



**New Hope-Solebury School District  
Finance Committee Meeting Minutes  
January 19, 2017  
6:00PM— Upper Elementary School LGI**

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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, Neale Dougherty
- **Administration** - Andrew Lechman, Dr. Steven Yanni, Chuck Malone, Alyssa Marton, Scott Radaszkiewicz
- **Committee Members** – Matthew Cozza, Rich Hepp, Stan Marcus, John O’Hara, Marcus Peckman, Ellen Stiefel
- **Public** - Amanda Benolken, Ed Duffy

Mr. Dougherty called the meeting to order at 6:00PM.

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

The committee approved the minutes from the December 19, 2016 meeting.

The committee reaffirmed the committee members of the finance committee and approved Matthew Cozza as a new member to the committee.

The committee reviewed and approved the mission statement of the finance committee. The following were items of discussion regarding the mission statement.

- Mr. Peckman – many things that the committee isn’t involved in including labor contracts and construction contracts. Dr. Yanni is confirming with the labor attorney if non-board members can be part of ongoing negotiations on a labor union contract. The construction contracts were based on the board approved budget for the construction project and were approved based on a formal bid process.
  - Also recommended hiring a new auditing firm due to his concerns with the audit. It was confirmed that our current contract is through the fiscal year ended June 30, 2017 and then there would be further discussions about a RFP.
- Mr. Duffy - Board members are the public representation for labor union negotiations.
- Mr. Cozza – commented on fixed assets and that should be reviewed by auditors.

## Old Business

- None

## New Business

- 2016 – 2017 Budget
  - Fiscal Dashboard – Mr. Lechman provided a brief summary of the fiscal dashboard for the 2016-17 year. YTD revenue is trending in line to slightly better than the same period in the prior year. Mr. Lechman also reviewed the increase in interest rates from 35bps to 50bps resulting in approximately \$40 per day per every \$10,000,000 invested. Currently \$16,500,000 is invested as tax revenue is received August through December. YTD expenditures are also in line with the prior year at 41% of budget used.
  - Budget Transfers – No budget transfers were presented this month.
- 2017 – 2018 Preliminary Budget – Mr. Lechman confirmed that the preliminary budget remains unchanged from the presentation provided last month. The next steps are to approve the preliminary budget at the January 26, 2017 board meeting which includes language about applying for referendum exceptions.
  - Property Tax Elimination – This is topic that will have significant impact on school district funding beginning with the 2017-2018 budget if passed by the General Assembly. Information was disseminated last week with information about the General Assembly wanting to make Property Tax Elimination a high priority for the next session. Mr. Lechman provided a number of documents with information about what is known to date, but most is just speculation based on prior versions of the bill. Last year a similar Bill was presented and voted on in the Senate. The vote was 24-24 with the tie-breaking vote being no. With the turnover in the State Senate it is believed that the votes exist to move this Bill forward this year.
    - What we know:
      - The Bill calls for Property Tax Elimination, but it would not eliminate property taxes. School Districts would still issue property taxes for all existing debt service until paid off. The estimate for NHSD is that approximately 15% of the current property tax bill would remain.
      - The Bill would be effective July 1, 2017.
      - With the ‘elimination’ of property taxes there would be a corresponding increase in Personal Income Taxes from 3.07% to 4.95% and State Sales Tax from 6% to 7% and expanding items that sales tax is charged to. The state would be 100% in charge of the funding allocation for school districts across the state.

- Immediate Concerns
  - School Districts have no idea how to anticipate their level of funding to create a budget for 2017-2018. Our budget includes a tax increase with exceptions generating \$1.1M in new revenue which increases the budget gap between revenues and expenditures.
  - Campus Revitalization Project – If districts cannot incur any new debt not sure how we will complete the funding plan for the additional \$7M needed for the project.
  - Cash Flow – With our diminishing fund balance and now property tax revenue being received in July and August not sure how we will continue to fund district operations until state funds are received.
  
- Tax Collector Compensation – Every four years school districts must approve a compensation rate for tax collectors and this year it must be complete by February 15, 2017. Compensation for tax collectors has remained unchanged for the past 8 years. The recommendation is no increase in compensation for the next 4 years as the tax collectors are adequately compensated.
  
- Contracts
  - New
    - ACA Tax Track License Agreement – Employers are responsible for completing 1095 reporting under the ACA. ACA reporting is part of our agreement with ADP for tax year 2017 forward. Need a solution for tax year 2016. Last year we used Employee Benefits Solutions and the cost was approximately \$8,000. This year the recommendation is to use ACA Tax Track with the support of AMCA solutions which supports all districts in the Bucks and Montgomery Health Care Consortium. AMCA provides the system of record for our benefits data and knows how to consume benefits data from Blue Cross making this process much easier. Also the license agreement is a one time fee of \$3,495. Motion to move to board was approved unanimously.
  
    - Austill’s Rehabilitation Services, Inc. – Dr. Yanni provided an overview of services that Austill’s will cover related services for special education. We current utilize the BCIU #22 for these services. Three agencies were reviewed to provide these services and Austill’s is the recommendation. This contract will provide improved services at a reduced cost for the district. The students were the first consideration in this analysis to be sure services would be equal or better. Only bill for direct student time versus hourly for time accounting. Have the ability to transition staff if needed but the goal is consistency as that is what is best for students. Special Education Committee has been informed of this recommended change. Motion to move to board was approved unanimously.

- Sungard K-12 IEPPLUS – Currently have an outdated software package that we use for IEP’s. IEPPLUS will integrate to other Sungard systems and create more efficient processes. Every year file migrations have to occur between drives, case managers have to email IT for data on IEP’s because access is a challenge or unavailable. In IEPPLUS documents would be available instantly. Writing and managing documents becomes very efficient. Increase in costs is \$7,000 which will be funded through other efficiencies and cost savings in the special education budget. Motion to move to board was approved unanimously.
  - Canvas Consortium Pricing Agreement through BCIU#22 – Districts have been using blackboard as the learning management system. Canvas is a new option that provides better services to students, parents and community. Many higher education institutions have been using this solution. User friendly platform with google interface and integrates well with 3<sup>rd</sup> party platforms. Current costs is \$32 per student and new cost is \$6 per student. Motion to move to board was approved unanimously.
- EDR Data – Form for Data Collection – Dr. Yanni provided an update on the EDR data collection process.

### **Public Comment**

- Public comments were made throughout the meeting and captured as part of the write-up for each agenda item.
- Mrs. Stiefl – Requested cover page for contracts.
  - Mr. Peckman – Requested an agenda item to discuss process for contract reviews.
  - Mr. Cowell – Asked about the costs to the district for student trip.
    - Only district costs are substitutes needed to fill in for staff on trip.

### **Adjournment**

- A motion was made to adjourn the meeting at 7:31pm and was unanimously approved.

Respectfully submitted,

Andrew Lechman  
Business Administrator