



## **Finance Committee Minutes**

January 17, 2019

**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. Stiefel the minutes of the December 13, 2018 meetings were approved by the committee.

### **Old Business**

- None

### **New Business**

- Committee Member Applications – The process for joining a committee has recently changed. Anyone interested in joining a committee should attend a meeting and submit a statement of interest which were made available at the meeting. Each month new applications will be submitted to the School Board for review and to make appointments. Members may resign at any time after giving notice to the School Board. Members may also be removed from a committee if they neglect or refuse to attend two successive regular meetings.
  - Mrs. Stiefel made a recommendation for the district to make a broader communication to the community to solicit interest in committee participation.
- Bucks County Intermediate Unit
  - Programs and Services Budget for 2019-2020
    - Mr. Lechman provided a brief summary of the Bucks County Intermediate Unit 2019-2020 Programs & Services and Instructional Materials & Research Services Budget. This budget has been approved by the Superintendents Advisory Council and the Intermediate Unit Board of School Directors in the amount of \$1,798,903 which is a 1.27% increase. The IU notes that while the overall budget has increased the overall district contributions have decreased. Each

school district in Bucks County must take action on this budget as presented and votes are tabulated on a proportional basis. The NHSD proposed contribution for 2019-2020 is \$21,269 which represents a \$33 increase from the current year. This is not the costs for the special education programs and services that are provided by the BCIU.

- 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 81% of budgeted revenues have been received as compared to 80% in the prior year. 37% of budgeted expenditures have been accounted for as compared to 39% in the prior year. It was noted that while Real Estate Taxes shows 100% for the year but is only 99.56% (which rounds up to 100%). This is noteworthy because real estate tax collections are about \$100,000 less than budgeted. This is being driven by a significant increase in delinquent taxes for New Hope Borough. The average of property tax liens over the prior 4 years was \$120,000 and this year it was \$226,000. This will continue to be monitored and the taxes will be collected eventually through the delinquent tax collection process but it is a budget variance for this 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 December 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 \$53,000. This is a reduction from \$78,000 in the prior month. The primary reason for this change is the district office moving expenditures coming in less than estimated.
- 2019-2020 Budget Review
  - Preliminary Budget Process and Timeline – In December the finance committee recommended moving the preliminary budget forward to the Board to authorize the budget to be posted for public display. The next step in the process is for the Board to approve the preliminary budget at the January Board meeting. The Preliminary Budget is in the same form as the proposed preliminary budget. The resolution authorizes the district to apply for referendum exceptions which will be completed by the middle of February.

- Preliminary Budget follow up items – At the December finance committee meeting several questions were posed by the committee that required follow-up:
  - Electric Data Budget and Rates – The preliminary budget shows a reduction of \$60,000 which is being driven by reduced rates from the participation in a buying consortium with other districts in Bucks and Montgomery County. Provident Energy Consulting is the group that leads the consortium. The total cost per kWh in 18-19 was 8.3 cents as compared to the rate for 19-20 which is 7.2 cents or a 13.5% reduction. These rates are combined for both utility and supply.
  - Rabbit Run Development – The committee reviewed a schedule with the current status of the Rabbit Run Development with data from the Bucks County Board of Assessment website. The development is approved for 37 homes. There are currently 9 homes settled with an average assessed value of 119,000 per home. Each home is generating approximately \$12,000 in property tax revenue. If that trend continues there is approximately \$334,000 of additional tax revenue to be generated at the current millage rate. This will be over time as the community is developed.
  - MBIT Enrollment trends – Enrollment at MBIT has trended as follows:
    - 15-16: 21 students
    - 16-17: 25 students
    - 17-18: 18 students
    - 18-19: 13 students (current enrollment)
    - The committee discussed MBIT costs are allocated as follows:
      - Tuition is based on enrollment
      - Lease Rental (Debt Service) – is based on market value as determined by the PA State Tax Equalization Board.
- Contracts
  - New
    - Buck Institute – The District is looking to continue the engagement with the Buck Institute for staff professional development on February 14-15. The Buck Institute completed professional development for staff on the PD days in August on project based learning and this would continue this development. The total cost of this agreement is \$8,250 and is part of the curriculum professional development budget for 2018-2019.
    - MG Tactical Advantage, LLC – A portion of the approved safety and security budget for 2018-2019 was designated for a safety and security audit of our campus and facilities. The Board originally approved a contract with the Bucks County Intermediate Unit to complete this work, but for a number of reasons the BCIU is no longer in a position to complete this audit. We are making the recommendation to move forward with an agreement with MG

Tactical Advantage to complete this audit. This firm has completed a similar audit at Central Bucks School District and comes recommended from them.

- Act 44 created a requirement for the State Police to complete a safety review of each district. The capacity of the state police to complete this for all 500+ districts is limited and we have no way of knowing when this might occur or at what level of detail.
- A request was made to have MG Tactical to provide documentation to confirm that they are certified under Act 44 to complete this assessment.
- Renewal
  - S4Teachers Addendum for Substitute Nurses – We currently have a contract in place with S4Teachers to provide substitutes for teachers, instructional assistants and administrative assistants when substitutes are needed. We are requesting approval of this addendum for substitutes for nurses. We do currently have substitute nurses approved as employees and we utilize those staff to fill in for nurses who are out on leave. This will provide us with an additional level of coverage in the instance that one of our sub nurses is not available.
    - We have run into scenarios on student trips where our nurses and substitute nurses were not available and trips almost didn't run as a result. This would be our backup to this scenario.
    - It was requested that we make sure that this addendum doesn't require us to transition our district sub nurses to S4Teachers.
- A motion was made by Mr. Marcus and seconded by Mr. Capriotti and approved to move the following items to the board agenda for approval:
  - BCIU Programs and Services Budget for 2019-2020
  - Budget Transfer
  - Buck Institute Professional Development Agreement
  - MG Tactical Advantage, LLC Agreement for Safety and Security Audit pending the review and approval by the Facilities Committee.
  - S4Teachers Addendum for Substitute Nurses

### **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 – Spoke on the following items
    - Sub Nurses and Field Trips
    - Board Committees and an effort to get students on the committee.
    - Parking lot kiosks

- Interest on the \$28.5M and the cost per family
- MBIT enrollment and student survey
- EDR's for miscellaneous items like timer/scorer/ticket-taker
- Mr. Cortella – Landmark developers – Logan Inn
  - Proposal for use of district parking lot space.
- Mr. Marcus commented on the use of parking lot kiosks.

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

Respectfully submitted,

Andrew Lechman  
*Chief Operations Officer*