

**Northwestern Lehigh School District
6493 Rte. 309, New Tripoli PA 18066
BOARD FINANCE COMMITTEE MEETING
District Board Room
Wednesday, October 1, 2014, 6:00 PM**



MINUTES

1. Agenda

1.01 Call to Order

The meeting was called to order at 6:00PM by Willard Dellicker.

1.02 Roll Call

PR/AB

** arrived later

PR	Willard Dellicker	AB	Ronald Morrison	PR	LeRoy Sorensen
PR	Paul Fisher	PR	Joseph Reiter	AB**	Phil Toll
AB**	Todd Hernandez	PR	Greg Sanders	PR	Darryl Schafer

Also Present:

Peg Laxson, Mark Scott, Kevin Reid, Esq., Scott Shearer (PFM), Leslie Frisbie,
Jennifer Holman, Mary Anne Wright, Nancy Zellner

1.03 Approval of Agenda

W. Dellicker requested moving the presentation by Scott Shearer and Kevin Reid to earlier on the agenda. The agenda was approved with that change.

Moved: P. Fisher Seconded: D. Schafer Vote: 6 Aye, 0 Nay

1.04 Public Comment

The Chairman will offer Courtesy of the Floor for Public Comment. There were no comments.

1.05 Approval of Minutes for September 3, 2014

The Minutes were approved as presented.

Moved: P. Fisher Seconded: J. Reiter Vote: 6 Aye, 0 Nay

2. Routine Items

See item 4.01

2.01 Contracts

None

2.02 Reports

1. Budget Report
2. Revenues Report
3. Treasurer's Report
 - Fund 10 General Fund
 - Fund 22 Capital Reserve Fund
 - Fund 31 2009 Note
 - Fund 33 2008A General Obligations Bond (GOB)
 - Fund 50 Food Service Fund
4. EIT Report
5. Activity Fund Report
6. Comparison of Prior Year to Current Year Budget to Actual Expenditures by Object Report

L. Frisbie noted local real estate collection is very strong. P. Toll commented on EIT collection fluctuations.

2.03 Sample Reports

L. Frisbie asked for direction from the Committee regarding the format they would like to see future financial reports. P. Fisher commented on the revenue and expenditure reports and the excel spreadsheets. After some discussion it was agreed to keep the old format except the Treasurer's report. All agreed to begin using the combined report.

3. Discussion
Items for Board
Action

3.01 Final 2013-2014 Budget Transfers

Transfers are needed to distribute budgetary reserve dollars. The transfers will zero out the budgetary reserve account as required. The Committee recommends moving forward for Board approval at the October Board meeting.

3.02 Fund Balance June 30, 2014

Discussed with item 4.02 Final Variances

3.03 Bank Signature Resolution

A formal resolution is not needed.

3.04 Maxim Healthcare Services Agreement

Agreement with Maxim Healthcare Services to provide nursing services on an as needed basis for the 2014-15 school year with automatic renewal of the agreement for subsequent school years. See Attachment A of contract for rate schedule.

Mark Scott noted a shortage of nurse subs throughout the year. Services could be utilized as a backup in situations when District subs are not available. The Committee agreed to move forward for Board approval at the October Board meeting.

3.05 Agreement with Parkland School District

Approval of agreement with Parkland School District for educational services for student #16081

Issues with contract language have been resolved. The agreement has been approved by Parkland. The Committee recommended moving forward for Board approval.

4. Informational
Updates

4.01 SEC Continuing Disclosure Cooperation Initiative

Kevin Reid, King Spry Herman Freund & Faul LLC and Scott Shearer, Public Financial Management will discuss the SEC's Continuing Disclosure Cooperation Initiative as it relates to the district.

Scott Shearer presented background information regarding the requirement for municipalities (cities, townships, school districts) to make information available to investors. He explained items that need to be disclosed on an ongoing basis such as material events, audited financial statements, summary of budget for next year, and operating data. This information is uploaded by the Business Office through the EMMA (Electronic Municipal Market Access) website. S. Shearer and K. Reid explained how the nation-wide initiative applies to the District. There is a heightened regulatory effort to focus on investors. The initiative shifts more responsibility to the issuers.

T. Hernandez entered the meeting at 6:07PM.

4.02 2013-2014 Final Budget Variances

A resolution is required to formalize the amounts for specific reserve funds that were previously committed by the Board in June. L. Frisbie noted a net positive variance of \$491,318 in revenue. The District had a net positive variance in expenditures of \$1.3 million. She explained the revenue and expenditures in more detail comparing budget to actual numbers and explained variances by object code. L. Frisbie reviewed the composition of fund balance as of June 30, 2014. She reviewed the rationale to show appropriate committed categories and explained the amounts that are recommended to be committed to Fund Balance.

P. Toll entered the meeting at 6:12PM.

The Committee discussed OPEB and PSERS funding. J. Reiter commented on the State-wide problem of funding the retirement system. He feels that because of the District's current strategy of funding PSERS Stabilization, the District may be penalized down the road. He would rather see PSERS money put to capital reserve for building projects.

M. Wright responded on the need to budget for it. Discussion followed regarding responsible financial planning.

L. Sorensen commented on moving forward debt free. He has concerns about adding additional debt. G. Sanders commented on the feasibility study and borrowing in the future to take care of the building envelope. L. Frisbie responded with options of transfers that could be done through the 2015-2016 budget process.

The Committee discussed where to put the fund balance amounts so they could be used for future capital projects. L. Sorensen asked if some of these funds could be used for debt service. L. Frisbie responded yes, but it must be done through the budgeting process. G. Sanders noted he did not want to borrow for improvements, he would rather budget for it.

L. Frisbie noted action is required on this item at the October Board meeting. Committee members offered suggestions as to where the fund balance amounts should be allocated. P. Toll suggested following Mrs. Frisbie's recommendations and making changes going forward in the 2015-2016 budget. T. Hernandez and W. Dellicker agreed. P. Fisher suggested designating \$200,000 to PSERS and the remainder be designated to millage rate stabilization. It was agreed that L. Frisbie will contact the auditor for an opinion if this is appropriate and will report to the Board at Operations Meeting on Monday.

4.03 Postage Machine Update

The current five-year lease is expiring in April 2015. L. Frisbie reviewed options for replacement. Special pricing is available through October with the current vendor on State Contract. The District could buy out the machine we have, but postage updates will not be available in the future. L. Frisbie recommends a five-year lease with the current vendor. All were in agreement.

5. Other

5.01 Old Business

- Purchasing Procedures
- Investment Program and Potential Investment Policy Changes

The Committee agreed to hold these items for discussion at a future meeting.

5.02 New Business

M. Wright noted the December Finance Meeting will fall on the same evening as the Board Re-organization Meeting. The committee will discuss canceling or rescheduling at the November Finance Committee Meeting

5.03 Courtesy of the Floor

The Chairman will offer Courtesy of the Floor for Public Comment. There were no comments.

6. Adjournment

Upon motion by P. Fisher, seconded by J. Reiter, the meeting was adjourned at 9:46 PM.

Respectfully submitted,
Nancy Zellner, Recording Secretary