

Finance Committee Meeting Notes

October 13, 2020

The Finance Committee met on Tuesday, October 13, 2020 at 6:30 pm at the High School Conference Room and virtually through a Zoom Meeting Room. In attendance were committee members Tom DiBello, *Committee Chair*, Christina Melton (via zoom), Wendy Earle; board members Linda Fazzini, Diane Sullivan, and administrators Robert Rizzo *Assistant Superintendent*, James Fink, CPA *CFO*, Mary Davidheiser *Controller*, and Erin Crew *Director of Communications* (zoom). Mr. DiBello called the meeting to order at 6:31 p.m.

- Review and acceptance of minutes for September 8, 2020. Accepted.
- Executive Reports – 2020/2021 reports through September 30, 2020 reviewed by Mr. Fink
 - Liquidity: Currently cash balances are \$137MM compared to last month \$128MM.
 - Revenues: Real estate is leveling off after being ahead of schedule in August. Transfer taxes are coming in slower than prior year. State revenues are normal for this time of year with Transportation dollars still coming in at a slower pace.
 - Expenditures:
 - Property services continue to be under budget due to not having the full Interstate cleaning staff onsite.
 - Supply line is up due to COVID expenditures.
 - Assessments:
 - Assessments are currently at \$4.146B. Picked up \$1.7MM this past month.
 - Assessments are up \$11.5MM since July 1, 2020
 - Appeals are up
 - Common Level Ratio is at 46.9% of Market Value and that is based on 1 year ago
 - Mr. Fink is in discussion with lawyers about appeal cases
 - R/E Transfer Taxes are lower \$200K from last year at this same time
 - Had a strong summer and should still make budget
 - Earned Income Taxes never tailed off as anticipated.
 - Pacing \$100K over last year at this time
 - Ms Earle questioned why? Didn't people lose jobs? Mr. DiBello replied our community didn't get hit as hard as others
 - Self-Funded Health Insurance: Claims lower than normal. Possibly electives are still not getting done as in a normal year due to COVID
 - Food Service: In the black and doing well considering the situation. Mostly due to the slim labor force in preparing the Seamless Summer Option (SSO) free meal pick ups.
 - USDA extending fee lunch until the end of the school year with USDA reimbursement
 - As kids come back will start offering ala cart options which will help revenues
 - Currently production of lunches is done at the Flex building and transferred to the 3 other depot locations (Limerick, Royersford and Spring City).
 - Since 7/1 we have done approximately 45K meals, about 738 meals per day compared to last year at about 68K meals and 2,900 per day
 - Minimal change to HS project
- Timeline 2021/2022 Budget
 - Mr. Fink reviewed timeline for 2021/2022 budget from a PDE standpoint and adapted to our calendar

- Ms. Earle questioned how a budget is done in a contract year and Mr. Fink replied with assumptions and Mr. DiBello commented there is a lot of work to be done
- Other Committee Business
 - Mr. Fink reviewed an assessment appeal settlement with 1000 Campus Drive stating the tax impact would be about \$33K per year. However we were able to reach a settlement higher than the districts appraiser's value. This will be on the 10/26/20 board agenda for approval.
 - Mr. Fink reviewed the COVID related grant status:
 - PCCD payment is in process (\$423,796.00)
 - ESSER is in review at the PDE Division of Federal Programs (\$250,364.00)
 - Special Education COVID-19 Impact Mitigation Grant is in review at PDE (\$129,716.96)
 - Montgomery County Grant is available by reimbursement
 - Mr. Fink reviewed charter school impact due to COVID
 - The current annualized increase in charter school enrollments/spending is approximately \$800K greater than expected.
 - Spring-Ford Cyber Learning
 - 371 Regular Education Students and 99 Special Education Students
 - Mr. Fink stated the development of this program was a big money saver. He commented that if the program was not available and only 10% of those enrolled in SFCL went to outside cybers, the annualized cost would be close to \$1MM which is not budgeted for.
- Board Comment
 - Mr. DiBello stated difficult budget year and confirmed index at 3% and inquired how much the exceptions could be with Mr. Fink replying approximately \$4.2 MM.
 - Mr. DiBello stated that the operational surplus needs to be strategic.
 - Mr. Fink has 95% of the budget done for the preliminary from the forecast model his team built.
- Public Comment - None
- Meeting adjourned at 7:01 pm