

Finance Committee Meeting Notes

January 14, 2020

The Finance Committee met on Tuesday, January 14, 2020 in the District Office Conference Room. In attendance were: Chairperson Thomas DiBello and committee members Wendy Earle and Christina Melton. Administrators present were Dr. David Goodin – Superintendent, James Fink – CFO, and Mary Davidheiser - Controller. Also present was board member Diane Sullivan and residents Will Cromley, and Denis Rees. Mr. DiBello called the meeting to order at 6:32 p.m.

- Review and acceptance of minutes November 12, 2019. Accepted.
- Executive Reports – 2019/2020 reports through December 31, 2019
 - Reviewed by Mr. Fink
 - Liquidity: Currently \$119MM, last year’s balance was \$130MM. This year’s balance includes \$8MM in receivables and last year at this time was only \$2MM. Last year’s figures also included \$6MM in construction funds, so funds are as expected.
 - Revenue detail: Revenues are approximately \$3MM ahead of expected funds.
 - Expenditures: Aggregate operating expenses are right on target (slightly under budget expectations YTD). Benefits/taxes are approximately \$200k higher than budgeted YTD due to increased medical claims. Overall benefits represent 67% of payroll while budget was 65%.
 - Assessments Update: Assessments up \$10MM from October 31st averaging, and the district is averaging about \$5.8-6MM increase in assessments per month YTD. The goal of \$4.099B is within reason as there is \$25MM to go with 5 months remaining.
 - Other reports:
 - Real Estate Transfer Taxes are slightly slower than prior year (2018/19 beat budget by \$550k). However 80% of budget has been collected YTD so achieving budget should not be an issue.
 - Earned Income Taxes are up \$200K from the prior year and we do not foresee any issues achieving the budgeted amount of \$10.3MM.
 - Self-funded insurance costs were higher per month than budgeted for the first 4 months of the year, but have settled down for the past 2 months to monthly budgeted amounts. The remaining budget is around 50%.
 - Food Services is doing well. Focusing on product cost (\$1.25 down to about 85 cents per meal). Lunch sales with subsidy are about \$815K compared to last year at \$759K. Breakfast sales with subsidy are at \$28K with 15,642 breakfast sold. After leveling days of service, we have sold 9,000 more lunches than prior year. Actual year to date reflects a loss of \$106,581, and higher than expected medical claims are the main contributor.
 - HS Project: Not much movement fiscally since the November meeting. Mr. Hunter will go into more detail at property meeting. Recent expenditures for strobe lights.
 - Timeline 2020/2021 Budget
 - The Preliminary budget will be on the Board agenda for adoption. The budget is currently publically available and the advertisement went out Monday (1/13/2020). Mr. Fink reviewed the timeline for the budget for the new Board members present. Mr. DiBello questioned Mr. Fink about the departmental budget books, and Mr. Fink stated that some have gone out, the remainder will go out shortly. Mr. DiBello also asked if the Committee would have a better look at the budget in February and Mr. Fink explained that he will have a little better of an idea at where it stands but March will be the better month. Mr. DiBello stated to anticipate a couple of

meetings in March since it will be an interesting year. Ms. Melton asked about the debt drop off which will occur with the 22-23 school year, and Mr. DiBello stated that money will likely be moved to the capital projects fund.

- Other Committee Business
 - Mr. Fink mentioned a tax settlement will be on the agenda this month. Mr. Fink also noted that Jay Panfil the Spring City tax collector is resigning at the end of the month (January) and that the new Royersford tax collector will be on-boarded shortly.
- Board Comment
 - Mr. DiBello questioned if there was any update with packaging up the leftover food from lunches. Mr. Fink stated a) there is not a lot of “waste”, and b) Aramark was looking into it but we have to abide with the Board of Health (BOH) rules. At this time can only reheat once and then items cannot be sold. Looking into the option to give away/donate, but control of the product is lost in insuring BOH rules are adhered to. Ms. Earle questioned how a hand-out program would be handled to avoid potential food shaming issues. The response was to see if it is possible to do a program first, then the administration would develop the procedures accordingly.
- Public Comment
 - Resident Mr. Rees inquired when would the accounting close out of the high school expansion project occur. Mr. DiBello replied it will take a couple of months until all is said and done. Mr. Rees also commented on if a substantial amount is remaining from the project what happens to it. Mr. DiBello replied that the money would go back into the Capital Reserve Fund where it came from for future projects. Mr. Rees also inquired if extra budget meetings are necessary, would the public be invited. Mr. DiBello responded they would be public meetings and advertised accordingly.
- Meeting adjourned 7:11 pm.