

FINANCE COMMITTEE REPORT

Thursday, October 16, 2014

UPDATE:

The Finance Committee met on September 29th. The following items were discussed:

I. Informational Items

A. Revenues/ Expenses & Balance Sheet – Steve Skrocki reviewed the balance sheet report. He reported that most local revenues (real estate taxes) are received in the first two months of the fiscal year and August shows revenues are greater than the expenses due to these collections. It is too soon in the fiscal year to generate long-term projections but by January or February, 2015 we will have a better indication of fiscal standing for the 2014-15 fiscal year.

B. General Fund Financial Reports – Report was reviewed. Comparisons to previous year were cited: i.e. 63% of Real Estate taxes collected this year vs. 72.44% at same time last year – explanations were given regarding due date of real estate taxes during the discount period; Total expenditures to date – 7.3% vs. 6.2% same time last year – due to the recorded expenditure of the self-insurance fund transfer of \$3,000,000.

C. Earned Income Tax Revenue History – July and August collections were very strong.

D. Realty Transfer Tax Revenue History – Mr. Skrocki explained the transfer tax collection and distribution process for property sales.

E. Delinquent Property Tax Revenue – Mr. Skrocki reported delinquent taxes are collected by the county tax claim bureau and NPSD is charged a percentage.

F. Investment Reports – Short term investment options are being explored since the interest rates with current investments are very low.

G. Short Term Capital Projects Cash Forecast – Mr. Skrocki reported this report is posted on the NPSD website on a monthly basis. It was recommended that \$4,000,000 be transferred to Capital Reserve to fund these projects from the 2013-14 budget.

H. Hatfield Construction Projects – Reviewed Hatfield Elementary School construction costs to date.

I. 2015-16 Act 1 Budget Timeline – Mr. Skrocki reviewed the process and deadlines for the budget process. There is a deadline of January 29, 2015 to present a Proposed Preliminary Budget or adopt a Resolution stating taxes will not increase over the Act 1 index for 2015-2016. He explained options for Act 1 exceptions. Will be discussed in more detail at October meeting. Draft of the 2015-16 budget calendar will be presented at October meeting.

J. Alternate to Tax Collection Committee – Tax Collection Committee oversees the Earned Income Tax. Three delegates from NPSD serve on the TCC. Their duties include: attend quarterly meetings, budgetary discussions, vote on EIT matters, EIT collector vote, etc. Recommendation of New Committee Reps: 1) Steve Skrocki, 2) Vince Sherpinsky, 3) Brian Pawling

II. Other Business

A. 2013-14 Audit Update – Preliminary figures state revenues exceeded expenditures by approximately \$8,117,000 for the year. The complete audit draft will be presented at the October Board meeting by Edward Furman of Maillie, LLP.

B. North Penn High School Project Financing – Mr. Skrocki shared two estimates – full package (\$92 million) and systems only package (\$72.5 million). He explained the budgeting

process of wrapping debt and the financing schedule. High school project concept will be discussed at the October Support Services Committee.

C. Real Estate Tax Assessment Appeals Escrow – Mr. Skrocki explained escrow process when taxes are paid under protest or filing of appeals. Currently 25% is held in escrow – Mr. Skrocki suggested change to 20% with the exception of certain properties. The committee consented.

D. Grant Writer Update – Outside service is paid \$60 per hour (\$19,000 to date). More detailed reporting of time spent is now being received: i.e. research, meetings, writing, follow up, etc.

E. Investment Program – Mr. Skrocki presented investment options to increase interest earnings. The committee agreed.

F. Banking RFP – Moving forward with Request for Proposals to various banks. Will compare and evaluate service, fees, proximity, etc.

G. Real Estate Tax – Exemption Refund Request: For the individual request received, the committee decided 2014-2015 taxes are owed; 2015-2016 not owed, as per letter.

H. Real Estate Tax Penalty Waiver Requests – Director of Business Administration will continue to review waiver requests but the committee felt waivers should not be granted.

I. ASBO Meritorious Budget Award Application – The Business Office will be creating a budget presentation booklet for the 2015-16 fiscal year using standards adopted by ASBO for their Meritorious Budget Award. The committee agreed to pay the \$1,100 application fee for the International Association of School Business Officials Award.

J. Check Register Format – The check date will be added to future check registers.

III. Summary of Items Moved to Worksession and/or Action Meetings:

A. Tax Collection Committee Representatives - *Action Meeting – October 16, 2014*

B. Transfer to Capital Reserve - *Action Meeting – October 16, 2014*

Next Meeting Information

The next Finance Committee meeting will be **Monday, October 27th, 2014 at 6:30 p.m. or following the Support Services meeting.**