



## **Finance Committee Minutes**

January 17, 2019

**Board Chair**— Mr. Mark Cowell

**Administrative Liaison**—Mr. Andrew Lechman

**Committee Members** – Mr. Cowell (Board Chair), Mr. Capriotti (Board), Mr. Marcus (Board), Rich Hepp, John O’Hara, Ellen Stiefel, James Trammel

**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 Mr. Trammel the minutes of the January 17, 2019 meeting were approved by the committee.

### **Old Business**

- None

### **New Business**

- Transportation RFP – Our current transportation contract with First Student ends on June 30, 2019. The current contract was 3 years with 2 optional years to extend. The district utilized both of these options to extend as there has been no interest from other providers to submit a proposal for these services and this year has been no different. Even though the interest is limited, it is still recommended and best practice to complete a Request for Proposal (RFP). Mr. Lechman reached out to 6 different companies, PA School Bus Association and PASBO for recommendations and all have been unsuccessful. First Student has been a solid partner and provider of these services over the last 4 years. They have worked with us to reduce our costs by almost \$200,000 or 20% over the last 3 years and regardless of the provider, we believe these costs can continue to trend downward over time. The RFP document was reviewed with the committee
  - Highlights:
    - Term – 4 years
    - Pricing sheet is based on existing fleet and bus runs with a request to provide an explanation if there is a recommendation to add or reduce the number of vehicles
    - Drivers must meet all criteria for driving a vehicle and must meet all clearance requirements that any employee of a school district must meet.

- Vehicle Age – No older than 10 years with an average fleet age of 5 years
    - Routing is to be completed by the contractor and the district provides the final review and approval of all routes.
    - Award – The Board is not required to take the lowest cost for a RFP and all proposals could be denied if necessary.
    - Timing – The RFP will be released on Monday February 25 and will be due on March 11 with the goal of finalizing a contract by April 30.
  - Discussion:
    - Mrs. Alderfer asked the committee to consider including a request for pricing for having all buses equipped with seatbelts. This generated committee discussion on the following topics:
      - Cost – unknown until providers submit pricing
      - Capacity – unknown if seatbelts would change the total capacity of the vehicle.
      - Responsibility – who becomes responsible for making sure students wear seatbelts when students get onto the bus and throughout the trip.
      - It was noted that seatbelts are not mandated in PA by they are in NJ.
      - The committee agreed that there is no downside to requesting separate pricing for vehicles to include seatbelts as an alternate proposal and if it is determined this is cost prohibitive it would not be accepted as part of the proposal.
- Facility Condition Assessment Cost Review
  - The Facilities Committee has been leading an effort to complete a facilities condition assessment on all of our district facilities. The assessment has been completed and a cost summary was shared with the committee. There are 655 individual items on the report ranging from micro to \$1.1M. The total projects identified total \$37M over the next 20 years and \$10M over just the next 5 years. The district now needs to take this list of items and turn it into an actionable plan. The plan will include the development of a facility master plan to determine the priority and proper grouping of the work for project efficiency. The plan will also identify immediate needs that are recommended to complete this summer and a full 5 year plan. The facilities committee will then transfer these plans and estimated costs to the finance committee to determine the financing options and strategy.
- 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 82% of budgeted revenues

have been received as compared to 81% in the prior year. 45% of budgeted expenditures have been accounted for as compared to 46% in the prior year.

- Mr. Marcus suggested that revenue generation be discussed in greater detail as part of the budget process. The following examples were discussed as examples:
  - F1 Visa Program – students from other countries enter our schools via this program. He commented that districts have full control over which students to accept and only if we have seats available and that we can charge the full tuition cost.
    - Challenges are where are these students housed?
    - Partner with a university for students that have interest in moving from NHSD to the partner university.
  - Mr. Cowell provided another idea of allowing out of district students to pay tuition to attend our district.
  - Mr. Band commented on the concept of a Magnet School.
  - Mr. Marcus stated that there is potential for grants/donations from companies that many of our community members work for.
- District Treasurer’s Report and Investments – The committee received an update on the Treasurer’s Report and district cash balances and investments as of January 31, 2019.
- Budget transfers were reviewed and it was confirmed that they have no impact to the overall 18-19 budget. There was a large transfer that was reviewed in detail with the committee to purchase new furniture for the high school cafeteria. Due to construction project overruns the new furniture for the high school cafeteria was removed from the project. The current furniture requires multiple staff to move to properly clean or rearrange the space for events. The new furniture will allow for custodial staffing efficiency. The old furniture is not in good condition so table and chair legs will do damage to the newly replace floor over time. This is being funded by salary and benefits savings from a daytime custodian position that has not been filled after a retirement.
- 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 \$53,000. This is no change from the prior month.
- 2019-2020 Budget Review
  - State Budget Update – Mr. Lechman provided an update on Governor Wolf’s state budget address on February 5 and the impact of the proposed budget on Education funding and New Hope-Solebury specifically. While the Governor’s Budget is good for education as a whole the impact to our district

is relatively small with an estimated increase of \$50,000. It is important to note that all new money added to the Basic Education and Special Education funds since 15-16 are now allocated through a state formula. Most of the factors of the formulas are not yet updated in the estimated allocations reported by the state. So these numbers are only estimates until the state budget and formula factors are finalized.

- Contracts
  - New
    - Bucks County Intermediate Unit Services Agreement – Safe2Say
      - Dr. Lentz provided an overview of the new state Safe2Say communications line that all school districts were required to implement. This new hotline requires 24/7 availability of school personnel for certain issues that are reported which is a high and in some cases unrealistic expectation. Bucks County schools have partnered with the Bucks County Intermediate Unit for districts to outsource this 24/7 requirement to the BCIU at a cost of \$1.00 per student for the remainder of this year and \$3.00 per student for the 19-20 school year. After the 19-20 school year the need for this service will be re-evaluated before renewing for future years.
- A motion was made by Mr. Trammel and seconded by Mr. Marcus and approved to move the following items to the board agenda for approval:
  - Budget Transfers
  - Bucks County Intermediate Unit Services Agreement – Safe2Say

#### **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. Band commented on student activities trips and associated costs specifically around sub nurses.
  - Mr. Coppens commented on the following:
    - Parking usage will be discussed at the Facilities Committee
    - Investigations into families with students in our schools that don't live within our district boundaries.

Mr. Cowell adjourned the meeting at 7:35pm.

Respectfully submitted,

Andrew Lechman  
*Chief Operations Officer*



Finance Committee Meeting Sign-In and Attendance  
February 21, 2019

Name (Please Print)	Committee (C) or Public (P)
STAN MARCUS	(C) P
Melvin Band	C (P)
Sim Trammell	(C) P
Charles W. Lentz	(C) P
Steven Coppens	C (P)
John O'Hara	(C) P
MARK COWELL	(C) P
Ed DUFFY	C (P)
Xiobe Alderfer (Board member)	C P
Nikhil A. Heble	C (P)
Andrew Lechman	C P ADMIN
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Please note: This sign-in sheet will be included in the meeting minutes and posted to the District's website.