

## Finance Committee Meeting Notes

March 9, 2021

The Finance Committee met on Tuesday, March 9, 2021 at the High School Conference Room and virtually through a Zoom Meeting Room. In attendance were committee members Tom DiBello, *Committee Chair*, Christina Melton, Wendy Earle, and Clinton Jackson; 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 Karen Delange (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 February 9, 2021: Accepted.
- Executive Reports – 2020/2021 reports through February 9, 2021 reviewed by Mr. Fink.
  - Liquidity:
    - Same as this time last year (\$104.5 MM).
    - Last year included \$1.7MM “in lieu of taxes” from Excelon and this year does not. Will receive Excelon check in March.
  - Revenues:
    - Real estate taxes and interim tax payments are on par.
    - State sources coming in slow.
    - Federal funds higher than budgeted due to grant funding.
  - 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 \$575K from prior year.
    - Supplies costs are up due to COVID expenditures of approximately \$491K.
    - Property expenses are up due to COVID related expenditures of about \$335K.
    - Take COVID expenditures out of the picture and we would be marginally under budget.
  - Assessments:
    - Gained \$2.3MM since January and have 3 months to go to hit goal.
    - Mr. DiBello questioned if we picked up anything from Ridge Pike yet; Mr. Fink will research.
  - R/E Transfer Taxes:
    - On pace for \$1.8-2MM (budget number is \$1.7MM).
    - Not as good as last year; down \$250k from prior year, but will exceed the budgeted number.
  - Earned Income Taxes:
    - Still cruising; pacing to \$11.3MM this year (\$10.3MM budgeted)
    - \$400K ahead of last year at this time.
    - Mr. Fink stated the line item is economic dependent, and according to trends it is time to look at increasing the budget number in his professional opinion.
  - Self-Funded Health Insurance:
    - On par with budget forecast.
  - Food Service:

- Running in the black.
    - Served 295k meals year to date compared to 346k last year.
    - A la Carte sales are way under due to low in-person attendance.
    - Working on a touchless checkout system with scanners for safety and speed which will allow expansion menus. This has been piloted successfully in 2 buildings.
    - Mr. DiBello questioned if the state was up to date with payments and Mr. Fink replied it is.
  - HS Project:
    - No change: Mr. Fink needs direction on where to go from here since project is done.
    - Mr. Fink recommends moving remaining funds to capital reserve since \$3.5MM came from there; Mr. DiBello agreed.
    - Mr. DiBello stated to let the Property Committee close out the project first, and can then act in May.
- Review of COVID-19 related expenditures and Grants:
  - Mr. DiBello stated another \$10-15B has been allotted to PA in the recent stimulus bill.
  - Mr. Fink cautioned that any grant proceeds are one-time money; and should not be used for ongoing normal operations.
- 2021/2022 Budget Update:
  - Mr. Fink reviewed budget cover sheet of model with a 3.99% tax impact with a gap of \$4,528,410.
  - With an index of 3% there is still work to be done; Mr. Fink is looking for direction.
  - Currently includes some new hires and Spring City items from last year that were deferred.
  - Ms. Melton questioned the exceptions; Mr. Fink replied we only have an option of 2 and the PSERS exception does not qualify any longer as it is based on 2015 wage levels. The special education exception only qualified for over \$100k due to lower special education expenditures the year before due to COVID shutdowns in the spring of 2020.
  - Mr. DiBello said Finance Committee will report to the Board, and the Board will need to give direction on the goal and the need to at least be at index (3%). The Board needs to set expectation to provide direction to Finance Committee and the administration.
  - Mr. DiBello stated there may be a need to have an additional budget meeting.
  - Mr. Fink reviewed the original timeline stating the proposed final approved at the April 12 Board meeting for public posting and adopt the budget at the May Board meeting.
- Other Committee Business:
  - For March Board meeting adding assessment appeal for 451 West Ridge Pike LP
    - Settlement at value of \$3,550,000 (taxpayer opinion value \$3,250,000 vs SD opinion value \$3,550,000) with a tax impact of approximately \$9k per year.
- Board Comment - None
- Public Comment - None
- Meeting adjourned at 7:12 pm