



**New Hope-Solebury School District
Finance Committee Meeting Minutes
April 20, 2017
6:00PM— Upper Elementary School LGI**

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. Steven Yanni, Mike McKenna, Scott Radaszkiewicz
- **Committee Members** – Matt Cozza, Rich Hepp, Stan Marcus, John O'Hara, Marcus Peckman, Ellen Stiefel, Jim Trammell,
- **Public** –Ed Duffy, Alison Kingsley

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

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

The committee approved the minutes from the March 16, 2017 meeting.

Old Business

- Act 153 – Property Tax Frozen Millage follow up from March 16 meeting – At the March 16 Finance Committee meeting the committee heard a presentation on Act 153 from Solebury Township. Part of the discussion presented a variance in the amount that the Township estimates the property tax reduction (\$40,000) as compared to the district calculation (\$122,000). After a meeting between Mr. Lechman and Mrs. Weiss, it was evident that the difference is related to the original resolution from 2000 freezing millage on the land and the improvements on the land. The amended resolution in 2004 revised the portion of the property that is to receive frozen millage to land only. Fifty-five (55) properties were approved prior to the amended resolution in April 2004. The district solicitor has reviewed the resolutions and has confirmed that the district calculation for Act 153 is accurate. The district solicitor will continue to review the Act 153 resolutions and law if the Board desires to know what other options are available.

- The committee also requested information about Act 319 properties. The school district has no control over properties approved under Act 319. These properties are approved by the county and receive a reduced assessment before the district receives the assessment information for calculating property taxes as opposed to Act 153 properties which are calculated by the district after receiving the property assessment information from the county. There are currently 338 properties receiving reduced assessments for Act 319.
- There are 99 properties receiving frozen millage under Act 153. Of those 99 properties 78 are also approved for Act 319.
- There was a lengthy discussion about how the committee wanted to move forward with Act 153 and what additional steps need to be taken. The committee recommended that Mr. Lechman review the following questions with Terry Clemens of the Solebury Township land preservation committee.
 - Can the School Board repeal the Act 153 Resolution in total?
 - Can the School Board repeal a portion of the Act 153 Resolution for only properties below a certain acreage?
 - If the School Board repeals the Act 153 Resolution, can property owners withdraw from land preservation?

New Business

- 2016 – 2017 Budget
 - Fiscal Dashboard – Mr. Lechman provided a summary of the fiscal dashboard for the 2016-17 year.
 - Revenue is trending about \$233,000 over budget. The increase from last month is due to the \$130,000 that will be drawn down from ACCESS funds to offset the costs of the Early Intervention bill which was reviewed at last month’s meeting. Delinquent taxes are beginning to significantly lag prior year with only 50% of budget received. Transfer Tax continues to trend below prior year, but prior year was higher than budget and is still in line with current year budget. EIT continues to trend in line with prior year.
 - Expenditures are trending \$680,000 below budget in total which is only about 1.7% below budget. This is only reflective of 70 percent of the year being actual so these are still early projections. The only material change is the Early Intervention expenditure being added to projections. Also payroll/benefits are slightly higher than prior year as March was a 3 pay month and last year April was the 3 pay month.
 - Budget Transfers – Mr. Lechman reviewed the budget transfers for April.
 - UES – Maintenance for bicycles used in physical education was budgeted in an equipment account instead of maintenance.
 - Building Maintenance is trending above budget by about \$30,000 due to boiler related expenses. These repairs are covered by insurance

and we will be receiving approximately \$20,000 in insurance recoveries. The insurance receipts get recorded as a revenue line item and do not offset the expense line item which makes a budget transfer necessary. Department supplies are trending about \$50,000 below budget. The recommendation is to transfer \$30,000 from supplies to allow for needed building maintenance.

- Budget transfers were approved to move forward to the Board meeting.

➤ 2017-2018 Budget

- Current draft of budget – Mr. Lechman provided an update on the current draft of the 2017-2018 budget. The preliminary budget included a deficit of \$915,000, the March version of the budget showed a deficit of \$439,000 and the current version of the budget has a deficit of \$319,000. Significant changes from the March budget includes:
 - Reduction: 5 Retirements with replacements
 - Reduction: ESY staffing
 - Increase – Final medical benefits rate of 5.1% up from 4.9%
 - Pupil Services – Tuition and Legal
 - General Legal Services

Revenue – The district was approved for exceptions up to 4.0% for the final version of the budget. This would mean an average increase of \$213 per year.

- Local revenues are based on a 4% property tax increase.
- State revenues are based on current 16-17 revenues and there is no indication of when the state budget could be finalized and what will be included.
 - Added MBIT PlanCon reimbursement as this was never included in the budget and is now being funded by the state.

Budget History – Shows that over the 5 years from 10-11 to 14-15 the average increase was 4.0% and over the last 2 years increases have been held to under 1% with significant increases in salaries/benefits/PSERS.

Mr. Lechman reviewed expenditure summary by object and by function and provided explanations for material changes from year to year.

The final steps in the budget process are to approve a proposed final budget at the May Finance Committee meeting and the May Board meeting and then to approve a Final Budget at the June Finance Committee Meeting and June Board Meeting.

- Property Tax Elimination Update – There is not much of an update on this topic which is now termed Property Tax Independence Act. These discussions are continuing alongside the state budget process and it remains to be seen if a bill is introduced for considerations.

- Strategic Initiatives – This was an agenda item that the committee agreed should be a topic of discussion at each Finance Committee meeting. Dr. Yanni discussed that the district is exploring the cost/benefit of bringing in a demographer to analyze enrollment trends and projections to assist with future planning and budgeting.
- MBIT Budget Review - Mr. Lechman presented the 2017-2018 budget for the Middle Bucks Institute of Technology (MBIT) as it relates to New Hope-Solebury School District. The total tuition costs including the reconciliation is \$275,389 and the lease rental debt is \$112,735 for a total cost of \$388,124. Costs are allocated on a per pupil basis and as enrollment from other sending districts are decreasing, the costs for our relatively level enrollment is increasing. It will be requested that MBIT attend a future Finance Committee meeting to discuss budget and costs of the MBIT programs. This was approved to move forward to the Board meeting.
 - Discussion around this line item included the increasing costs of the MBIT program and how these costs could be controlled. The committee agreed that the program is excellent and cannot be replaced internally, but we must hold MBIT accountable for increasing costs as we are doing with our budget.
- Contracts
 - 2017-2018 Special Education Pool Counsel Legal Services Agreement and Technology Pool Counsel Legal Services Agreement - The committee endorsed moving the renewals of both pool counsel contracts for Special Education Legal and Technology forward for board approval. The contracts provide consortium based legal services for special education and technology for the 17-18 year. These services are utilized by districts across Bucks County. This includes face to face services along with electronic resources.
 - Bucks County Intermediate Unit – Countywide Network Service Agreement for Internet Access Service – This is the third renewal of this contract with the BCIU for internet access services. This consortium was formed in 2007 to build a sustainable network across the county for internet services and all LEA's in the county participate. Costs are very competitive because we purchase as a consortium and since the BCIU is the lead they manage the network across the county. This is a 7-year contract with a total cost of \$2,744.68 per month which is a reduction from the prior contract for an increase in bandwidth from 150MB to 1500MB. The committee recommended moving this contract forward to the Board meeting.
- EDR Data – Form for Data Collection – Dr. Yanni provided a brief update on the monitoring and collection of this data.

Public Comment

- Public comments were made throughout the meeting and captured as part of the write-up for each agenda item. No comments were made outside of agenda items.

Adjournment

- A motion was made to adjourn the meeting at 7:35pm and was unanimously approved.

Respectfully submitted,

Andrew Lechman
Business Administrator

DRAFT