



Finance Committee Meeting February 23, 2021

Committee Purpose

The Finance Committee provides the board with the opportunity to more closely review various aspects of financial administration. This committee provides input to the budget process, meets with auditors, does long-term debt planning with financial consultants and oversees the ongoing business process of our district.

Committee Leadership

*Jim Maurer, School Board Committee Chair
Sheryl Pursel, Director of Finance*

Per Board Policy, if you intend to record any portion of the meeting proceedings, you must notify the Communications Director or other Administrator prior to the start of the meeting. A public announcement will be made at the opening of the meeting to inform all attendees that all or part of the meeting is being recorded by an audience member.

Start Time: 5:00pm

Location: CMS Auditorium

Attendees:

Board Members: Adam Aloisi, Mike Donato, Grant Keener (virtually), Linda Johnston, Jim Mauer, Charles Merris, Pat Wagner, Dylan Bard, Christopher Smiley

Administration: Mike Bromirski, Mark Brooks, Mike Graham, Sheryl Pursel, Maria Hoover

Time for Public Comment: No comment (5-minute limit per Board Policy 903)

Agenda Items:

1. Contracts

- Work wisdom (diversity/equity contractor)
- IU Fuel/Oil bid: We purchase our fuel and oil through the intermediate unit consortium (PAPCO). This is up for renewal and is of no cost to the district. We buy the product at the



Finance Committee Meeting February 23, 2021

current market value. The contract for the IU 13 is for the actual transporting of the fuel from their hub to our district.

- ShowTix4U: Hempfield has used this group in the past for customers to purchase tickets for dance theater. The district is seeking approval to utilize this service for the spring play/musical so the district can get an account of the number of tickets sold. The board's concern was how this service would affect the price of the tickets. They requested a breakdown of how much ShowTix4U receives versus how much Hempfield receives. This information will be provided at a later time. It was further noted by Mr. Graham that the ticket cost also includes the online platform for seat reservations and credit card purchases. The board further questioned the status of the play. Hempfield is still under the orders of the state relating to occupant capacity. Mr. Bromirski explained that Hempfield is looking to expand the stage to the right, center, and to the left. This will allow the students to spread out further. Hempfield is on track for the performance in May.
- CAFCO: Hempfield has a bid out for purchase of milk and other dairy products (through the IU).

Mr. Maurer made a motion, seconded by Mrs. Johnston, to approve the four contracts.

Vote: "Aye" 9; "Nay" 0; Motion passed.

2. Food Services follow up

- Since food services was devastated after coming off of the National School Lunch Program, the board wanted clarification as to when food services started losing money. Mr. Brooks presented a ten-year analysis detailing the revenue, expenses, depreciation and net profit. In tracking the net profit for the years 2009 through 2013, Hempfield was doing better than breaking even. Starting in 2013-14, food services started showing a loss--with a bigger loss in 2014-15. In 2015-2016, the district made the decision to come off of the National School Lunch Program where we went from a deficit of \$197,502 the prior year to a \$404,000 deficit the next year. Food services started minimizing the deficit in subsequent years. In 2018-19, we had a profit of \$9,183.70. In 2019-20, Hempfield had a deficit of \$400,000+ due to circumstances relating to Covid-19. From the point where we were making money to where we were not making money moving forward, we had a deficit of \$1,244,161. Looking at the total deficit over the period, the net deficit was \$828,439.17. The hope was that by going off of the National School Lunch Program, our deficit would be improved. This was not the case. Ala carte is a major revenue producer for the food services group. Hempfield is working toward a plan to get the deficit down.



Finance Committee Meeting February 23, 2021

- In follow-up to a question previously asked by the board regarding the food cost per meal, the elementary cost is \$1.03 per meal, the middle school is \$1.13 per meal and the high school is \$1.60 per meal. Mr. Brooks asked food services what it costs them in labor for one day. Their response was \$4892.33 per day over the 10 schools. Food services confirmed that the cost per meal includes labor. This year, the district is being reimbursed by the federal government for every meal for those students who participate. Everyone gets a free lunch and a free breakfast. If a student bags their lunch but purchases milk and a vegetable, they qualify for the reimbursement as well. The district will have further conversations with the food services consultant. The district is looking at what we can do to save money in costs. More information will be available in the next couple of months.
- Later in the presentation, the board continued to express concerns in the food services department and the cost of lunch per meal (including labor), realizing we have an ala carte piece. The board asked what fixed costs the cafeteria has. Mr. Brooks' response was the cafeteria pays for refrigeration equipment repairs and maintenance. They do not pay for electricity. They pay a percentage of the cost for trash removal. They also pay 100% of the cost for extermination of the kitchen area itself and general repairs of the equipment in the kitchen areas. A board member further mentioned in looking at the revenue versus deficit, the numbers don't add up. They are not even close. Mr. Brooks is researching this further. The board is perplexed. The board wants us to figure out what is wrong and fix it. Mr. Brooks concurs.

3. Budget/update

- Mr. Brooks presented information on where we are year to date versus where we were in 2019-2020. As of January 31, 2021, we are bringing in \$97,778,529 this year versus \$96,726,498 last year. As far as expenses go, we are a bit ahead of where we were in 2019-20. Purchase orders are being wrapped up by March 15, 2021. The district will provide more information at next month's meeting.

4. Student Activities:

- The district currently has a draft of the student activities manual and will be meeting with high school administration and the student council. These are student-controlled funds. The district will put guidelines in place so the monies are spent down in a timely fashion and are spent on appropriate items. There has been some movement of these funds in that the student council was looking into purchasing flags to attach to the poles outside by the high school and middle school. Moving forward, we may want to have the student council be the fund-raising mechanism for internal clubs. Having one central avenue for student funds administration would make the most sense.



Finance Committee Meeting February 23, 2021

5. Federal grants for Covid

- We are estimating to receive \$6.1M. Of that, we have to allocate \$1.22M for learning loss. This information is preliminary information that was released last week. The remaining \$4.88M could potentially be used to improve HVAC systems in the buildings. This will be monitored very closely. The board wanted reconfirmation as to where the \$6.1M was coming from. Mr. Brooks commented if the government passes the \$1.9 trillion stimulus package, we would be receiving \$6.1M from this. The board wanted to know how much was spent from what was already received. Mrs. Pursel said we have spent roughly \$700,000 of what Hempfield was given. We have applied for grants, but the funding has not come through as of yet. Another question was asked how we determine what was Covid related as far as Cyber Charter spending goes. Mr. Brooks responded that if we look at the number of Cyber Charter students this year compared to last year, any increase could be a result of Covid. Mrs. Pursel further commented as we finalize the revenue budget, we may push the monies through to next year to be part of the revenue budget for 2021-22 since we have until September, 2022 to spend the monies from the government.

Adjourning to executive session: 5:37pm.

Mr. Donato moved that the meeting be adjourned to the executive session. Seconded by Mr. Wagner.

Vote: “Aye” 9; “Nay” 0; Motion passed.

Future Meeting Dates:

March 30, 2021 - Location to be determined

April 27, 2021 - Location to be determined

May 25, 2021 - Location to be determined