



## **New Hope-Solebury School District Finance Committee Meeting Minutes**

September 14, 2016

6:00PM— Upper Elementary School Library

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Per Policy 006.2, all public meetings of the Board of School Directors, including committees, are audio recorded.

### **Agenda Items**

#### **Attendance:**

- **School Board** – Mark Cowell
- **Administration** - Andrew Lechman, Dr. Steve Yanni, Dave Hansel, Kim Keller, Chuck Malone, Ernie Rehr
- **Committee Members** – John O’Hara, Marcus Peckman, Ellen Stiefel, Jim Trammel
- **Public** - Melvin Band, Ed Duffy, John Manocmeo

Mr. Cowell called the meeting to order at 6:02PM.

The committee approved the minutes from the August 17, 2016 meeting.

Mr. Cowell reminded the committee that per policy 006.2, all committee meetings are now being audio recorded.

#### **Old Business**

- None

#### **New Business**

- PFM and R.W. Baird – New Money Discussion and current market conditions. – Mr. Lechman introduced Mr. Scott Shearer and Mr. Les Bear to provide an overview of the process for the next issuance of debt for the campus revitalization project. Currently very attractive interest rates in the market for the current refinancing along with the timing for the new money issue. Refinancing approximately \$150,000 counted toward the \$10M bank qualified calendar limit leaving about \$9.85M for this financing to maximize bank qualified benefit which has more favorable interest rates. Structuring as a 20 year wrap around. Not assuming any reimbursement for this project. Will include an authorization for the Board to proceed with this next financing. Further discussion ensued about the need to take the full \$9,850,000 in December since the project began later than originally scheduled. The committee

agreed to move the parameters resolution forward for Board approval at the September Board meeting for the full amount. At the next Finance Committee meeting Mr. Lechman will bring a copy of the current draw schedule along with an analysis of funds available to determine what the prudent amount of funds required for this December borrowing is efficient. To continue to allow for the benefit of bank qualified borrowing additional funds can be taken at any time in the 2017 year as required.

- 2017-2018 Act 1 Budget Timeline – Mr. Lechman provided an overview of the Act 1 Budget Timeline that we recently released and also highlighted the key dates for the approval of the Preliminary Budget. PDE just released the base Act 1 index which is 2.5%. Over the next 2 months the administration will complete its analysis and work on the first draft of the proposed preliminary budget which will be reviewed with the Finance Committee at the November meeting. The key decision at this meeting will be to determine if we will adopt a resolution to stay within the index or to adopt a resolution for a proposed preliminary budget display and advertising and apply for referendum exceptions beyond the index for increased PSERS and Special Education costs. This decision will determine the motion that will be put before the Board at the November Board meeting for consideration. The final proposed preliminary budget will be reviewed with the Finance Committee at the December meeting. It will then be reviewed with the Board at the December Board meeting for approval and to be made available for public inspection. The January Board meeting will be the final adoption of the Preliminary Budget. The Preliminary Budget just sets the process in motion, it does not in any way tie the Board into a specific tax increase. Changes can and will be made to the budget through to the final budget adoption in June.
- 2015-2016 fiscal dashboard – Mr. Lechman provided an update on the status of the 2015-2016 fiscal year. At this point the numbers are finalized pending any recommended audit entries from our financial audit which is currently underway. These numbers are in line with presentations provided throughout the year. Expenditures exceeded revenues by \$1.3M and fund balance was reduced from \$6.3M to \$5.0M. This was a vast improvement from the budget which anticipated the need for \$2.6M to balance the budget. This was accomplished primarily through a budget freeze enacted in October 2015. The 2016-2017 budget was approved with a \$1.4M gap between expenditures and revenues down from initial projections of \$4.2M. The preliminary projections for 17-18 is a \$1.8M gap which will be addressed during the budget process throughout this year.
- Audit Update – Mr. Lechman provided a brief update on the fiscal audit for the year ended June 30, 2016. The onsite work is currently in process and should be complete in 2-3 weeks. The creation of the audit report and financial statements will be completed by mid-October as the state Annual Financial Report is due by October 31. A presentation of the final audit report will be given to the Finance Committee at either the November or December meeting.

- Breakfast Program Pilot – NHSD is one of a few districts that does not offer a breakfast program and breakfast is the most important meal of the day. The plan is to start a pilot program at the middle school level. Middle school is ideal for a pilot as all middle school students begin their day in the cafeteria before being dismissed to their first period. The plan is to have a grab and go meal option that is contained products so if it is not finished during the breakfast time. It can be saved for later. Discussion around after school snacks, but this would cause a drastic change in the staffing model for the food service department. Also the potential for healthy vending machines was discussed.
- Pitney Bowes Contract – At the last meeting we discussed the need to renew a lease for our mail/postage machine. This motion was tabled for further review of need and for other options. The proposal from Pitney Bowes for a new machine with all maintenance included was \$282 per month or \$3,384 for 5 years. Pitney Bowes provided a quote to extend the life of the current machine for 1 year. This includes the need for costs for maintenance of the machine and postage meter. The quote provided is \$2,613 for 1 year. That will allow appropriate time to determine if mail can be reduced to the point of not needing a mail solution. A preliminary survey was done across the district to assess what is mailed. Last year we mailed 15,000 pieces of mail which included payments and purchase orders to vendors, general school communications, state testing notification and results, course selection confirmations, attendance letters, BMI notifications, free and reduced lunch program letters and communications to parents that don't have email addresses. Many of these are required to be mailed and payments to vendors will require a significant amount of work to determine who will accept electronic payments and if current board policy allows the business office to make payments in this manner.
- EDR Information – Mr. Rehr gave an overview of the plan. Initially the plan is to prioritize this process by starting with athletics and then evolving into activities. We will put into process record keeping to analyze EDRs from a cost perspective, number of students involved, standard meetings so that these statistics can be further analyzed. A request was made to review the stats that will be collected with the Finance Committee for everyone to agree on the data points to be captured before the collection process begins.

### **Public Comment**

- There was no public comment

Mr. Cowell made the motion to adjourn the meeting at 7:34PM and was seconded by Mrs. Stiefel.

Respectfully submitted,

Andrew Lechman  
Business Administrator