmed that the tax rolls for Montgomery County were received today, and the staff has them tied out and waiting final review before release to the tax collectors and printers. We have not received Chester County as of this time. Mr. DiBello would like an update in August how the process went.
 - Mr. Fink has 2 additional Board items for the agenda this month.
 - Contract with MCIU for a renewal, and additional service for the Medical Access piece due to a retirement.
 - The department is currently filling 2 open positions: one due a reassignment, and the other due to retirement. As always Mr. Fink and Mrs. Davidheiser are evaluating the roles and responsibilities in the department to insure the hiring of the right talent for the district.
 - One property settlement for Oak Mills. Spring-Ford settled at \$10.5MM, which is \$3.1MM greater than the taxpayer's appraisal report.
- Board Comment
 - Mr. DiBello questioned if the Interstate Contract was complete and Mr. Hunter, Director of Facilities, stated that it is being finalized. Mr. DiBello also questioned if there was 1 or 2 years left on the current transportation agreement. Mr. Fink said there are 2 years to go on this contract (expires at the end of 20/21), and renewing it will be a challenge. Mr. DiBello also the teacher contract is also coming up soon (it also expires at the end of 20/21).
 - Mr. DiBello commented that we are on target and financially stable. Mr. DiBello also questioned Mr. Fink where we will be at the end of the year, \$1MM? And Mr. Fink stated more like \$8-900K.
 - Ms. Spletzer questioned if the audit would start this summer and if using the same audit firm (Maillie). Mr. Fink stated internally our staff is doing the audit prep which will continue throughout the summer. We provide some information to the auditors during the summer, but the fieldwork will likely start in September, and Maillie will continue to perform the financial audit.
- Public Comment
 - Mr. Rees questioned the committee template and stated it is similar to the other committee meetings but this particular meeting has a lot of numbers involved for a member of the public to possibly ask questions and why this committee doesn't do that. Mr. DiBello stated the committee would take it into consideration and stated that the details behind the numbers presented take a while to comprehend, and in the past the conversations initiated by the public throughout the meeting tended to go off topic. Mr. DiBello reiterated that the committee meetings are intended to be Board working meetings, but will take Mr. Rees' comments into consideration. Ms. Melton suggested possibly

answering questions to a point of clarification of an item. Mr. Rees also suggested allowing questions and perhaps imposing a limit to 3 minutes of time like at the Board meetings. Ms. Spletzer suggested that possibly printing copies for the public to take notes and write their questions down. Ms. Earle explained that during a Board or committee meeting she would like to ask questions about a presentation but those involved have already left by the time of public comment.

- Mr. Cromley wanted to thank Mr. Fink and Ms. Davidheiser for the big undertaking of the food services contract project and was wondering if Aramark would be assuming the negative balances. Mr. Fink stated no that is the District's issue that will continue to follow the district and PDE policies/procedures.
- Mr. Dehnert questioned if the point of sale system stays with the District or with Aramark. Mr. Fink stated the POS system stays under the District's control, and Aramark is paid monthly for straight cost reimbursements and their fees which are based on the meals sold as reported through the district controlled POS system.
- Meeting adjourned 7:20 pm.