

MINUTES

Council Rock School District Finance Committee Wednesday, November 14, 2012, at 6:45 p.m.

The Chancellor Center, Historic Classroom 1

I. Current Status of Funds Available for Capital Projects

Mr. Reinhart reviewed the status of the Capital Funds available as of October 31, 2012. He explained that the Capital Reserve Fund, funded through General Fund operating transfers, has exhausted all available assets. The Capital Projects Fund, funded through the proceeds from debt financing, has the following assets available:

Assets	
Cash and Cash Equivalents	\$ 28,169,333.38
Total Assets	<u>28,169,333.38</u>
 Funds Needed to Complete Projects:	
Holland Elementary School	6,822,286.00
2012 Summer Projects	<u>500,000.00</u>
Total Committed Funds	<u>7,322,286.00</u>
 Current Available Assets for Future Projects	 <u><u>\$ 20,847,047.38</u></u>

He explained that the capital financing plan that has been discussed in the past includes one more \$10 million financing at the beginning of the 2013 calendar year. The future debt service for this bond issue is already part of our budget. There will be no tax increase necessary to fund it.

Additionally, the unassigned general fund, fund balance for the fiscal year ended June 30, 2012 exceeds the 5% maximum by \$312,376. These funds can be transfer into the Capital Reserve Fund to continue funding the summer capital projects of the district.

The following table provides the estimated resources available should we implement the two strategies and agree to proceed with the capital projects Mr. Taylor reviewed earlier in the evening:

Additional Resources:

Estimated Proceeds from the Series of 2013	\$ 9,700,000.00
Transfer from General Fund(Capital Reserve)	312,376.00
Total Additional Resources	10,012,376.00

Total Available assets for Future Projects	30,859,423.38
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Current Projects Under Consideration

Goodnoe Elementary School	18,815,918.00
Hurricane Sandy Damage Insurance Proceeds	(625,000.00)
2013 Summer Projects	3,722,625.00
	21,913,543.00

Funds Available for Additional Projects	\$ 8,945,880.38
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II. Review of Status of Hurricane Sandy Insurance Claim

Mr. Reinhart explained that an Ohio Casualty claim adjuster visited the district and viewed the storm damage. The adjuster established a reserve for the damages and agreed to issue a \$100,000 check to the district for cash flow. The district will be responsible to supply supporting documentation for the value of all further reimbursements for these damages.

III. 2013-2014 Act 1 Budget Timelines

Like in past years the District must meet several deadlines in the budget approval process to comply with Act 1 of 2006. The two important dates to begin the 2013-2014 budget process is as follows:

January 31, 2013 – Must make the 2013-2014 Proposed Preliminary Budget document on form PDE-2028 available for public inspection– **or** adopt opt out resolution stating will not raise the rate of any tax by more than index

February 20, 2013 - Must approve 2013-2014 Proposed Preliminary Budget document on form PDE-2028 unless opt out resolution was approved.

**IV. Discussion Concerning the Purchase of Network Segmentation Hardware –
Mr. Fredrickson**

Mr. Fredrickson requested the use of \$125,000 from this year's budgetary reserve to purchase two ASA 5585 units used to segment, or separate areas of the network from users that do not need access to these areas. This was a recommendation made in the Network Security Audit conducted earlier this year.

The members present agreed with the proposal, which will be included in a future Board Meeting Agenda.