

Finance Committee Meeting Minutes
Video Conference
Wednesday, April 1, 2020
3:00 p.m.

Present: Louis Schwartz BOE Member
Shannon Stringer BOE Member
Rita Kennedy BOE Member
Ron Clamser Assistant Superintendent
Lisa Brady Superintendent
Doug Berry Assistant Superintendent

Monthly Financial Report

Expense Update

July through March expenses are noted in the chart.

February is 75.00% of the year	2017-18	2018-19	2019-20
Utilities	63.13%	69.59%	66.85%
Special Ed Tuitions (Non-BOCES)	40.00%	50.57%	35.28%
BOCES	50.83%	67.95%	69.94%
Health Insurance	84.26%	74.96%	64.75%
TRS	59.54%	60.09%	61.01%
ERS	73.60%	72.13%	68.35%
Social Security	60.03%	60.28%	60.59%
Transportation	69.94%	70.82%	65.56%
Payroll	61.46%	61.42%	61.48%

Note: Health insurance is through February.

Impact of COVID-19 on the 2019-20 Budget

- Revenues:

- Interest Revenue

The district was earning 1.5% interest at the beginning of March and by March 30th it was down to 0.9%. At one point the interest rate was at a high of 2.5%. Rates haven't been this low since March of 2017.

Through February we received \$134,000 of our \$150,000 interest revenue budget (about 89%). Since the early months of the fiscal year were so good, we anticipate being on target for budgeted interest revenues, however, we are no longer counting on the anticipated excess interest revenues.

- Sales Tax
Sales tax revenues were on the rise and was projected to be \$140,000 over budget. We've already received \$378,000 of our \$550,000 budget (approximately 73%) with only two quarters (July - Dec 2019) collected (50%). The 4th quarter (Oct-Dec 2019) receipts alone were just over \$200,000. While it is too soon to know the full impact on sales tax, Jan-Feb receipts should still be good with reductions beginning in March through the end of June.
- Expenses:
 - There are several expense categories that are not being spent during closure, these include: per diem substitutes, event chaperones and intramurals, class coverages, athletic and field trip transportation, and contract security guards.
 - Other expense categories that are still under consideration and could realize additional savings include: spring sports and extra-curricular stipends, regular in-district and out-of-district transportation, contract custodial, misc. year-end supplies, and reduced utilities (our buildings are currently set to "unoccupied" status, giving us savings on heat and electricity).
 - For each two week period of school closure, we are projecting a minimum savings of \$30,000. This figure does not include transportation or custodial contracts.

Impact of COVID-19 on 2020-21 Budget Development

- Potential reduction in revenue projections:
 - State Aid
The Governor warned school districts not to expect any increases in state aid next year. Our 2020-21 budget was already constructed expecting no increase in state aid. Additionally, the Governor stated that rather than announcing state aid cuts now, they will be reviewing state revenues quarterly next year and may need to implement mid-year cuts to state aid depending on how state revenues are. To prepare for this, in the next few months, we will be identifying areas of possible reduction that we can implement in phases if mid-year state aid cuts become realized.

Just minutes prior to the start of the meeting, the district received notice of the projected state aid totals resulting from the state budget that had been approved earlier in the day. While we hadn't had time to fully digest the numbers, we were able to report what looked like a state aid reduction of \$294,000. We will analyze this further and report back to the committee.
 - Interest & Sales Tax Projections
The 2020-21 budget had been constructed anticipating an increase in sales tax revenues by \$100,000 and a slight decrease in interest revenues by \$10,000. Concerned about the

long term impact COVID-19 is having on the economy, the committee asked Ron to do a further analysis of interest and sales tax revenues and report back to the committee with new revenue projections for the 2020-21 budget.

- Tax Levy

The 2020-21 budget is constructed with a tax levy slightly below the maximum allowable levy limit by approximately \$30,000. The committee discussed bringing the tax levy back to the allowable maximum limit.

- Budget Vote and Board Elections. The Governor's Executive Order has delayed the school board election and budget vote until at least June 1. We are seeking more clarification on this.

Next meeting is scheduled for April 14, 2020 and will be scheduled as a virtual meeting @ 5:00 p.m.