

Finance Committee Meeting Minutes

November 10, 2020

The Finance Committee met on Tuesday, November 10, 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, Wendy Earle, and Clinton Jackson; board members Colleen Zasowski (via Zoom), Linda Fazzini, Diane Sullivan; administrators Dr. Goodin, *Superintendent*, Robert Rizzo *Assistant Superintendent* (via Zoom), and James Fink, CPA *CFO* (via Zoom); and community member Will Cromley. Mr. DiBello called the meeting to order at 6:30 p.m.

- Public to be heard on agenda items only: None
- Review and acceptance of minutes for October 13, 2020: Accepted.
- Executive Reports – 2020/2021 reports through October 31, 2020 reviewed by Mr. Fink
 - Liquidity: Currently cash balances are \$132.5MM. Generally as expected.
 - Revenues: Delinquent taxes collections remain slower than expected, as do Transfer taxes. State revenues are also slowing. Notably are transportation subsidies and BEF (marginal). The district did receive \$1.7MM of the expected \$2.5MM for property tax reduction revenues along with a notice stating the remainder has been delayed due to the state expecting to use CARES ACT dollars for this which was later denied by the Feds. We are awaiting further guidance. Overall revenues are \$850 lower than expected through 10/31.
 - Expenditures:
 - Overall expenditures are under budget by \$750k.
 - Property services continue to be under budget due to not having the full Interstate cleaning staff onsite through Q1. This will level off on a go forward basis month/month, but these savings should remain.
 - Supply line is up \$250k as normal expenditures are down \$150k for the four months ended 10/31, however COVID expenditures are up \$395k.
 - Property expenses (capital expenses) are up \$150k due to COVID related equipment and technology purchases.
 - Assessments:
 - No change as the county reports have not yet been received.
 - R/E Transfer Taxes are lower by about \$130k from expectations.
 - Had a strong summer and should still make budget.
 - Earned Income Taxes has remained strong throughout the pandemic.
 - Currently pacing at the same level as last year at this time.
 - Self-Funded Health Insurance: Claims popped up a bit in October as expected due to electives starting to be addressed. Remains on par for the first 4 months of the budget.
 - Food Service: Remains 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 pickups. However full staff is back for the reopening and gearing up for the students' return.
 - USDA has officially extending fee lunch until the end of the school year with USDA reimbursement for all students. This includes the reimbursable meals only – not a la carte items which are still cash sales.
 - Since 7/1 we have done approximately 95K meals, about 738 meals per day compared to last year at about 68K meals and 2,900 per day.
 - We have also extended our depot service to include weekends (pickups on Fridays include breakfast and lunch for Saturday and Sunday).

- This is a community-wide program for all residents 18 and under as it has been since March, and not just for Spring-Ford students.
 - Minimal change to HS project
- 2021/2022 Preliminary Budget Overview
 - Mr. Fink reviewed the preliminary budget model and stated it is pretty much where it was left in early June. There's not a lot of significant data to make any major changes at this point. Mr. DiBello commented that this will be presented as is at the November board meeting by Mr. Fink for a vote to adopt in January as has been done in the recent previous years.
 - Currently there is a \$7+ million budget gap that needs to be addressed.
 - Mr. Fink reiterated his comments from June that any items that were removed for deferral from the 2020/21 proposed final budget were put back into the 2021/22 budget model as the need for them has not changed.
 - Mr. DiBello asked to review the budget calendar again. Mr. Fink shared the calendar and included the timeline requirements for referendum if needed as it was mentioned during the work session meeting on 11/09/2020. The schedule show the referendum language must be sent to the county electors by 3/19/21, and therefore would need to be approved by the board at the February board meeting IF this is the direction the board wishes to go in.
 - Mr. Dibello also stated that the Index (3%) plus referendum exceptions for special Education and retirement should yield approximately \$4.5MM of the gap.
 - Mrs. Melton asked about the Index projections. Mr. Fink shared they are currently over 3% as no revisions have been made yet, but these will likely fall to the mid-twos as this is an economic trailing factor.
- Review of COVID-19 related expenditures and Grants:
 - Mr. Fink reviewed the schedule of board approved unbudgeted expenditures related to COVID. The total is approximately \$2.8MM including the SFCL request for \$450k to be voted on at the November board meeting.
 - Of this amount approximately \$700k has been spent to date due to:
 - Some items not yet received (chromebooks as an example), and
 - Frugal purchasing practices – purchasing a quarter supply and seeing how quickly inventories are consumed before re-ordering (establishing re-order points)
 - Some line items are “not to exceed” amounts and may not need to be fully utilized (e.g. \$100k approved for microphones, but so far \$58k has been spent).
 - Mr. Fink reviewed the COVID related grants totaling \$1.5MM:
 - PCCD payment has been received (\$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 (\$413,504)
 - NEW GRANT – PCCD #2 – awaiting the requirements and restrictions from PDE (\$245,158)
 - Approved expenditures exceed grants by \$1.4MM.
 - Mr. Dibello and Mr. Jackson requested that this report be included as a standard monthly report going forward. All agreed.
- Board Comment
 - Mr. DiBello stated difficult budget year and we will need to get started early in case we need to go to referendum.
- Public Comment - None
- Meeting adjourned at 7:12 pm