



Finance Committee Minutes

October 18, 2018

Board Chair— Mr. Mark Cowell

Administrative Liaison—Mr. Andrew Lechman

Attendance—Please see the accompanying committee attendance sheet.

Mr. Cowell called the meeting to order at 6:00 pm.

Upon a motion made by Mr. Marcus and seconded by Mrs. Alderfer, the minutes of the September 20, 2018 meetings were approved by the committee.

- It was noted that at the prior meeting Mr. Lechman reviewed a draft of estimated costs of the facility condition assessment report from June. Then there was a presentation given at the facilities committee meeting that reported costs higher than the draft. The difference was related to two items:
 - Draft costs used the line item report that was provided by EMG. EMG's report then totals the individual line items and adds a CPI increase over 20 years to just the total amounts. EMG reported the total amounts with the CPI increases.
 - In August EMG updated the costs for our projects to be more specific to our regional market prices from national prices which increased the estimated costs.

Old Business

- Act 153 – At the September 20, 2018 meeting Mr. Peckman requested that the committee continue the discussion on Act 153. He requested that the committee be provided with options available to the board regarding Act 153. As this topic is related to real estate matters with the potential for litigation the prior district solicitor and the current district solicitor have advised the board that any discussion about potential action on Act 153 be reviewed in executive session. The committee can recommend action to the board if it believes that action should be taken. The board would then discuss in executive session with counsel and any action taken would be done at a public meeting. The committee discussed the options available as:
 - No action
 - Repeal the current resolution – If this action is recommended the possible options for how this would be implemented would be determined with the School Board and the Solicitor.

- The School Board does not determine the criteria of the program or what properties get approved. The approval is granted by Solebury Township.
- The Committee determined that no further action was required on this topic.

New Business

- 2018-2019 Budget
 - Mr. Lechman provided an overview of the current status of the 2018-2019 budget as compared to the same period in the prior year. Revenues and expenses continue to trend normally. To date 66% of budgeted revenues have been received as compared to 65% in the prior year. 16% of budgeted expenditures have been accounted for as compared to 19% in the prior year.
 - Mr. Cowell asked about enrollment if we are seeing an increase with the increase in houses sold.
 - District Investments – The committee requested an update on district investments. Mr. Lechman reviewed all cash and investment balances as of September 30, 2018.
 - General Fund - The district currently uses a CD product with its primary bank, PSDLAF (Pennsylvania School District Liquid Asset Fund). This is a product that allows for weekly liquidity while still paying a very competitive rate. The current rates range from 2.05% to 2.20%. As of September 30 the district has \$24M invested in this CD generating approximately \$1,390 in interest per day. The General Fund also has cash balances of approximately \$5.2M earning 1.94%.
 - Construction Fund – District funds being used to pay for the Campus Revitalization Project are with PLGIT (Pennsylvania Local Government Investment Trust). As the project is in its final stage all funds are liquid and are earning 1.94%.
 - Capital Reserve Fund / Food Service Fund and Student Activity Fund are all with PSDLAF and are earning 1.94% in a liquid account.
 - One budget transfer was reviewed and it was confirmed that it has no impact to the overall 18-19 budget.
 - Mr. Lechman also provided an update on the campus revitalization project financials. The estimated remaining project contingency is \$0.00 and the estimated overrun is \$75,000.
- 2019-2020 Budget Timeline – Key Dates
 - Key decision in the budget process is to determine which budget path to follow:
 - Approve a preliminary budget and apply for referendum exceptions

- Approve an Opt Out Resolution confirming that the tax increase will remain within the index of 2.3%.
 - December 20 – Board Authorize Preliminary Budget for Public Display or the Opt Our Resolution
 - January 24 – Board Adopts Preliminary Budget
 - May Board Meeting – Board Authorize Proposed Final Budget for Public Inspection
 - June Board Meeting – Board Adopt Final Budget Resolutions
- Contracts
 - Homestead/Farmstead District Agreement for 2018-2019 – Districts in Bucks County participate with the BCIU on the required annual notification that school district are required to provide about the Homestead/Farmstead program. The BCIU receives one file from the county for all properties that are not already enrolled in the program and they mail the notification out. The cost is .629 per parcel and costs approximately \$1,000 in total.
- Mrs. Alderfer introduced an additional new business item. The Ed Fund is in the process of submitting an application to be approved to accept EITC grants and will partner with the district to complete this process. Additionally, the Ed Fund still has approximately \$35,000 available for project grants and staff is encouraged to apply.

A motion was made and approved to move the following items to the board agenda for approval:

- Budget Transfer
- Bucks County Intermediate Unit – Homestead/Farmstead Agreement

Public Comment

- Public comments were made throughout the meeting and are captured in the meeting minutes as appropriate.
- The following comments were made about non-agenda items:
 - Mr. Marcus confirmed that the financial projections include a tax increase of 2% and the Act 1 increase for 19-20 is finalized at 2.3%.

Mr. Cowell adjourned the meeting at 6:45pm.

Respectfully submitted,

Andrew Lechman
Business Administrator