

**Board of Finance Questions
March 2, 2017 Meeting**

- On P. 27 in the above analysis

You have Repairs Cafeteria - \$30,000 - Can this cost be offset by a funding from the Fund Balance - "School Lunch Fund"?

- On P. 25 in the above analysis you have M.S. (Cafe sound system) - \$35,000 - Can you offset, say, \$10,000 of this cost from the "School Lunch Fund" as well?

The Fund Balance for this account totals \$206,000 so you'll be able to maintain a comfortable cushion in this account even after a transfer.

- The school lunch program funding is provided from the sale of food, Federal and State grants and USDA donated commodities. The fund balance is restricted under state and federal guidelines. The fund balance includes the food and commodity inventory value which is \$32,959. Under the guidelines for the NSLP (National School Lunch Program) we cannot have a balance which exceeds three months' worth of operating costs. (Currently this amounts to approximately \$588,000.) One month's operations for this year range from \$148,027 to \$266,359. The Federal limit is set as a guideline for what a reasonable balance should be.

The profitability or lack thereof has varied markedly over the years, and the carried fund balance has been essential in avoiding taxpayer subsidy for an enterprise operation. The operating results for the last five years were as followed:

FY 2012 profit \$8,044
FY 2013 profit \$598
FY 2014 loss \$5,050
FY 2015 profit \$35,099
FY 2016 profit \$44,167

We are hopeful the trend of the latest two years will continue. Taking \$30,000 out for repairs, and \$10,000 for a sound system along with the inventory value would place the actual fund balance at \$133,000, not even enough for one month's worth of operating costs. This would not be a best practice for a \$2M operation.

- On P. 25 in the above analysis you have a number of different line items in B&G. Would it be possible to offset some of these costs against any number of accounts with Fund Balance from the "School Custodial Fund"? If you used \$39,000 from this fund you'd still have \$40,000 in the account and I don't believe you've accessed this account in quite a while.

- The custodial account is a district account primarily used for purposes of rapid distribution of funds in this account. It is used to receive revenue for the use of school facilities by outside organizations. Proceeds are used to pay for required personnel services and certain incremental building maintenance. It is also used as a petty cash for transactions that require immediate payment, i.e., lost or incorrect paychecks, registration advances, missed payment deadlines, etc. In all cases the monies are reimbursed through the general accounting system. The fund has recently been designated, by Board Policy, as the external (non-budget) fund to make the Food Service whole for student funding delinquencies. Under the latest Food Service Guidelines, we cannot use food service revenues to cover these expenses, hence anticipating a reasonable balance in this account was so designated to meet this requirement. This amount has been accessed in the

past for maintenance items specifically related to the community use of facilities. For example, if a passage door needs repairing, something broken for which we cannot find the responsible party, for the initial feasibility fees to provide professional service for the auditorium study. In all cases, the funds were used to cover 'non-budgeted' expenses of necessity. It has not been our practice to use these funds to support items that should be part of the budget cycle. The increase to fund balance this past year was less the \$2,000 so this is not a high revenue generating account.

Mr. Faiella provided the attached list of custodians and how they are allocated per every 20,000 square feet of space.

- On P. 27 in the above analysis you have a number of Continuing Ed accounts. Would it be possible to charge the "Continuing Education Fund" for \$21,000 as an offset to some of the costs in this line item? You have \$88,000 in Fund Balance in this account.

- The Continuing Ed balance of \$88,000 includes over \$70,000 of deferred revenue for programs that will occur during the summer. The year prior demonstrated a revenue deficiency of over \$25,000. A balance in this amount is essential for the proper operation of this program.

What are the possible expenditures that could be within the scope of the Purchasing Agent's responsibility, and what is the anticipated savings? How would this savings relate to a payback period that equalizes the cost of the position?

- At this early stage of conjecture, we estimate potential to move about \$3mil through the flow of a Purchasing Agent's scope of responsibility. The bulk of this would be from the following areas:
 - Non-school Supplies - approx. \$2mil
 - Building and Grounds (Purchased Property Services) – approx. \$800K
 - Contracted Services – approx. \$400K

We are unable to project adequately an anticipated savings percentage to estimate a payback period making the position cost neutral. To do so, we would need to know the potential degree of movement a Purchasing Agent could realize in the current cost margins of these expenses which we believe under present circumstances to have been negotiated successfully with our vendors. The original figures shared by Dr. Erardi represents all-inclusive of purchases and that within that sum the great majority of it would only with our present staff.

NEWTOWN CUSTODIAL /MAINTENANCE STAFF				
CUSTODIAL	Facility	Sq. Ft.	# FTE Cust	Average Sq. Ft. per FTE
	HAW	60460	3	20,153
	SH	87000	5	17,400
	MG	57100	3.5	16,314
	HOM	65000	3.5	18,571
	REED	165600	8	20,700
	TOTAL ELEMENTARY	435160	23	18,920
	MIDDLE	175000	9	19,444
	HIGH	362131	16	22,633
	TOTAL SECONDARY	537131	25	21,485
	TOTALS	972291	48.0	20,256
NOTES: Custodial square footage based on the following:				
1) Age of facilities				
2) Extensive community usage				
3) Pool				
4) Stadium				
5) Multiple gymnasiums				
6) Custodians perform maintenance repairs (painting, ceiling tiles,lights)				
7) Multiple fields				
MAINTENANCE	Facility	Sq. Ft.	# FTE Maint	Sq.Ft. per FTE
	HAW	60460		
	SH	87000		
	MG	57100		
	HOM	65000		
	REED	165600		
	MIDDLE	175000		
	HIGH	362131		
	MAINT SHOP	3244		
	WAREHOUSE	9400		
	TOTALS	984,935	5	196,987.00
NOTES: Standard practice for maint staffing is approx. 100,000 Sq. Ft. per FTE. In this area the district is under staffed by approx. 5 FTE's				
	DISTRICT FLOATERS		2	
	DISTRICT COURIER		1	
TOTAL PLANT OPS STAFF			56.0	