

Finance Committee Meeting Minutes

October 8, 2019

The Finance Committee met on Tuesday, October 8, 2019 in the District Office Conference Room. In attendance were: Chairperson Thomas DiBello and committee members Christina Melton, and Kelly Spletzer (by phone). Administrators present were Robert Rizzo – Assistant Superintendent, James Fink – CFO, and Mary Davidheiser - Controller. Also present were board members Mark Dehnert and Linda Fazzini, and residents Will Cromley, Kathy Drennan, Wendy Earle, and Tom McMonigle. Mr. DiBello called the meeting to order at 6:30 p.m.

- Review and acceptance of minutes – September 10, 2019. Accepted.
- Executive Reports – 2019/2020 reports through September 30, 2019
 - Reviewed by Mr. Fink
 - Liquidity: Currently \$142MM, last month \$112.2 MM, last year \$142.6 MM which included approximately \$8 MM in construction funds therefore cash position is ahead of prior year.
 - Revenue detail: Revenue is coming in quicker about 92% of real estate taxes received compared to last year at 83%. State funds are coming in as expected.
 - Expenditures: No surprises here as all are coming in accordance to plan.
 - Assessments Update: Mr. Fink added the end-of-year assessment goal of \$4.099B to the report per Mr. DiBello’s request last month. \$5MM in assessments were added in September bringing the district within \$48.5MM of the end-of-year assessments goal.
 - Other reports:
 - Mr. Fink stated the Real Estate Transfer Taxes are pacing in line with the 17/18 FY (in which revenues surpassed budget by \$900k). EIT are also out pacing budget expectations similar the last year. Both are signs of a strong economy.
 - Self-funded insurance costs are right on budget expectations and we will continue to monitor this closely. Ms. Melton asked if the 1st quarter tends to be higher and Mr. Fink stated not consistently - there is no strong pattern.
 - Food Services is doing well and improving over prior year as planned. Up gross 9,300 lunches YTD with 2 more days of service than prior year. This calculates to 162 more lunches served per day than in the prior year. Per Mr. DiBello the upper grades are enjoying the new food choices. Breakfast was started at two elementary buildings in September (Spring City and Royersford) serving 658 breakfasts.
 - HS Project: Change orders down \$5-7K leaving an available contingency balance e of \$428k (of \$560k). Mr. Hunter and his team have done a great job of managing this project.
 - Lunch Counts: As reported above.
 - Breakfast Launch and Counts
 - October 1 all other elementary buildings started and 1,061 breakfasts were served in one week (approximately two thirds were free & reduced). Oaks elementary is out performing the other elementary schools. Mr. DiBello wanted to make sure that everyone knew the expectation is not to make a profit, but to feed the kids. Secondary will launch breakfast with grades 5-8 on October 21st, and grades 9-12 on November 4th. Mr. DiBello asked if the secondary will be getting hot breakfast sandwiches and Mr. Fink responded with yes for the high school and questionable for the middle school (timing on buses, breakfast and getting to class). Mr. DiBello questioned when the breakfast cart

would be started and Ms. Melton added that maybe a preorder system. Mr. Fink will inquire with Mr. Orsini on the timeline for the breakfast cart.

- Timeline 2020/2021 Budget
 - Mr. Fink stated it was a Presidential Primary year which then shrinks our budget calendar but will basically be able to follow the same schedule as last year. Presentation of proposed preliminary budget will take place at the work session in November and adoption of budget is projected to occur at the Board meeting in May as was done last year. Index at 2.6%
- Other Committee Business
 - Mr. DiBello requested information on man hours working on tax stuff and Mr. Fink reported that interim taxes take approximately 3-5 hours per month working on the county reports and tax collector Q&A. For Real Estate taxes the major prep is in June during which the county reports need to be reviewed, and prepped and reconciled for tax bill printing along with calculation of the exemptions for Farmstead/Homestead. This effort can be around 20-30 hours for the month. In January the year-end reconciliations occur, and can take from 16-24 hours to work through to balance and close out the current year's tax rolls for submission to the county as delinquent taxes. The monthly tax collector reports are reviewed and tied out when submitted, along with deposits reviewed and booked (book and bank), Q&A with tax collectors on the reconciliations which is about 20-24 man-hours per month.
 - Mr. Fink stated that a demographic study will be done, and that Mr. Hunter will elaborate at Property meeting. This will assist with the 5-10 year outlook. Mr. DiBello commented that it is hard to believe that it has been 5 years ago since the last feasibility study was done.
- Board Comment
 - A brief discussion regarding a property in Royersford that is for sale for approximately \$15-20MM that the district might be interested in looking into.
- Public Comment
 - Ms. Earle commented on the surplus and the action at last Board meeting to use for the teachers (\$100 per teacher). Questioned how it was going to work. Mr. DiBello and Ms. Melton explained the buildings will "receive" the funds in accordance with their teacher count and requisition items for their classrooms to their administrator. Ms. Earle also questioned about some students only having approximately 4 minutes to eat breakfast and was wondering if the students eat in the classroom. Mr. Fink stated that the principals in the buildings make that decision for their building as to whether the students stay in the cafeteria or go to the classroom for late arrivals. All kids are having the opportunity to participate in breakfast if they desire.
- Meeting adjourned 7:21 pm.