

Finance Committee

February 15, 2018

6:00PM – Upper Elementary School Library

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

Call to Order

Approve Minutes from the January 18, 2018 Meeting

Old Business

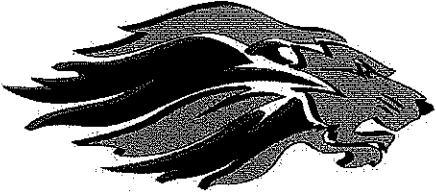
- Portnoff Law Associates – Delinquent Tax Collection

New Business

- The Verrichia Company in connection with the Wawa project – Financial impact to district revenue.
 - Mike Fitzpatrick, Tom Verrichia, Bill Dion
- Audit RFP
- 2017-2018 Budget
 - Fiscal Dashboard
 - Budget Transfers
- 2018-2019 Budget
 - State Budget Highlights
- Strategic Initiatives
 - Revenue Opportunities
 - Naming Rights / Donor Draft Proposal

Public Comment

Adjournment



Finance Committee Minutes

January 18, 2018

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 6:05pm.

The minutes of the December 14, 2017 meeting were approved. Motion made by Mr. Marcus and seconded by Mrs. Povacz.

Old Business

- Portnoff Law Associates – Delinquent Tax Collection
 - Mr. Lechman provided an update regarding the questions that the committee posed at the last meeting. It was also confirmed that we have some time to resolve this item as tax liens have already been turned over to the county for collection for the current tax year. This is an agreement that can be worked on and resolved and must be in place by December 2018 to allow Portnoff to collect delinquent taxes in the future.

New Business

- Group Life Insurance and Disability Insurance Provider
 - As part of benefits offered in employee contracts, the district is required to provide Group Life/AD&D Insurance along with Short Term and Long Term Disability Insurance. As part of that process NHSD engages a broker to obtain quotes on a regular basis to assure that pricing is competitive. NHSD has engaged a broker for many years to do this work. This year NHSD reached out to other brokers that provide similar services in this market. TriBen Insurance Solutions marketed these benefits and presented rates that were significant savings to NHSD for the exact same coverages. It is recommended that NHSD approve an agreement with TriBen for a 40 month term which aligns to the coverage term with Cigna for 40 months at a cost savings of approximately \$85,000 per year. This is a fixed rate with both TriBen and Cigna for the term of the agreement.

- CBIZ Valuation Group – Capital Asset and Property Insurance Reporting
 - Per board policy and GASB reporting requirements entities are required to define a threshold for capital asset reporting. Current board policy sets that threshold at \$1,500 for capitalizing assets. When assets are greater than \$1,500 there is a specific process that they go through. The items are recorded to a capital asset account and when they are received they receive an asset tag and are properly recorded in our financial software. When a capital asset is disposed of, the tag is to be removed from the asset and submitted to the business office with a disposal form and the record is removed. There are currently 1,192 capital assets recorded many of which are fully depreciated. During each audit year a review is done of all assets that could materially impact the financial statements of the district along with newly acquired and disposed of assets. But the remaining assets that have records which could be 30 plus years old require periodic inventory for record keeping and insurance property coverage purposes. The financial audit for the year ended June 30, 2016 included a recommendation to have a physical inventory completed.
 - It is recommended that the district move forward with approving an agreement with CBIZ valuation group to complete this work at a cost not to exceed \$7,500.
 - An additional recommendation to look into adding asset disposal onto the board agenda.

- 2017-2018 Budget
 - Mr. Lechman provided a brief overview of the current status of the 2017-2018 budget as compared to the same period in the prior year. Currently all revenues and expenses are trending normally. Current year 80% of budgeted revenues have been received and prior year 81% was received. It was noted that EIT continues to lag the prior year by \$300,000. On the expenditure side 39% of budgeted expenditures have been accounted for as compared to 43% prior year.
 - Budget Transfers were reviewed at this meeting and it was confirmed that none of these transfers have an impact to the overall 17-18 budget.
 - Mr. Lechman also provided an update on the campus revitalization project financials per the request of the committee.

- 2018-2019 Budget – Preliminary
 - Mr. Lechman confirmed that there have been no changes from the approval of the proposed preliminary budget. The final preliminary budget will be approved by the board at the January 25, 2018 Board Meeting. This resolution does include the authorization to apply for exceptions. This is not a final budget and does not set a final tax increase. This is preliminary and can and will be updated through to the final budget in June 2018.

- Strategic Initiatives
 - Revenue Opportunities – This item is a topic of discussion at the request of the finance committee. Dr. Yanni started the conversation with a handout and a full review of the potential revenue opportunities. The goal is to continue to vet all opportunities and for the committee to bring additional items through this monthly agenda item.
 - Dr. Yanni will create a google spreadsheet that will be used to track suggestions and the outcomes to those suggestions.
 - It was confirmed that the Ed Fund is building relationships with local businesses for company matches.

- A motion was made by Mr. Marcus and seconded by Mr. Trammell to move the following items to the board for approval:
 - Group Life Insurance and Disability Insurance Provider
 - CBIZ Valuation Group – Capital Asset and Property Insurance Reporting
 - Budget Transfers
 - 2018-2019 Preliminary Budget Resolution
 - The motion was approved unanimously by the committee.

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
 - How many students take engineering courses at MBIT?
 - Preparation for the continued expenditure line item for the 1:1 program in the budget.
 - Student Activity/Athletics Committee
 - Mr. Marcus
 - Grant work – Do we have an institutional educational foundation. Yes this is the Ed fund.

Mr. Cowell adjourned the meeting at 7:05pm.

Respectfully submitted,

Andrew Lechman
Business Administrator

**New Hope - Solebury School District
2017 - 2018 Fiscal Dashboard - Current
January 31, 2018**

	16-17 Budget	16-17 Actual	16-17 YTD	16-17 YTD %	17-18 Budget	17-18 YTD	17-18 YTD %
Beginning Uncommitted Fund Balance	4,332,021				4,768,811		
Committed Fund Balance - PSERS	700,000				960,000		
Total Beginning Fund Balance - July 1st	5,032,021				5,728,811		
Revenues							
Local Revenue							
Real Estate Taxes	26,826,194	26,875,862	26,858,133	100%	27,952,708	27,929,385	100%
Delinquent Tax	600,000	522,749	184,209	31%	600,000	268,902	45%
Transfer Tax	760,000	917,066	497,704	65%	760,000	484,660	64%
Earned Income Tax	3,800,000	4,203,127	1,813,179	48%	3,750,000	1,479,753	39%
Other Local Revenue	322,817	478,925	108,512	34%	423,067	230,196	54%
State Revenue - General	2,794,910	3,071,603	1,758,430	63%	2,842,977	1,574,024	55%
State Revenue - Retirement/FICA Subsidy	3,331,452	3,266,250	495,779	15%	3,564,215	506,957	14%
Federal Revenue	269,515	146,310	36,990	14%	219,500	38,236	17%
Total Revenue	38,704,888	39,481,892	31,752,937	82%	40,112,467	32,512,113	81%
Expenditures							
Salaries and Wages	18,097,148	18,000,582	8,314,969	46%	18,183,490	8,174,027	45%
Benefits & Taxes	10,683,618	10,413,019	4,682,402	45%	11,151,650	4,852,370	44%
Professional Services	2,369,938	2,084,760	1,159,950	56%	2,022,343	897,031	44%
Property Services	920,085	832,545	418,169	50%	391,886	145,532	37%
Purchased Services	3,298,423	3,144,494	1,490,123	47%	3,447,693	1,530,496	44%
Supplies, Books, Software and Fuel	962,378	688,629	442,969	64%	1,751,446	848,638	48%
Equipment	235,771	173,350	101,591	59%	96,210	74,765	78%
Interest, Fees, and Dues	856,913	820,756	438,556	53%	1,065,386	716,645	67%
Principal and Transfers	2,686,686	2,626,967	2,156,316	82%	2,227,500	1,500,000	67%
Total Expenses	40,110,960	38,785,102	19,205,045	50%	40,337,604	18,739,504	46%
ACTIVITY FOR YEAR	(1,406,072)	696,790	2,102,862		(225,137)		
PROJECTED ENDING UNCOMMITTED FUND BALANCE	2,925,949	4,768,811	436,790		3,043,674		
Fund Balance Percentage of Expenditures	7.29%	12.30%			7.55%		
PSERS Committed Fund Balance	700,000	700,000			700,000		
Capital Projects Fund Balance		260,000			1,760,000		
TOTAL ENDING COMMITTED FUND BALANCE	700,000	960,000			2,460,000		
TOTAL ENDING FUND BALANCE - JUNE 30TH	3,625,949	5,728,811			5,503,674		

Fiscal Dashboard - 2017-2018 Highlights

2017-2018

Revenue - Overall trending in line with prior year - 81% received

- EIT: 17-18 YTD is lagging last year by \$330k
- State Revenue - Revenue plan has been approved
- Other Local Revenue - Increase due to:
 \$50,000 donation designated for athletics and increased interest income due to higher interest rates

Expenditures - Overall trending in line with prior year 46% used down from 50%

- Debt Service - Prior year included a \$2M payment in August to close out the 1999 bond series.

Delinquent Property Tax Information

	Delinquent Property Tax Balances by Month																		
	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	
2013	12,157	9,165	9,225	6,871	6,921	7,020	7,070	4,320	4,320	4,380	2,624	-	-	-	-	-	-	-	-
2014	72,451	69,905	67,195	66,890	56,194	50,568	50,761	46,533	47,167	41,058	41,058	27,675	27,871	23,547	12,873	12,965	8,223	8,284	8,284
2015							134,179	130,773	127,272	96,665	85,406	80,956	80,221	77,100	70,451	70,951	66,776	66,776	51,507
2016																			
Total New Hope	84,608	79,070	76,419	73,761	63,115	57,589	192,011	181,626	178,125	148,213	129,088	108,631	108,092	100,647	83,324	83,916	74,999	74,999	59,791
2007	28	28	28	28	29	29	29	29	29	29	29	29	30	30	30	30	30	30	30
2008	256	257	258	258	259	261	262	264	264	266	267	268	269	270	270	272	273	273	274
2009	280	281	283	283	284	287	288	289	289	292	293	294	296	297	297	298	298	300	301
2010	272	273	275	275	276	279	280	281	281	284	285	287	288	290	290	291	292	292	294
2011	2,776	2,792	2,809	2,809	2,825	2,848	2,856	2,863	2,878	2,885	2,885	2,893	2,900	2,908	2,908	2,944	1,945	1,945	1,947
2012	1,800	1,810	1,820	1,820	1,830	1,842	1,843	1,845	1,847	1,847	1,849	1,850	1,852	1,853	1,853	1,854	1,856	1,856	1,857
2013	18,891	13,937	8,818	8,818	8,833	8,856	8,863	8,870	10,741	10,794	10,794	10,848	10,901	10,954	10,954	11,008	2,731	2,731	1,754
2014	102,141	95,390	47,628	47,628	42,339	42,929	29,175	29,365	29,127	29,504	29,693	29,882	30,071	25,000	19,220	19,333	11,528	11,528	1,674
2015	257,967	259,807	256,203	244,595	230,895	217,290	211,788	202,534	199,064	201,192	173,836	125,159	115,638	94,125	58,780	46,830	38,884	38,884	23,146
2016							342,735	330,354	317,836	318,489	300,546	279,797	281,474	252,897	257,956	259,727	214,713	214,713	203,787
Total Solebury	384,411	374,576	318,120	306,512	287,569	274,620	598,089	576,694	560,467	565,523	520,480	451,308	443,719	388,623	352,567	341,587	272,552	272,552	235,073
Total Tax Due	469,018	453,645	394,539	380,273	350,684	332,208	790,099	758,320	738,592	713,735	649,568	559,939	551,811	489,270	435,881	425,503	347,551	347,551	294,864

	Historical Delinquent Collection Data												Total							
	Budget	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May		Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017-2018	600,000	-	-	66,230	53,468	13,352	80,816	55,034	80,240	35,235	16,195	33,912	65,203	99,831	268,900	13,445				
2016-2017	600,000	-	-	11,489	85,737	32,606	32,217	22,160	80,240	65,581	102,142	74,053	19,393	157,691	514,826	25,741				
2015-2016	600,000	-	-	70,092	68,037	1,709	10,567	50,738	123,244	65,581	102,142	74,053	19,393	157,691	743,249	37,162				
2014-2015	700,000	-	17,370	71,846	33,907	36,133	13,136	21,735	115,165	97,066	49,995	51,087	-	176,767	684,207	34,210				
2013-2014	650,000	-	41,173	(41,173)	135,452	40,675	2,653	43,139	85,671	84,302	36,812	123,485	64,075	37,771	653,034	32,652				
2012-2013	750,000	-	47,876	31,202	3,596	45,033	24,000	57,432	57,427	77,211	-	217,738	-	208,661	770,176	38,509				
2011-2012	700,000	-	70,826	45,428	-	20,933	44,719	72,285	171,459	38,756	37,869	52,650	-	144,003	698,927	34,946				

June 30 Delinquent Tax Balances	2011	2012	2013	2014	2015	2016	2017
	530,393	669,547	546,643	542,371	499,986	469,018	551,811

Budget Transfer - Summary Sheet
February 22, 2018 - Board Meeting

Transfer From	Account	Object	Object Description	Amount	Transfer To	Account	Object	Object Description	Amount	Reason
High School	1013503000260000	610	General Supplies	\$ 400.00	High School	1013503000260000	752	Capital Equipment	\$ 400.00	Purchase of Screen Exposure Unit exceeded amount budgeted
Operations	1026200000000000	521	Fire Insurance	\$ 6,000.00	Operations	1026200000000000	650	SUPPLIES - TECHNOLOGY	\$ 6,000.00	School Dude - Operations Work Order System
LES/UES-CBI	1012410000000000	610	General Supplies	\$ 1,000.00	MS/HS-CBI	1012413000000000	610	General Supplies	\$ 1,000.00	CBI fund adjustment from Elementary to Secondary

Business Administrator Signature _____

Date _____

**NEW HOPE-SOLEBURY SCHOOL DISTRICT
HIGH SCHOOL & MIDDLE SCHOOL ADDITIONS AND RENOVATIONS
SUMMARY
FEBRUARY 8, 2018**

Total Project Budget **28,500,001**

Contracts

GC	Skepton Construction, Inc.	12,975,000
MC	The Farfield Company	5,691,000
EC	Boro Construction	3,810,000
PC	Stan-Roch	800,000
AA	Sargent Enterprises, Inc.	88,000
	Contracts Total	23,364,000

Remaining Allowances - \$120,296
Pending CO's \$41,031

Change Orders

GC	Skepton Construction, Inc.	93,271
MC	The Farfield Company	(42,296)
EC	Boro Construction	129,756
PC	Stan-Roch	(1,500)
AA	Sargent Enterprises, Inc.	-
	Changer Order Total	179,231

Pending Change Orders

GC	Skepton Construction, Inc.	9,599
MC	The Farfield Company	-
EC	Boro Construction	114,656
PC	Stan-Roch	4,500
AA	Sargent Enterprises, Inc.	5,100
	Pending Change Order Total	133,855
	Total Contract & Change Orders	23,677,086

Pending MS 4-Pipe System: \$90,000
Includes \$89,500 estimate for non-code compliant existing conditions

PROJECT SOFT COSTS

Architect Fee	1,502,140	
Credit \$11,500 for MS PCO-048 (Fire Dampers)	(11,500)	GKO
GKO - Printing Fees	36,308	
GKO - Traffic Study	35,687	
RPE Fee	846,490	
Project Financing	357,330	
Builder's Risk Insurance	70,000	
Legal Fees (Borough Escrow Solicitor & Engineer)	140,000	
Permits/Approvals/Utilities	289,020	
Legal Fees - District Solicitor	45,000	
Construction Testing	50,000	
Additional Soil Testing	6,200	Advantage Engineers, Soil Testing
HVAC TAB & Commission Verification	152,770	
Environmental Testing & consulting	27,288	
Indoor air quality monitoring	10,000	
Furniture and Equipment	298,384	
Telephone System	116,000	
CCTV - Security Camera's	50,000	
Other Items (PECO, Verizon, Boiler, Fire Alarm, etc)	78,956	
Completed work - Auditorium	411,100	
Interest Earned on Project Funds	(150,000)	
Total Project Soft Costs	4,361,173	

Original Contingency	936,845	
Remaining Contingency	461,742	

New Hope - Solebury School District
2017 - 2018 Fiscal Dashboard - Future Projections
January 31, 2018

	18-19 Budget	Change from 17-18	19-20 Projection	20-21 Projection	21-22 Projection
Beginning Uncommitted Fund Balance	3,043,674		2,926,211	2,248,376	1,164,942
Committed Fund Balance - PSERS & CAPITAL PROJECTS	2,460,000		2,460,000	2,460,000	2,460,000
Total Beginning Fund Balance - July 1st	5,503,674		5,386,211	4,708,376	3,624,942
Revenues					
Local Revenue					
Real Estate Taxes	28,867,604	914,896	29,457,874	30,044,949	30,659,065
Delinquent Tax	525,000	(75,000)	525,000	525,000	525,000
Transfer Tax	760,000	0	760,000	760,000	760,000
Earned Income Tax	3,750,000	0	3,750,000	3,750,000	3,750,000
Other Local Revenue	444,067	21,000	444,067	444,067	444,067
State Revenue - General	2,753,170	(89,807)	2,724,072	2,724,072	2,724,072
State Revenue - Retirement/FICA Subsidy	3,767,097	202,882	4,002,285	4,166,316	4,331,609
Federal Revenue	210,000	(9,500)	60,000	60,000	60,000
Total Revenue	41,076,937	964,471	41,723,298	42,474,403	43,253,813
Expenditures					
Salaries and Wages	18,472,259	288,769	18,964,197	19,522,393	20,097,335
Benefits & Taxes	11,941,550	789,900	12,665,292	13,257,239	13,867,278
Professional Services	2,089,355	67,012	2,089,355	2,089,355	2,089,355
Property Services and Utilities	415,725	23,839	415,725	415,725	415,725
Purchased Services	3,322,253	(125,440)	3,327,436	3,332,774	3,338,272
Supplies, Books, Software and Fuel	1,552,958	(198,488)	1,552,958	1,552,958	1,552,958
Equipment	120,875	24,665	120,875	120,875	120,875
Interest, Fees, and Dues	1,142,924	77,538	1,083,140	1,013,290	960,635
Principal and Transfers	2,136,500	(91,000)	2,182,155	2,253,228	2,301,568
Total Expenses	41,194,399	856,795	42,401,133	43,557,837	44,744,001
ACTIVITY FOR YEAR	(117,462)		(677,835)	(1,083,434)	(1,490,188)
PROJECTED ENDING UNCOMMITTED FUND BALANCE	2,926,211		2,248,376	1,164,942	(325,245)
Fund Balance Percentage of Expenditures	7.10%		5.30%	2.67%	-0.73%
PSERS Committed Fund Balance	700,000		700,000	700,000	700,000
Capital Projects Fund Balance	1,760,000		1,760,000	1,760,000	1,760,000
TOTAL ENDING COMMITTED FUND BALANCE	2,460,000		2,460,000	2,460,000	2,460,000
TOTAL ENDING FUND BALANCE - JUNE 30TH	5,386,211		4,708,376	3,624,942	2,134,755

Assumptions

Revenue

- Act 1 Index plus exceptions (preliminary budget) - 3.10% in 18-19 and 2.0% beyond
- State - Education subsidy amount adjusted to reflect current state subsidy amount per 17-18 approved budget
- Retirement/FICA subsidy increase with Expenditure increases

Expenditures - 18-19 now reflects first look of 18-19 budget process

- Beyond 18-19
 - Salary Average increase of 3%
 - Payroll Benefits - 3% to match salary increase
 - Medical - 6% increase
 - Retirement - Increase based on PSERS schedule released December 2017
 - Insurance - Increase 3% per year
 - Debt Service - Matches current debt service schedule projections