

Finance Committee Meeting Minutes

February 9, 2021

The Finance Committee met on Tuesday, February 9, 2021 at the High School Conference Room and virtually through a Zoom Meeting Room. In attendance were committee members Tom DiBello, *Committee Chair* (via Zoom), Christina Melton, Wendy Earle, and Clinton Jackson; administrators Robert Rizzo *Assistant Superintendent*, James Fink, CPA *CFO*, and Mary Davidheiser, Controller; Board members Linda Fazzini and David Shafer (via Zoom) and community member Will Cromley. Mr. DiBello called the meeting to order at 6:32 p.m.

- Public to be heard on agenda items only: None.
- Review and acceptance of minutes for January 12, 2021: Accepted.
- Executive Reports – 2020/2021 reports through January 31, 2021 reviewed by Mr. Fink.
 - Liquidity:
 - Currently cash balances are \$111.2MM. Right on par.
 - Revenues:
 - Real estate taxes and interim tax payments are on par.
 - State sources to come in slower than normal.
 - Federal funds higher than budgeted due to grant funding.
 - Revenues overall are looking good.
 - Expenditures:
 - Charting well and higher expenditures are mainly due to COVID spending.
 - Salary costs are higher due to the success and participation in Spring-Ford Cyber Learning.
 - Professional Services are up due to increased substitute costs (STS).
 - Property services continue to be under budget due to not having the full Interstate cleaning staff onsite.
 - Other Services are up - seeing a transportation savings (approx. \$450K) but is offset by Charter school costs which are up over \$500K from prior year.
 - Supplies costs are up due to COVID expenditures (PPE & technology)
 - Property expenses are up \$269k due to COVID related expenditures.
 - Take COVID expenditures out of the picture and we are managing the budget very well.
 - Assessments:
 - Made up over \$2MM in assessments since last month and are looking good at achieving the goal.
 - R/E Transfer Taxes:
 - Montgomery County transfer taxes report has not come in for January yet.
 - Earned Income Taxes:
 - Performing very well YTD. This month \$300k higher than last year and pacing to over \$11MM for the year once again.
 - COVID had little impact on EIT and may want to revisit the budget number for future.
 - Self-Funded Health Insurance:
 - On par with budget forecast.
 - Food Service:
 - \$131k profit and doing great but still not in full operation (7/12 Wednesday's are a virtual day).
 - Served 237k meals to date compared to 290k last year.
 - A la Carte sales are way off due to low in-person attendance.

- Mr. DiBello asked if all furloughed staff had returned, and Mr. Fink replied that all staff are back since late October but some hours are down due to asynchronous Wednesdays in 7-12 grades. The depot is running to help make up some ours, but not a full substitute.
 - HS Project is finished out and done expending. Ms. Earle questioned if we were under budget and Mr. Fink's reply was yes by \$900k.
- Review of COVID-19 related expenditures and Grants:
 - Mr. Fink reviewed the schedule of board approved unbudgeted expenditures related to COVID.
 - Approximately \$1MM has been spent to date of the \$2.8MM board approved.
 - ESSER II funding is now opened with allocation of \$2.1MM with spending deadline of September 2023. PDE is issuing more guidance on that with a training this week.
 - Ms. Melton questioned is all the \$2.8MM expenditures are a necessity? Mr. Fink replied likely as we are still waiting for some of the big-ticket items to come in, but we do monitor inventories so we are not over-buying products such as PPE.
- 2021/2022 Budget Update:
 - Preliminary budget was at a \$7.2MM gap with a 6.32% tax impact.
 - Since that time, the teacher contract has been settled and reduced the gap along with retirements and replacements for those positions and the gap is now down to \$5.7MM.
 - Mr. DiBello mentioned the planning for the fall is key to the budget and Mr. Fink agreed that once he knows the plan it can be costed out.
 - Charter school numbers will be a big part and a marketing campaign to bring back external students to our own cyber school or in-person learning will be important.
 - Mr. DiBello stated the goal for March is to look at the information from the budget book and to do a deep dive at the next Finance Meeting.
- Other Committee Business:
 - Refinance of the 2012 and 2016 Bonds. Will next a small savings with a bond refinance saving \$90k the first year and \$145k in the next year. Underwriter also stated that we could go to a bank short-term borrowing situation more details to follow.
 - Mr. Fink will have more details the next Finance meeting and would like to get on the Board agenda in March. Mr. DiBello stated it was okay to place on the work session agenda for March if everything is ready to go at that time.
- Board Comment - None
- Public Comment - None
- Meeting adjourned at 7:00 pm