



Finance Committee Minutes

November 26, 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 October 18, 2018 meetings were approved by the committee.

Old Business

- None

New Business

- Jeffrey Kowalczyk from Barbacane, Thornton & Company provided the committee with a presentation summarizing the highlights of the audited financial statements for the year ended June 30, 2018. The auditors have issued an unmodified opinion which is a clean audit or the financial statements are free from material misstatements. A presentation will also be made at the School Board meeting on November 27.
 - The committee was able to ask questions during the presentation and there were questions around the following topics:
 - Does the negative net position due to the PSERS and OPEB liability have an impact on our credit rating and the answer is no.
- Capital Reserve Fund Transfer – At the June Finance Committee meeting the Committee reviewed the recommendation to transfer funds from the General Fund to the Capital Reserve Fund. The Board approved two motions at the June Board meeting
 - The first was to transfer \$750,000 to the Capital Reserve Fund in June.
 - The second was to transfer the remaining General Fund surplus to the Capital Reserve fund at the completion of the audit. The audit is complete so the recommendation is to approve a transfer in the amount of \$2,121,422 at the November Board meeting.

- These transfers to the capital reserve fund are the beginning stages of the long term capital requirements for maintaining district facilities in line with the finalization of a facility condition assessment report. Initial estimates are around \$20 million over the next 20 years for the LES, UES and MS. Assessments are currently being completed on the HS and district grounds.
 - Questions asked about the transfer to capital reserve fund included:
 - While it is recommended, we are not required to transfer the entire surplus to the capital reserve.
- 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 72% of budgeted revenues have been received as compared to 71% in the prior year. 24% of budgeted expenditures have been accounted for as compared to 25% in the prior year.
 - District Treasurer's Report and Investments – The committee received an update on the Treasurer's Report and district cash balances and investments as of October 31, 2018.
 - 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 \$92,000.
 - 2019-2020 Budget Update
 - Mr. Lechman provided an early look on the 2019-2020 budget. Budgets are currently being developed by buildings and departments and were due on November 21. A presentation of the preliminary budget will be presented to the Finance Committee on December 13 and the full Board on December 20. The current projection of the budget shows a \$71,500 deficit which includes a 2.3% tax increase (the Act 1 index), updated salaries to reflect the changes in the NHSEA and Support Staff contract and a 10% increase for medical benefits. All other budgetary line items are held at no change to the 18-19 budget while these budgets are being developed.
 - 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%.
 - Exceptions are estimated to be \$175,000

A motion was made by Mr. Marcus and seconded by Mrs. Stiefel and approved to move the following items to the board agenda for approval:

- Audit Report
- Capital Reserve Transfer
- Budget Transfers

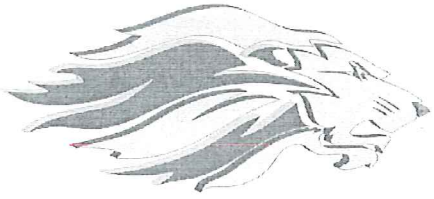
Public Comment

- 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:
 - None

Mr. Cowell adjourned the meeting at 7:15pm.

Respectfully submitted,

Andrew Lechman
Business Administrator



NEW HOPE-SOLEBURY SCHOOL DISTRICT
*Engaging, Enriching, and Empowering All Students
 through a World-Class Education*

Finance Committee Meeting Sign-In and Attendance
 November 26, 2018

Name (Please Print)	Committee (C) or Public (P)
MARK COWELL	C P
Jeff Kowalczyk	C P
STAN MARCUS	C P
Ellen Stiefel	C P
Steven Coppens	C P
Deirdre Alderfer	C P
DAVID TEASDALE	C P Admin.
Kevin Elvey	C P Teacher
Wayne Kinton	C P
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Please note: This sign-in sheet will be included in the meeting minutes and posted to the District's website.