

**BOYERTOWN AREA SCHOOL DISTRICT
FINANCE COMMITTEE
JULY 17, 2018
MEETING MINUTES**

The July 17, 2018, Finance Committee meeting was convened at 8:06 PM by Mr. Elsier, Finance Committee Chair, in the Education Center Board Room.

Everyone participated in the Pledge of Allegiance to the United States of America and a moment of silence.

The following board members were in attendance:

Rodney Boyer, Clay Breece (via telephone) Jill Dennin, Ruth Dierolf, Steven Elsier, Brandon Foose, David Lewis, Christine Neiman, Donna Usavage

The minutes for the Finance Committee meeting of May 29, 2018, and June 5, 2018, were presented to the Board for approval. Motion moved by Mr. Lewis, second by Mrs. Dennin. Motion to approve the minutes of May 29, 2018, and June 5, 2018, as presented, carries: Yea: Boyer, Breece, Dennin, Dierolf, Foose, Lewis, Neiman, Elsier, Usavage. Nay: None.

Roger L. and Gloria F. Daniels Charitable Foundation: Ms. Rebecca Clouser, Chief Financial Officer, explained the school district has received an offer from a charitable organization to receive a donation of \$15,000 for smartboard technology at Colebrookdale Elementary School.

Discussion/Questions/Comments by board members: 1) Great when community organizations give back to the school district, and 2) Foundation was thanked for their generosity.

The board members were queried and a majority of board members were in favor of having the Roger L. and Gloria F. Daniels Charitable Foundation donation of \$15,000 on the July 24, 2018, board meeting agenda.

Donation of Trailer for Band: Mr. Brian Langdon, Director of Bands, gave a presentation on the Boyertown Area Senior High Marching Unit trailer donation. The presentation included: 1) Current transportation set up, 2) Factors affecting current set up, 3) Donated trailer data, 4) Pictures of the trailer, 5) Needs to pull trailer, 6) Estimated cost comparison, 7) District costs and Music League costs, and 8) Music League payment data of current trailer maintenance 2014-2018. Mr. Langdon stated he would address any questions.

Question: Where would the trailer be parked?

Answer: The trailer would be parked at Bear Stadium. The current trailer is parked at Bear Stadium and it has been determined there is room for both of the trailers.

Question: What is going to be done with the current branding (northAmerican) on the outside of the trailer?

Answer: The work would be need to be done in phases. The first phase would be to spec out the inside to fit it to the needs of the band and paint the exterior. In the future, there is a possibility to do wrapping on the exterior; however, wrapping is expensive and fundraising would need to be done to cover the expense. There has been discussion on putting the band logo on the exterior.

Question: Are the schools Boyertown transports to alright with bringing a trailer of this size?

Answer: Yes. The trailer would take up less space than the previous trucks used. Large trailers are

becoming the trend and many other school districts are fundraising to purchase a large trailer. Boyertown was lucky to get a trailer donated.

Question: In the event a volunteer driver is not available who is responsible to cover the cost of hiring a driver?

Answer: This has not been determined. Cannot commit that the Music League would pay; however, the Music League has always been willing to work with the school district to support the students.

Question: What is the overall condition of the trailer?

Answer: The trailer is in good condition. The trailer has not been used in a few years. There will be minimal costs to repair the trailer compared to purchasing a trailer.

Question: What about insurance coverage/liability and costs related to volunteer CDL licensed drivers?

Answer: Currently volunteer drivers need to get clearances and provide history of driving record. Ms. Clouser said she needed to know the Board was in support of the trailer before pursuing the insurance costs. Mr. Clouser will get the insurance information and provide to the board members.

Question: What is the liability to school district if something were to happen?

Answer: Information will need to be obtained and provided to the board members.

Question: What is going to be done with old trailer?

Answer: The old trailer can still be used for smaller functions or possibly used for storage.

Question: Does the rental of cab to pull the trailer include insurance as part of the rental agreement?

Answer: Information will need to be obtained and provided to the board members.

Comments: 1) Interesting idea, 2) Hope for creativity in the design of exterior, 3) Thinking big and admiral endeavor, 4) Thrilled by the donation and what the band will be doing with the trailer, 5) Boyertown puts on a Broadway Show at performances, and 6) Thanked Mr. Langdon for his efforts in finding this trailer.

The board members were queried and a majority of board members were in favor of having the Donation of trailer for band on the July 24, 2018, board meeting agenda depending on answers to unanswered questions.

ArbiterPay – Pricing/Summary: Ms. Rebecca Clouser provided an overview of the product and the current process used to pay officials. The overview included: 1) District currently uses ArbiterSports to schedule officials for athletics (at no cost to the school district), 2) ArbiterPay is a product through ArbiterSports that will pay officials electronically, 3) Current process to pay officials, 4) Current underlying costs include staff time, fees charged for positive pay on checks that are issued, cost of check stock, and postage, and 5) Standard pricing by ArbiterPay. Mr. Dominic Palladino, Athletic Director, was in attendance to address any questions.

Question: Does the school district schedule all officials through ArbiterSports?

Answer: The school district has been assigned to District 1 Division of Pennsylvania Interscholastic Athletic Association (PIAA). District 1 pays for ArbiterSports and assigns officials to games.

Question: How many transactions are anticipated per season?

Answer: Information was not available at this time. Example: Boys Basketball game, both Junior Varsity and Varsity, would require five (5) officials.

Question: Not in support of paying officials via ArbiterPay as it can become costly. Why is there a need to do this?

Answer: This is being done to streamline the school district process to free up business office and athletic office staff to do other work.

Question: Why can't the school district set up payroll account to pay officials via direct deposit?

Answer: Mr. Taylor, Assistant Business Manager, reviewed the internal underlying costs for the school district that would be saved and he stated it is a cumbersome process to set up officials to get direct deposit.

Question: Are other school districts using ArbiterPay? If yes, is ArbiterPay being recommended?

Answer: Mr. Taylor stated there are school districts currently using ArbiterPay and the product is being recommended to streamline the process and free up staff time.

Question: What is the total number of transactions in a year?

Answer: Approximately three hundred (300).

Comments: 1) Need a cost analysis to find out if this new process would be cost effective {Staff can do the analysis; however, it will take approximately 15 hours of work and would need Board approval}, 2) No cost analysis needed if staff has to spent so much time on research – just figure approximately 300 transactions at the average cost of \$1.50 per transaction would cost \$450.00, 3) How can the school district use this process if the Board needs to approve payments before being released – legality of this needs to be checked with the District Solicitor, 4) Free up business office and athletic office time to do other work, and 5) Good way to streamline process and will benefit the school district more than anything.

The board members were queried and a majority of board members were in favor of having ArbiterPay on the July 24, 2018, board meeting agenda.

Pre-K Counts \$255,000 Grant: Dr. Melissa Woodard, Assistant Superintendent Academics, reviewed the grant which will service sixty (60) students in a part-time pre-kindergarten classroom setting and the importance of this grant to the children in the school district. Dr. Woodard stated she would address any questions.

Question: This grant needs to be renewed at the end of the grant period. What are the chances Boyertown Area School District would be awarded the grant again?

Answer: The school district can expect to receive a minimum of \$255,000 each year for three years (2018-2019 / 2019-2020 / 2020-2021) as long as the guidelines of the grant are followed.

Question: Do the teachers need to be certified?

Answer: Yes.

Question: Are all costs to run the program included in the grant?

Answer: All costs are included in the grant – Pennsylvania School Employees Retirement System (PSERS), transportation, snacks, etc.

Question: Who makes the decision on what children attend?

Answer: Process: 1) Complete Google Survey (Blasting information out in all ways possible to make parents/guardians aware of survey), 2) Application to interested parents/guardians - State guidelines are followed to qualify, and 3) First come, first serve basis. Classrooms at Colebrookdale Elementary (both an AM and PM session) and Washington Elementary (only one session) will be utilized.

Question: Is this linked to "at-risk" children?

Answer: "At-risk" children will be heavily considered and coordinated with the Berks County Intermediate Unit.

Question: A statement was made there is the potential to generate revenue in the future based on having a pre-k education program. Please explain.

Answer: The school district is looking to the future at the possibility of the school district running a before and after school care program rather than contracting with an outside agency.

Question: It was mentioned the State has identified 483 children as being in need for Boyertown. Please explain.

Answer: The children identified are not receiving any pre-k education or not enough pre-k education according to State guidelines.

Question: Has the wording of the teacher contract for pre-k been reviewed by the District Solicitor since it will be "grant dependent".

Answer: The teacher contract will state "grant dependent". The District Solicitor will be consulted in the future on the final wording of the job description and contract.

Comments: 1) Congratulated and thanked Dr. Woodard and Mrs. Melchior, Foundation of Boyertown Education Executive Director, on obtaining the grant, 2) Great program and needed in the school district, 3) Statistical importance of pre-k education and the benefits, 4) Pre-k education is crucial and great to extend opportunity to those who cannot afford to pay for a pre-k education, 5) School district and Foundation are working together, 6) Way to get better use of buildings, 7) Helps set the tone for the children's education, 8) Cautiously optimistic that the school district is getting something for free, 9) Common core, and 10) Views this as bureaucrats trying to find ways to fund all-day kindergarten.

The board members were queried and a majority of board members were in favor of having Pre-K counts \$255,000 grant on the July 24, 2018, board meeting agenda.

Cost Savings Suggestions: Ms. Clouser reviewed the suggestions and comments on the Cost Savings/Revenue Generating Suggestions list provided to the board members. Suggestions listed were: 1) Reduce the need for substitute teachers, 2) Reduce busses for high school runs as many students drive, 3) Generate revenue by renting underutilized capacity (preschool), 4) Audit business, educational, and operational processes for streamlining and efficiencies, 5) VOIP phone system, 6) Solar panels for electricity, 7) Teacher surplus page for no longer needed/used supplies, 8) Advertising revenue in athletic facility, school monitors, and websites, 9) Review the most outsourced placements for special education and explore the school district's ability to improve services offered in-house, and 10) Lunch fund donation program.

Five Year Projection: Mr. Michael Taylor, Assistant Business Manager, did a presentation. The presentation included: 1) Forecasted Salaries, 2) Property taxes with projected Act 1 Index increases, 3) Five year forecast (with Act 1 tax increases), 4) Five year forecast (with no tax increases). Mr. Taylor stated he would address any questions.

Question: What would the forecast be if school district raised taxes and used exceptions each year?

Answer: A forecast can be done and provided to the board members. This would not solve the problem; however, it would help close the gap. A forecast will be difficult to estimate as Boyertown only qualifies for two exceptions - retirement and special education. The biggest exception would be in special education and Boyertown may not qualify for the retirement exception each year.

Question: By 2023 the deficit will be \$5.3 million. Is this deficit amount without using exceptions?

Answer: Yes

Question: Have the teacher contract negotiations been factored into the projection?

Answer: Yes. Assumption based on past contracts Act 1 Index with a floor of 1% and a ceiling of 3%.

Comments: 1) Community needs to be aware of every current board member who wants to increase taxes by 5.4% each year for the next four years instead of making hard decisions, 2) Need new leadership to get in place to move forward, 3) Appreciation for list of Cost Saving/Revenue Generating Suggestions to move forward, 4) Mrs. Usavage was insulted by Comment No. 1 and wanted to be on record that her position is not to have a 5.4% tax increase as stated.

Update On Interest Rates: Mr. Michael Taylor did a presentation. The presentation included: 1) Month-end Fund Balances, 2) Current Rates as of June 30, 2018, 3) PLGIT Investment Rates, 4) Strategy of moving dollars between BB&T accounts and PLGIT accounts to optimize investment funds, and 5) Monthly Interest Comparison of \$50,000,000 between BB&T and PLGIT. Mr. Taylor stated he would address any questions.

Question: Has the school district looked at local banks for interest rates to invest funds?

Answer: Yes. Local banks do not have interest rates at the same level as PLGIT. The school district has met with BB&T and other local banks and if they can match or come close to PLGIT interest rates the school district will invest funds through the local banks.

Question: How are these accounts insured?

Answer: The school district is required by State law to follow Act 72 for balances greater than \$250,000 in a bank. PLGIT & PSDLAF are fully backed/guaranteed by the Commonwealth of Pennsylvania.

PLGIT is the Pennsylvania Local Government Investment Trust and PSDLAF is the Pennsylvania School District Liquid Asset Fund.

Comments: 1) This strategy will require the business office to have time to manage in order to generate revenue for the school district and this is why streamlining processes are needed, and 2) Thanked Mr. Taylor for his work in putting together this strategy and information.

Public Comment

Linda Curry would like handouts/presentation materials to be made available to the public online and at the meetings as done in the past. Will there be handouts in the future? Mrs. Curry was advised Administration will provide handouts/presentation materials in the future.

No Committee Comment.

Adjournment

There being no other business for consideration the meeting was adjourned at 9:56 PM moved by Miss Neiman, second by Mrs. Usavage.