

Finance Committee Meeting Notes MD

April 13, 2021

The Finance Committee met on Tuesday, April 13, 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, and Clinton Jackson (via Zoom); administrators Robert Rizzo *Acting Superintendent*, James Fink, CPA *CFO*, and Mary Davidheiser, *Controller*; Board members Linda Fazzini and community members Will Cromley, Abby Deardoff (via Zoom), and Erica Hermans (via Zoom). 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 March 9, 2021: Accepted.
- Executive Reports – 2020/2021 reports through March 31, 2021 reviewed by Mr. Fink.
 - Liquidity:
 - Generally where we should be currently just under \$88MM.
 - Cash up \$1MM from last year at this same time.
 - Revenues:
 - Excelon check has been received.
 - Interest and delinquent taxes received is lower than budgeted.
 - State sources coming in slower than the past as has been the situation all year.
 - The \$400k from the County Cares Act has been received.
 - Federal sources are up due to the federal grants.
 - Expenditures:
 - Salaries are up due to internal Spring-Ford Cyber 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 - seeing a transportation savings (approx. \$450K) but is offset by external Charter school costs which are up over \$615K from prior year.
 - Supplies costs are up due to COVID expenditures of approximately \$496K.
 - Property expenses are up due to COVID related expenditures of about \$350K.
 - \$125k under budget in Other Objects is mainly due to conference costs which have not occurred as much during the pandemic.
 - Assessments:
 - Gained \$4.9MM in March.
 - \$19MM remaining to goal with only a couple of months to go and will probably fall short of \$4.146B. This shortfall, if any, will likely be made up in interim assessments.
 - R/E Transfer Taxes:
 - Off pace by \$275k YTD from prior year, but still on par to make/exceed budgeted amount.
 - Pacing to around \$1.8MM-\$2MM.
 - Earned Income Taxes:
 - Still doing very well on cruise control. Approximately \$400k ahead of prior year at this time.
 - Pacing to \$11.3MM-\$11.5MM this year.
 - Self-Funded Health Insurance:
 - On par with budget.
 - Food Service:

- Operating in the black.
 - YTD meals 360k vs 358k in prior year.
 - A la Carte sales are way down; \$446k from prior year but improving as more students come into the buildings.
 - Mr. DiBello questioned the plans for next year. Moving more aggressively to add ala carte? Mr. Fink replied if we are back to full operation those sales will increase.
 - Mr. DiBello also questioned if we will be able to move forward with breakfast items? Mr. Fink replied yes. Hot sandwiches like we had last year, and will try the carts in high traffic areas.
 - HS Project:
 - A couple of Bursich invoices to be paid but otherwise no change: Mr. Fink is waiting for the go ahead on closing this project out and moving the unspent funds back to the Capital Reserve where they came from originally.
- Review of COVID-19 related expenditures and Grants:
 - Currently \$1.33MM disbursed of \$2.8MM approved by the board earlier in the year.
 - Chromebooks have arrived but not invoiced yet.
 - The additional cleaning dollars have not hit our budget limits therefore this line item has not been tapped; \$1.4MM spent of \$2.1MM budget.
- 2021/2022 Budget Update:
 - Currently at 3.5% tax impact with direction from the Board to get to 3.0%.
 - Everything in the budget is necessary for normal operations.
 - Deferring new hires; removal of those marked #2 priority is about \$211k. Mr. Fink noted that removing them from the 2021/2022 budget is only temporary as these are must have position moving forward. Therefore they will be necessary for the 2022/2023 budget.
 - Spring-Ford Cyber Learning program includes labor for 4 new dedicated teachers. As a budgeting strategy these can be covered with ESSER funding until September of 2023 (\$340k for year 1).
 - Mr. DiBello stated that when the funds expire we will need to work these positions into the normal operating budget. If the cyber enrollment numbers decrease teachers will need to be factored back into the classroom as the students move back. Agreed to move in this direction and fund for 2-3 years for less of a budget impact.
 - Mr. Jackson was concerned since once we add these supports, it's hard to cease their existence. Mr. DiBello explained how these could be repurposed from cyber into the classroom if numbers go down. Mr. Jackson liked the slow roll and no downside.
 - These two changes bring the overall budget tax impact to the 3.0% as directed by the full Board.
- Other Committee Business:
 - Mr. Fink asked if the committee wanted to renew the tax rebate program? A resolution will need to be done annually and Mr. DiBello stated "definitely." Mr. Jackson supports the rebate and questioned how it was received? Mr. Fink replied that no one participated in the program this past year.
 - Mr. DiBello would like something to go out with the tax bills on the rebate program. Mr. Fink stated we could do that for an additional fee from the printer. Mr. Fink will work with solicitor on drafting the resolution for the May Board meeting.
 - Mr. Fink is also working on the renewal of the Aramark contract. The District is in year 3 of the 5-year agreement, and this is a requirement of PDE.
 - Mr. Fink is also working on the renewal of the contract with Custers for our transportation costs.

- Board Comment – Mr. Jackson commented on a good presentation of the Proposed Final Budget last evening at the Work Session.
- Public Comment - None
- Meeting adjourned at 7:06 pm