

Finance Committee Meeting Minutes

January 11, 2022

The Finance Committee met on Tuesday, January 11, 2022, at the District Office Conference Room. In attendance were committee members Clinton Jackson, *Committee Chair*, Gabrielle Deardorff, and Erica Hermans; administrators Robert Rizzo, *Superintendent*, James Fink, CPA, *CFO*, Mary Davidheiser, *Controller* and Robert Hunter, *Director of Planning, Operations and Facilities*; Board Members Wendy Earle and Dr. Margaret Wright, and community member Will Cromley. Mr. Jackson 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 November 9, 2021: Accepted.
- Mr. Jackson went around the table with introductions and stated that the Board decisions impact not only students & parents, but also community members, and businesses and everyone should keep that in mind when making decisions.
- Executive Reports – 2021/2022 reports through December 31, 2021, reviewed by Mr. Fink
 - Liquidity:
 - Balance at \$116MM; similar to last year.
 - Mr. Fink explained the district is in cash-burn mode meaning that the majority of revenues have been collected since the end of October representing approximately 70% of collections, but only 40% expended. The net burn is approx. \$65MM through the end of the year.
 - Revenues:
 - Biggest driver of revenue overage of \$1.7MM YTD are Earned Income Tax and the Transfer taxes.
 - All other revenues are on-par as expected.
 - Expenditures:
 - Currently within .4% of budget expectations.
 - Property Services \$320k under budget due to cleaning service labor shortages. The offset is salaries as our full time staff makes up for this keeping our buildings clean.
 - Property/Capital Purchases is over budget approx. \$500k and this is ESSER related as planned (technology equipment).
 - Assessments:
 - Assessment goal: \$4.2B
 - Picked up approx. \$18.8MM since October.
 - Approx. \$40MM needed through May 31, 2022, to reach goal (approx. \$7.8MM/month).
 - Each \$10MM assessed represents approximately \$287k in property tax revenue at face.
 - R/E Transfer Taxes Revenue:
 - 2021/22 goal is met & surpassed.
 - Mainly due to back log at County from last Spring, approx. \$800-900k.
 - Will be reviewing the 5-year trail on this for budget; averaging approx. \$2.2MM/year.
 - Earned Income Taxes:
 - Approx. \$300k received over prior year at this time.
 - Pacing at approx. \$12.4MM.
 - To be reviewed again with 5-year trail on this for budget.
 - Self-Funded Health Insurance:
 - Currently under budget by \$150k; pacing for a small surplus (approx. \$300k).

- Had 1st look with Reschini currently a 9.6% increase; next look will be around February/March.
 - Food Service:
 - Year to date we have served 341k meals vs 211k meals in prior year due to students being back to in-person learning.
 - Ala carte sales are also up \$124k over prior year due to students and staff being back in the buildings.
 - Currently evaluating kitchen equipment; will have many reinvestments to do over the next few years. A scheduled plan is in development.
 - COVID Grant Activity
 - \$2.3MM left to spend until 9/2024; most earmarked for Spring-Ford Cyber Learning build and operating.
- 2022-2023 Budget Preparation Timeline:
 - Mr. Fink reviewed the budget timeline document from PDE and explained this timeline is to be followed in accordance with the law (Act 1).
 - The Preliminary budget language will be on the Board agenda this month for adoption as required by law. This is a checkmark item as the heavy lifting will take place in the next few months.
 - Also on the January is the request for approval of filing for the Referendum Exceptions. Spring-Ford has not used referendum exceptions in the recent past but all tools should be available if needed. The approximate amount of the exceptions is \$600k.
 - The Proposed Final Budget will be worked on heavily by March.
- Other Committee Business:
 - Mr. Fink has 2 assessment appeal settlements for January approval by the Board:
 - 196 W Ridge Pike settled at fair market value of \$4.5MM.
 - Costco Wholesale Corp settled at fair market value of \$18.7MM.
 - Committee agreed to put on agenda.
- Board Comment:
 - Ms. Deardorff and Ms. Hermans have received correspondence from taxpayers about the penalty on their taxes. Board members were advised to refer such calls to the Business Office.
 - Mr. Jackson stated to take your time to digest the information, ask questions, and that they all started as new Board members at one time.
- Public Comment:
 - Mr. Cromley inquired about the legal status of the Greenstein property located on Swamp Pike from the November meeting and Mr. Fink stated that no legal matter had been filed. District purchased the property by Eminent Domain (approx. 140 acres).
 - Mr. Cromley thanked all for coming and encouraged to get the other members to come in February and stated that 60-65% of the total population for Spring-Ford do not send their children to Spring-Ford SD.
- Meeting adjourned at 7:09 pm