



## Finance Committee Meeting March 30, 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:** 5:08 pm

**Location:** Admin Public Board Room

**Time for Public Comment:** A Hempfield resident stated her name and address to the board. She spoke to the board about the inconsistencies in the procedures for students who were contact traced and when they may return to school and/or athletics. There is nothing documented on the Hempfield web site. Mr. Bromirski will follow up with this resident and make these procedures available on the Hempfield web site.

### **Attendees:**

**Board Members:** Online attendees (Mike Donato, Grant Keener, Dylan Bard); In person attendees (Jim Maurer, Linda Johnston, Charles Merris, Adam Aloisi, Chris Smiley)

**Administration:** Mike Bromirski, Mark Brooks, Mike Graham, Sheryl Pursel, Karen Hall

### **Agenda Items:**

- **Bond Refunding:** Lou Verdelli from RBC Capital Markets and John Frey from PFM Financial Advisors updated the board on the bond refinancing opportunities. To recap, the 2016 bond refinancing in January, 2021 saved the district \$500,000. Mr. Frey reviewed



## **Finance Committee Meeting March 30, 2021**

the handout showing Hempfield's outstanding debt summary. The 2016 Series A bonds have a call date of October 15, 2021. Since the \$4,000,000 refunding is a smaller transaction, the estimated present value savings will be approximately \$105,000 to the district. The finance team can return for the April 13 board meeting to draw up the legal paperwork, pricing the bonds in June and settling on July 20, 2021 at the earliest. At this meeting, RBC will discuss the parameters resolution of the 2016A bond reissue--maximum par amount, the maximum interest rate, and the minimum savings to Hempfield. There was no opposition from the board.

- Mowing RFP: Mark Brooks discussed the two bids that were received for mowing services across the district. Evercor, who currently maintains our landscaping and turf as well as open meadow mowing and leaf removal, came in at \$101,794 for the first year while McCabe's Lawn and Landscapes came in at \$104,500. For the second year, Evercor increases to \$104,847.82 and McCabe remains at \$104,500. If any additional work is needed for pruning trees and/or pest management, Evercor would charge \$45/hour and McCabe would charge \$43/hour. However, Hempfield uses other companies for this type of work. Mr. Brooks recommends moving forward with Evercor for the two-year contract. This will be added to the next board meeting agenda.
- Budget (Revenue): Mark Brooks presented Hempfield's budget overview. Mr. Brooks anticipates the district meeting the 2020-2021 budgeted revenue of \$123,789,218 and it is his hope that the district will not end the year in a deficit but will break even. These projections will be presented to the board at the April board meeting.
- Budget (Expenses): After meeting with each of the department leaders and refining some of their needs versus wants, the total projected expenditures for 2021-2022 will be \$133,333,177. The district will continue to look at expenses as the budget is finalized. The non-adjustable areas (special education, tuition, transportation and debt service) total \$24,945,836. Adjustable expenses (operations and maintenance, technology, budgetary reserve and other expenses) total \$11,412,993.
- As of March 25, 2021, the district's local revenue tax base has grown .72%. The net revenue (expense) for 2021-2022 is at a \$6M deficit.
- Total district fund balances include general fund, debt service, capital reserve, and internal service. The total fund balance at June 30, 2019 was \$30,749,384. The total fund balance as of June 30, 2020 is \$45,829,261. Capital Reserve fund balance increased during the 2019-20 school year due to a \$10 million issuance of new bonds (2020AA) for new capital projects. General Fund increased approximately \$4 million as a result of excess revenues



## **Finance Committee Meeting March 30, 2021**

over expenditures during the COVID-19 shutdown. \$3.9 million of this excess has been assigned to offset the budgeted deficit in the 2020-21 school year. These totals do not include the food service fund.

- A follow-up question came from the board as to whether the district should zero out the deficit from food services. The board is requesting to separate the non-cash items from the food services deficit. Food Services has been reimbursing the district on a regular basis. They are not in a negative cash flow position. The district currently has \$300,000 as a planned transfer to food services.
- iPad Lease: Mr. Graham discussed the 1:1 iPad lease agreement with the board prior to adding as future agenda item. After following up with Apple and monitoring the logistics and delivery across the entire technology sector, Apple is predicting a six-week delivery, possibly more. Therefore, the department is backing up the timeline and wishes to add this to the April board agenda. Technology will obtain proposals for the new lease cycle. The district is looking to lease 2300 iPads for a total of \$676,200 that is spread over 3 years. The technology department has had discussions with department leaders and curriculum coordinators as far as where the district should go as far as iPads/laptops are concerned when we come out of Covid. The department will continue to use IOS as a platform in special education and regular education. However, there will be some changes on the horizon as the district looks into the full-time cyber option (HAVEN), not only at the secondary level but also at the elementary level. This will likely be absorbed by the ESSR funds. The district is looking at some changes in cases at the high school, specifically the keyboard, track pad, and laptop. There were no complaints with IOS for the iPads. There has always been a request for some keyboards and additional functionality. Technology has found a middle ground that fits everyone's needs. More details will be presented at the April education programs committee meeting. The cost per iPad for the second year was \$413/iPad. For 2021-2022, the cost per iPad is down to \$209/iPad for the life of the device.

**Adjourn:** 6:10 p.m.

### **Future Meeting Dates:**

*April 27, 2021 - (Administration Building, Public Board Room)*

*May 25, 2021 - (Administration Building, Public Board Room)*