

# Finance Committee Meeting Minutes

April 14, 2020

The Finance Committee met on Tuesday, April 14, 2020 virtually through a Zoom Meeting Room. In attendance were: Chairperson Thomas DiBello and committee members Wendy Earle, Clinton Jackson and Christina Melton. Administrators present were Dr. Goodin – Superintendent, Robert Rizzo – Assistant Superintendent, Elizabeth Leiss – Director of Human Resources, Robert Catalano – Director of Technology, Robert Hunter – Director of Facilities, Erin Crew – Director of Communications, Marketing and Media, Michael McDaniel – Athletic Director, James Fink – CFO, and Mary Davidheiser - Controller. Also present were board members Linda Fazzini, David Shafer, Diane Sullivan, Margaret Wright, and Colleen Zasowski along with the following observers, Bill Slawter, Tim Guildler, Diane Fern, Karen DeLange, Kelly German, Phil Soloman, Rhiannon Zimmerman, Stephanie Rittenhouse, T. Lambert, Daniel Miscavage and Zach Laurie. Mr. DiBello called the meeting to order at 6:30 p.m.

- Review and acceptance of minutes March 10, 2020. Accepted.
  
- Executive Reports – 2019/2020 reports through March 31, 2020
  - Liquidity: Currently cash balances are \$87MM, and are in accordance to plan.
  - Revenues are coming in nicely from all sources and some areas are trending ahead of plan. More details to follow.
  - Expenditure variance is at \$77K which is a slightly greater than expected right now but the total YTD operating surplus is at \$2.4MM due to timing issues, but that of course will change as the year comes to a close.
  - Assessments:
    - No changes from last month due to the county stopping reports.
    - \$16MM more required to achieve forecasted goal of \$4.099 billion.
  - R/E Transfer Taxes have exceeded the budget number by \$101k (105% of budget).
  - Earned Income Taxes continued to nicely through the month of March. Looking forward, typically May is revenue month for EIT due to the close of the quarter and the annual tax filings on/ but since deadlines 4/15. However the tax filing deadline for 2019 has been moved to 7/15 so we feel there will be an impact that is unknown at this time.
  - Self-funded insurance is leveling off nicely as claims are decreasing during the second half of the year.
  - Food Services
    - ½ month of service in March and currently supplying free meals to the community that are reimbursed by the state and fed.
    - With Pandemic services have stopped and need more time to pull things all together
  - HS Project: expecting more expenditures once ability to get back into the buildings.
  
- 2020/2021 Budget Update
  - Mr. Fink gave a recap of the budget as it stood in February to the latest numbers from March.
  - Mr. Fink hi-lighted areas of change showing the gap of 4.12% as of February and as of March 10<sup>th</sup> showing a gap of 3.18%.
  - Mr. Fink walked the committee members through the changes that were made since the 3/10 meeting.
    - Expenditures: Decrease of \$292K (new staffing \$275K and departmental expenses \$17K)
    - Revenues: Decrease of \$1.55MM in total revenue due to impact of the COVID-19 virus (local \$1.31MM and state \$235K)
      - Impacts interest, real estate collection rate, homestead/farmstead, assessments, delinquent tax collections, real estate tax relief, FICA and PSERS Subsidy's
  - Mr. Fink reviewed the summary as of April 14<sup>th</sup>

- March 10<sup>th</sup> gap reported at \$3.486 MM or 3.18% tax increase; to April 14<sup>th</sup> gap at \$4.744 MM or a 4.36% tax increase
- Mr. DiBello reminded committee and other Board members in attendance that on Monday evening at the Board Work Session the Board needs to give direction to the administration on how they want the budget to unfold.
- Ms. Melton recommended stopping new programs, new staff, and to help the community who have significant loss of wages right now.
- Mr. DiBello stated that multiple meetings will need to happen to go over the short and long term impacts in finance and in education.
- Mr. Jackson cautioned the Board to take a long hard look at the budget proposal and evaluate in the longer scope of things and Ms. Fazzini agreed stating what they do could in turn cost more in the long run.
- Ms. Earle would like a copy of the budget posted on the School Board site for her review. Mr. DiBello stated it can be saved in the Finance Committee folder. Ms. Zasowski agreed and wants to see the budget and commented to open the teacher contract.
- Mr. Shafer agrees with Mr. Jackson that there needs to be a balance. If the Administration could establish a zero percent budget what might that look like? Mr. Jackson stated it is over \$4MM that needs to be cut and Board members better have strong stomach for the impact.
- Mr. DiBello reminded everyone that we can ask the Administration to give a 0% increase, a 1-2% increase and a 3-4% increase and the impact of each. He reminded the Board members that the District grows 3-4% organically from year to year, and there is no wasteful spending in the budget as it stands.
- Ms. Earle commented that a 0% tax increase is not realistic at all but could be made better than a 4% increase.
- Ms. Earle would like to see the monthly reports on the Board site ahead of the Committee meetings so that she can digest the reports and come to the meetings informed. Ms. Sullivan stated that all School Boards are going through this right now and she doesn't believe there isn't one place at all in the budget that can't be cut and she would also like to see the reports before committee so that she understands the line items better.
- Mr. DiBello stated that the Administration will need to come back with responses to the Board's directives to be given at the work session on Monday at a subsequent finance committee meeting including the short and long term impacts of any proposed changes.
- Other Committee Business
  - None
- Board Comment
  - None.
- Public Comment
  - None
- Meeting adjourned 7:49 pm.