



## **FINANCE STANDING COMMITTEE**

8/24/2020 [5:00PM-6:00PM] @ Board of Directors Room

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### **1. Call to Order**

#### **Minutes**

Ms. Drew called the meeting to order at 5:05 p.m. Due to Pennsylvania's COVID-19 mitigation efforts calling for limits on the number of participants at indoor gatherings, the meeting was conducted both in-person and virtually, limiting the in-person attendance to 25 or less.

### **2. Roll Call**

#### **Minutes**

Members in attendance: Michele Agee, Lindsey Drew, Mike Frentz, Joe McFarland, Lewis Shaw, Kathy Sicher, Terry Singer, and Darby Valego  
Attendees: Dave Sweigert and John Abel.

### **3. Approval of Summary Minutes**

#### **Minutes**

Following a motion by Mrs. Sicher and a second by Mr. Singer the June 22, 2020 Minutes were approved.

### **4. Unfinished Business**

#### **a. Update on MS Trust Account/Fulton Financial/PFM Report**

Attached is the updated PFM report, which was updated after additional information/clarification was provided by Fulton. Page 23 was the summary we focused on before showing that Fulton did not meet benchmarking goals at the 1 through 5 year mark. This update shows that the benchmark was achieved at the 1, 3 and 4 year mark as well as since inception in 2012. Page 23 does still note potential earnings loss of a total of \$1,000,000 over a 5 year period (down from \$1.44 million in the original report). Brian Sanker and Tylor Braun from PFM will be joining the meeting viz Zoom to answer any questions on the updated report.

#### **Minutes**

- Mr. Frentz led a review of the Milton Hershey Trust Account with Brian Sanker and Tyler Braun from PFM joining virtually to answer questions from the members.

#### **b. Online Document Resource for Committee Use**

#### **Minutes**

- Online Document Resource for Committee Use will be moved to the next meeting to allow time for discussions on the more pressing subjects.

## 5. New Business

### a. Review of Current Revenue

At Derry Township School District, we are highly dependent on our Local Revenue, \$48.5 million or 76% of all district revenue comes from local sources (\$12.4 million or 19.5% from state, \$1.1 million or 1.8% from federal and \$1.7 million or 2.7% from our MS Hershey Trust account). Of the \$48.5 million for local sources only about \$40.1 million is billed (Real Estate taxes and Occupational Taxes), the remaining \$8.4 million is dependent on how well our local economy is operating, there really are no guarantees. In addition to local revenue the amount of revenue provided by the state is completely dependent on the amount of funds available in the state's budget. The major revenue drivers in the state budget are Income Taxes and Sales Taxes.

1. Giant Center PILOT - At the August 20, 2020 meeting of the Derry Township Industrial Commercial Development Authority meeting Hershey Entertainment and Resort reported there would not be enough revenue to make this payment to the School, Township or County for 2020. We budgeted to receive \$500,000 in 2020-2021. It should be noted that the \$500,000 budgeted was already reduced by 25% from the amount received in 2019-2020. It is also being projected that this payment will not be made in the 2021-2022 fiscal year either.
2. Amusement Tax - See the attached spreadsheet. Collections are down drastically from April 2020 through July 2020. District has budgeted \$1,100,000 in revenue. At the current rate of collection we may only receive \$100,000 in 2020-2021.
3. Earned Income Tax - See attached spreadsheet. EIT remains constant, does not appear to be affected by COVID-19 shutdown.

#### Minutes

- Mr. Frenz reviewed the current revenue, where the district stands currently, and things to watch closely as things progress during the pandemic.
- This item will be moved to the Unfinished Business section for the next meeting for continued discussion and review.

### b. COVID-19 Expense Budget Impact

Below are expenses that have been incurred for COVID-19 as of August 14, 2020

	<u>2019-2020</u>	<u>2020-2021</u>	<u>Totals</u>
Cleaning Supplies, Equipment, masks	<u>49,705</u>	70,636	
Furniture - Elementary and High School		188,709	
OWLS - Camera and microphone		256,865	
Desk top barriers		<u>30,287</u>	
<b>Total Expended</b>	<b>49,705</b>	<b>546,497</b>	<b>596,202</b>

Below are expenses that have been contracted (not yet incurred):

	<u>2019-2020</u>	<u>2020-2021</u>	<u>Totals</u>
Trane - HVAC		65,293	
KN95 Mask Fitting		18,500	
Furniture Move		22,575	
Furniture Storage (assumes 12 months)		<u>84,000</u>	
<b>Total Contracted</b>		<b>190,368</b>	
<b>Total Expended/Contracted</b>			<b>786,570</b>

In addition to these expenditures we anticipate we will also incur additional expenses to provide Elementary transportation at about \$850 per day.

While these expenses were not budgeted for the District was approved for a \$250,000 School Health and Safety Allocation through the CARES act as well as \$465,249 in ESSER LEA federal allocation. All incurred and contracted expenses qualify to be expended under both of these grants. Thus the total of \$706,249 in additional funding we received under the CARES act has been expended.

#### Minutes

- Mr. Frentz reviewed the expenses incurred thus far for COVID-19. He further explained that while the grants have off-set the current expenses, that going forward, any further expenses will be borne by DTSD without any additional help from the federal government.
- This item will be moved to the Unfinished Business section for the next meeting for continued discussion and review.

## 6. Public Comment

#### Minutes

There was no public comment.

## 7. Adjournment

#### Minutes

Ms. Drew adjourned the meeting at 6:05 p.m.