## Northwestern Lehigh School District 6493 Rte. 309, New Tripoli PA 18066 BOARD FINANCE COMMITTEE MEETING District Board Room Wednesday, April 2, 2014, 6:00 PM



#### **MINUTES**

## 1. Agenda

#### 1.01 Call to Order

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

#### 1.02 Roll Call

#### PR/AB

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

<sup>\*\*</sup> Arrived Late

#### Also Present:

Cindy O'Neil, Christine Stafford, Luann Matika, Jennifer Holman, Mary Anne Wright, Nancy Zellner

#### 1.03 Approval of Agenda

Item 4.01 2013-2014 Budget Update was added to the agenda. The agenda was approved as presented.

Moved: P. Toll Seconded: P. Fisher Vote: 8 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 March 5, 2014

The Minutes were approved as presented.

Moved: P. Fisher Seconded: D. Schafer Vote: 8 Aye, 0 Nay

#### 2. Routine Items

#### 2.01 Contracts

- Woodstone Country Club, Danielsville, PA for Class of 2015 Prom on Sunday May 24, 2015. Cost not to exceed \$10,000, to be paid from the Student Activities Fund.
- Lehigh Valley Zoo, Schnecksville, PA for Northwestern Elementary Kindergarten Field Trip on May, 12, 2014 at a cost of \$770.00, to be paid from the Student Activities Fund.

These contracts will be submitted for Board approval at the April 16, 2014 Regular Board meeting.

## 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
- P. Toll commented on EIT collections. C. Stafford noted Act 32 requires distribution of collections in a timely manner. The District receives weekly payments instead of monthly as in the past.

- R. Morrison inquired why Board members were not receiving a monthly recap report. M. Wright noted it was an additional report that L. Frisbie put together. She will do the report when she returns.
- P. Fisher commented on reports on summarized revenue.

\*\* Todd Hernandez entered the meeting at 6:12PM.

# 3. Discussion Items for Board Action

#### 3.01 Portnoff Resolution

Portnoff Law Associates, Ltd., is now accepting payments via credit/debit cards. The resolution is to pass on the fee charge to the property owner.

The resolution designates that any charges or fees for utilizing credit or debit cards to pay delinquent tax bills are charged to the taxpayer. P. Toll had concerns with District liability and risk associated with fraud for payment associated with debit cards..

C. Stafford will seek a legal opinion about the District's liability. The resolution will be presented for approval at the April Board meeting.

## 3.02 Auditor Proposal

Recommendation to accept Gorman & Associates P.C. as District auditor for 2013-2014 school year in the amount of \$22,600 (including single audit fee) and additional services at a rate of \$72 per hour.

The audit fee has increased \$150 (\$19,900) over last year's amount. The single audit fee has increase \$200 to \$2,700. The District will do the AFR (annual financial report). The agreement will move forward for Board approval at the April meeting.

#### 3.03 Blended Schools Membership Agreement

Blended Schools, McVeytown, PA, three-year membership agreement for 1500 users. Cost is \$35,169 per year. Agreement is pending Blended School's acceptance of changes recommended by our Solicitor.

The District negotiated a price reduction for extension of the agreement. The renewal subscription numbers were lowered from 1700 users to 1500 users. L. Sorensen commented on the cost associated with renewing and extending contracts and if there is a need for the Solicitor to review contracts when no changes are made. J. Holman said all contracts with changes are reviewed by our Solicitor. The agreement will move forward for approval at the April Board meeting.

## 3.04 Waste Management Service Extension

Agreement with Waste Management of Pennsylvania for a one-year extension of the current service agreement in the amount of \$18,580.

C. Stafford recommended the one-year extension. She contacted to vendor to see if it was possible to extend the agreement for more than one year at the 2013-14 rate. There is no increase from last year's agreement. All agreed to move the renewal forward for Board approval at the April meeting.

#### 3.05 Sweet, Stevens, Katz, & Williams Agreement

Sweet, Stevens, Katz, & Williams LLP standard agreement for fees, costs, and expenses for representation of public educational entities.

The fee structure is similar to last year. M. Wright noted there is no retainer fee for Sweet, Stevens, Katz, & Williams. The services were used mostly for personnel related issues. W. Dellicker asked how the rates compared with King Spry (similar hourly rates). The Committee agreed to move the agreement forward for approval.

## <u>4. Informational</u> <u>Updates</u>

## 4.01 Budget Update

C. Stafford reviewed the current status of the 2013/2014 budget with Board members. She gave an analysis of the revenue projections. She explained the major expenditure variances for 13/14 which include savings in salaries and benefits due to the timing of hiring a principal and director of operations. She noted excessive expenditure in overtime for snow removal this year. She reviewed fuel costs and does not expect the need to use any dollars from fund balance for fuel costs. Expenses should be covered in the budgeted amount for fuel. P. Toll suggested budgeting less for fuel in the new budget. The Committee discussed lowering the amount of gallons of diesel fuel. The new buses are more efficient. W. Dellicker noted there is still no significant data on heating oil consumption since the building renovations to suggest lowering gallons.

The Committee discussed debt service and paying off the Series 2007A bond June 30 from this year's budget or including in the 2014/15 budget and paying after July 1.

C. Stafford reviewed other areas where the budget was overspent (textbooks and charter school costs—enrollment increase of 10 students). She was not able to analyze transportation costs to see if there were savings in salaries and benefits and fuel consumption. She will work on the analysis in the next few weeks.

The District is anticipating ending the year with a surplus.

R. Morrison distributed information he prepared on budget surplus from 2010 through last year and asked if numbers were changed after the budgets were approved. C. Stafford noted the budget booklets are resource documents, PDE form 2028 is the official paperwork sent to the State. The fund balances listed in the budget are estimates and are updated after the audit. She agreed to meet with him for clarification.

#### 5. Old Business

#### 5.01 Defease Plan

There are three more years of payments on the Series 2007A bonds. C. Stafford suggested taking \$136,000 left at the end of this year from bond refinancing savings and excess Emmaus Bond budgeted interest, putting it into the stabilization fund and allocating it for next year along with the \$13,000 budgeted in 14-15 for 2007A interest payment. Discussion followed on the savings of paying off early vs. having the cash in an interest bearing account especially if interest rates pick up. The Committee also discussed paying in 13/14 or 14/15. The majority agreed to pursue paying off early in the 14/15 budget. This will be an agenda item at the April Board meeting.

#### 6. New Business

## 6.01 New Business

None

## <u>7. Public</u> Comment

#### 7.01 Public Comment

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

#### 8. Adjournment

Upon motion by R. Morrison, Seconded by L. Sorensen, the meeting was adjourned at 7:37 PM.

Respectfully submitted, Nancy Zellner, Recording Secretary