

Finance Committee Meeting Notes

February 8, 2022

The Finance Committee met on Tuesday, February 8, 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*, Catie Gardy, *Director of Curriculum, Instruction and Educational Technology (via Zoom)*, Robert Hunter, *Director of Planning, Operations and Facilities* (arrived 6:35 pm) and Shawn Ryan, *Supervisor of Operations/Facilities* (arrived 6:35 pm); Board Members Wendy Earle and Dr. Margaret Wright, and Karen Weingarten, and community member Will Cromley. Mr. Jackson called the meeting to order at 6:32 p.m.

- Public to be heard on agenda items only: None.
- Review and acceptance of minutes for January 11, 2022: Accepted.
- Executive Reports – 2021/2022 reports through January 31, 2022, reviewed by Mr. Fink
 - Liquidity:
 - Balance at \$107.5MM; on pace as projected.
 - Revenues:
 - Ahead by about \$1.7MM due primarily to EIT and Transfer taxes as previously discussed in prior meetings.
 - All other revenues are on pace as expected.
 - Expenditures:
 - Property Services \$345k under budget primarily due to outsourced cleaning service labor shortages.
 - Property/Capital Purchases is over budget approx. \$607k and approx. \$500k is tech equipment due from ESSER grants as previously approved.
 - Benefits/Taxes line is showing a favorable variance of \$1MM due to a large medical claim from November that was reversed in January. The business office and Reschini are researching this with Blue Cross to see if this is permanent or if it will be re-charged in the future again. Mr. Fink feels that it will be recharged in the near term.
 - Assessments:
 - No data to report the monthly County report has not come out yet.
 - Once report comes out if there are any big material differences Mr. Fink will inform the committee.
 - R/E Transfer Taxes Revenue:
 - \$567k in excess of budget YTD.
 - On pace for \$3-\$3.2MM.
 - 5 yr. average trend is around \$2.2-\$2.3MM/yr.
 - Possible consideration to adjust budget for 22/23.
 - Earned Income Taxes:
 - Still ahead by \$300k YTD.
 - On pace for about \$12.4MM for the year. Current year budget is \$11MM
 - May look at budget number for 22/23.
 - Self-Funded Health Insurance:
 - Way ahead YTD, but as stated earlier, still awaiting Reschini's research on a large claim from November that was reversed in January. Reversal of this, if necessary, will put the district on pace with budget.

- Food Service:
 - Overall served 420k meals vs 281k last year which is due to the buildings being opened all year and fully reimbursed (“free”) meals through federal funding.
 - In the black approx. \$685k so far this year. These funds will need to be reinvested in our equipment.
 - Currently evaluating kitchen equipment needs; will be doing a complete equipment review and building a 5-10 yr. plan for maintenance and replacements.
 - Mr. Fink suggests doing a lunch price analysis as inflation has kicked into high gear (CPI at 7% and project 2.5%-3% for the coming year on top of the 7%. SFASD has not implemented a price increase in 6-7 years. This can only be changed at the beginning of a year so would like to get the analysis and discussion going. The committee agreed to move forward with the analysis.
- COVID Grant Activity
 - Still about \$2.3MM left to spend; all funds are already allocated to current and future programs.
 - Have received \$250k of the federal funding since last time we met.
 - Approximately \$3MM is scheduled to be received later in February.
- 2022-2023 Budget Update:
 - Budget books are out to the departments and buildings and due back in by 2/18.
 - 7% annualized inflation is a big factor; reviewing actual spends.
 - As was approved by the board last month, the Referendum Exceptions were submitted for \$647k as an extra tool in the toolbox IF needed.
 - What’s next:
 - Update budget books.
 - Teacher tours (Ms. Leiss and Mr. Rizzo) for labor needs.
 - Evaluate any new initiatives.
 - Review of Governor’s proposed budget.
 - In March there will be more to talk about.
- Other Committee Business:
 - Mr. Fink has 1 assessment appeal settlement for February approval by the Board:
 - SEI Corporation; settled at FMV of \$60,250,550 impact is a decrease in tax revenue by \$108k/yr., which could have been an impact of \$250k in taxes at the taxpayer’s property valuation of \$52,250,000.
 - Committee agreed to move this forward to the full board.
 - Analysis on Charter Schools
 - Last year averaged 250 students enrolled in charter schools; this year around 230 which is still 40 higher than the normal student count of 190.
 - Mostly non-special education students.
 - Translates to about \$600k at current rates (\$13.2k for non-Special Ed rate and \$38.1k Special Ed rate) which is currently pacing for a \$150k over budget.
- Board Comment: None
- Public Comment: None
- Meeting adjourned at 6:58 pm