

Finance Committee Meeting Minutes

May 12, 2020

The Finance Committee met on Tuesday, May 12, 2020 at 6:30 pm virtually through a Zoom Meeting Room. See attached list of the Panelists and Attendees. Mr. DiBello called the meeting to order at 6:31 p.m.

- Review and acceptance of minutes for April 14 and April 23, 2020. Accepted.
- Executive Reports – 2019/2020 reports through April 30, 2020
 - Liquidity: Currently cash balances are \$80MM. Mr. Fink stated that the impacts of Covid-19 have not been felt here yet.
 - Revenues are coming in as planned. Mr. Fink stated that state revenues are leveling off as expected. Also impacts of the shutdown will likely be seen in the next few months' revenue activity.
 - Expenditures are showing some impact from the shutdown especially in the service lines (e.g. substitute services and cleaning services).
 - Assessments:
 - Goal \$4.099B with \$9MM to go by the end of the month.
 - Picked up \$5MM since last meeting noting that the report from the county included 2 months. Mr. Fink noted the assessment growth was pacing at \$5MM+ per month prior to the shutdown.
 - Assessments have slowed and the goal of \$4.099B by 5/31/2020 will most likely not be achieved.
 - Note each \$10MM in assessments equals about \$275,000 in tax revenue at face value.
 - R/E Transfer Taxes are still plugging forward exceeding budget by \$218K but anticipates a hard slow down due to the market sector closure, which is currently not scheduled to re-open until 6/4/2020.
 - Earned Income Taxes are pacing as of the end of April. District will likely see shutdown impact come May and June as the filing date for 2019 has been pushed out to from 4/15/20 to 7/15/20. May is historically bigger due to the April 15 tax filing, but with the postponement to July those numbers will probably not come in until that time. Also the unemployment compensation factor is 14.7% nationally.
 - Self-funded insurance April claims came in at normal levels. Mr. Fink anticipated lower claims during stay-at-home period, but the district has not yet seen this as of yet (claims can lag actual service delivery by 30-60 days). Also the district is still over budget due to higher than expected claims at the beginning of the fiscal year.
 - Food Services
 - Have been impacted pretty hard during the shutdown.
 - Set back due to maintaining the salary and benefits of staff and sales revenues not being there to cover these costs. The only revenue coming in is the reimbursements for free lunches, which are not enough to cover the expenditures.
 - Looking at a \$400K-\$500K loss for the year.
 - HS Project: not a lot of movement; on hold due to the closure.
 - Mr. Fink reviewed the impact on the 19/20 year due to COVID-19. Reviewed expense savings and revenue losses with a net loss estimate of approximately \$670K.
- 2020/2021 Budget Update
 - Not a lot of changes since last time

- Western Center budget changed – cut of approximately \$85K resulting in a tax rate change from 3.28% to 3.2%
- Committee decided to revisit the new hire list for more possible cuts to the current budget draft.
 - Ms. Melton questioned Dr. Goodin on the operations and if it was feasible to do without some of the positions.
 - Ms. Wright questioned the positions for Spring City and if they were absolutely necessary.
 - Dr. Goodin explained the position are necessary, and that if the positions were not going to occur this year they would be reintroduced next year for equality of education among the schools and to move away from sharing staff.
 - Mr. Jackson, Mr. DiBello, and Ms. Earle all agreed to eliminate the new hire positions cutting the budget by \$752,871; Ms. Melton opposed.
 - Committee is recommending to full Board to cut the new hire positions from the budget.
- Town Hall Meeting Discussion
 - Mr. DiBello explained that purpose of the town hall was to review the budget with the community and go over the problems, and to dive deeper into the expenditures and revenues and receive community feedback.
 - Mr. DiBello recommends to do the town hall no later than the end of May.
 - Decided possible dates of May 27th or May 28th at 6:30 pm and will review district calendar for any conflicts.
- Other Committee Business
 - Mr. Fink explained he was working on the renewal of the Aramark contract for food service. This will be on the Board agenda in May as a guaranteed breakeven coving downside risk.
 - Mr. Fink questioned if committee wanted any changes to the tax bills
 - Discussion about an additional installment month (3 months to 4; August thru November).
 - Discussion on pushing the penalty phase out one month if increasing installments.
 - Rebate Program Discussion
 - Estimated cost \$125K-\$175K
 - Taxpayers would have to pay their tax bill up front and receive a rebate check once reviewed and approved by the business office.
 - Follow state guidelines and apply a 30% rebate from the district
 - Possible topic for town hall meeting
- Board Comment
 - Mr. Jackson inquired about the capital projects change in the 20/21 budget pertaining to the deferral
- Public Comment
 - None
- Meeting adjourned at 7:45 pm