



New Hope-Solebury School District Finance Committee Meeting Minutes

May 18, 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** – Mr. Dougherty, Mark Cowell
- **Administration** - Andrew Lechman, Dr. Steven Yanni, Mike McKenna, Scott Radaszkiewicz
- **Committee Members** – Rich Hepp, Jeff Kearney, Stan Marcus, Marcus Peckman, Ellen Stiefel
- **Public** – Ralph Dizio
- **Presenter** – Chris Bamber - PFM

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 April 20, 2017 meeting.

Old Business

- Act 153 – During the April 20, 2017 meeting the committee requested that Mr. Lechman have a discussion with the solicitor for the Solebury Township Land Preservation Committee to ask a number of questions posed by the committee. Mr. Lechman discussed with Mr. Clemons and he stated that without further review of the school district resolutions and other legal research, he could not provide an opinion to our questions. Mr. Lechman also shared a copy of the list of the current properties approved by Solebury Township under Act 153 to be accepted by the School Board at the May Board Meeting.
 - The committee recommended that the district discuss this with the district solicitor to determine the answers to the committee questions and what options the district has. Mr. Lechman will bring this information back to the Finance Committee for discussion.

New Business

- PFM – Campus Revitalization Project – Final Bond Issue – Mr. Bamber, independent financial advisor for the school district, joined the meeting and provided a presentation on the plan for the final bond issue for the campus revitalization project. This bond issue will complete the plan of financing for the project through bank qualified debt. The total amount of the project remains on budget at \$28,500,000 so the remaining principal for borrowing is \$6.85M. Mr. Bamber discussed the challenges of projecting the actual final costs of the budget and cautioned about being too aggressive and not borrowing enough money. The committee discussed the impact of borrowing more money beyond what might be required, and Mr. Bamber confirmed that any additional monies remaining at the end of the project could be used for additional capital needs or could be used to make debt service payments. The main requirement is to spend 85% of funding within 3 years of borrowing. The committee also discussed the call dates on the current bond issues which are 2020, 2021 and 2022 in the event this is needed for budget relief. The committee made and approved a recommendation to move forward with a parameters resolution to borrow an additional \$6.85M to fully fund the project. This resolution will be presented to the board at the June 26, 2017 meeting.
- 2016 – 2017 Budget
 - Fiscal Dashboard – Mr. Lechman provided a summary of the fiscal dashboard for the 2016-17 year.
 - Revenue is trending about \$228,000 over budget. Delinquent tax is beginning to significantly lag prior year with only 50% of the budgeted amount received to date. Delinquent tax is recorded in the current fiscal year for revenue received through August. Last year \$250,000 was received from May through August which is the amount used in the projection. This is showing a \$31,000 reduction in the projection. Current delinquent taxes due are \$738,600.
 - Expenditures are trending \$725,000 below budget. This is reflective of 80 percent of the year being actual with large portions of salary and benefits that get recorded in June for the teacher lump sum payout. There are no material changes and all line items continue to trend below budget.
 - Budget Transfers – None reviewed at this meeting.
- 2017-2018 Budget
 - Current draft of budget – Mr. Lechman provided an update on the current draft of the 2017-2018 budget. The April version of the budget showed a deficit of \$319,000, and the proposed final version of the budget shows a deficit of \$217,000. This is only \$100,000 less than prior month but there are some significant changes. Significant changes from the March budget were

discussed and are included on the reconciliation of budget deficit in the Finance Committee packet.

- Unknowns – There are still a number of significant unknown items related to the final budget which include: Pennsylvania State Budget, Charter School Enrollments and Tuition and the expiration of the NHSEA Contract on June 30, 2017.
 - Next Steps include presenting the final proposed budget to the board at the May Board Meeting, make the budget available for public inspection, and final Board approval of Budget at June 26 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 consideration.
 - Strategic Initiatives – This was an agenda item that the committee agreed should be a topic of discussion at each Finance Committee meeting. No items were discussed at this meeting.
- Food Service Budget and Lunch Prices for 2017-2018 - Mr. Lechman provided an overview of the 2017-2018 Food Service Budget and Lunch Prices. The food service fund expenditures have been exceeding revenues since 2012-2013. The new Director of Food Services has been actively working on this issue since her tenure began with the district at the beginning of the 15-16 school year. The large contributing factor is personnel and PSERS costs. In the 16-17 year a breakfast program has been introduced which continues to grow. The budget currently requires an additional \$5,119 in revenue to break even in 17-18. Opportunities for increased revenues are the primary focus for the department to close this gap. The budget includes no increase in breakfast prices, no increase in lunch prices for elementary and an increase of \$0.10 for secondary.
 - Appoint School Board Treasurer for 2017-2018 – The recommendation was made to the Board to re-appoint the current board treasurer to another 1 year term starting July 1, 2017 to June 30, 2018. The board treasurer responsibilities include reviewing bank statements, general ledger reports, payments and preparing the monthly Treasurer’s Report for the board approval.
 - Contracts
 - New
 - BCIU MOA – Transition Program – This is a new program that is focused on students at transition age and they will receive services in New Hope in coordination with the BCIU. Instead of this just being an expense for utilizing a BCIU program, the district director of special education will have direct supervision of a program providing services to students from multiple districts. In this year of the

agreement the cost is about \$40,000, and this program expense will be offset by \$35,000 in revenue from the BCIU for providing supervisory responsibilities over the program and from other districts paying fair share for the program being in our facilities. Over the next 3 to 4 years the enrollment in this program could grow to 6. The committee discussed adding this expense to the future projection reports.

○ Renew

- First Student – Option to Extend - The current contract was drafted with rates for 5 years – locked in for 3 years with two 1 year options for renewal. This year we made inquiries to other local vendors on pricing and found that the rates in our current contract are lower than verbal quotes received. There are a number of pros supporting staying with First Student including consistency of services and current transportation plan for 17-18 includes a reduction in costs from efficiencies identified through collaborative efforts between NHSD and First Student. The plan is to approve the option to extend for 1 year and then complete a full RFP in 17-18.
- The Council of Southeast Pennsylvania, Inc. - SAP – Student Assistance Program (SAP Team). A county liaison that works with us to facilitate meetings, make referrals based on Mental Health, Drug and Alcohol, and provide counseling support to families to our school community through this program. This year, The Council of Southeast PA Inc., will provide free training at the upper elementary and lower elementary school. Early intervention is vital and this program will assist with that. Flat rate regardless of the work done and opens the doors to other services that our students may require.
- ABA Connect, LLC agreement for BCBA Services for the 2017-2018 year. An extensive review was completed for this service last year and ABA was the recommended provider. The consistency of the provider is critical to our student success. The cost of the agreement is \$475 per day for a minimum of 3 days per week. This rate of the prior service provider was \$900 per day.
- Interquest Detection Canines assists in the process of completing necessary drug searches of our buildings. This work is typically completed four times annually at the high and middle school at a cost of \$250 per search.
- The committee approved moving all contracts forward to the Board for final consideration.

- EDR Data – Form for Data Collection – No new EDR’s have been approved.

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 7:45pm and was unanimously approved.

Respectfully submitted,

Andrew Lechman
Business Administrator

DRAFT