

BOYERTOWN AREA SCHOOL DISTRICT
Boyertown, Pennsylvania
www.boyertownasd.org

Finance Committee Meeting
February 3, 2015
Meeting Minutes

Mrs. Hartford, Finance Committee Chair, called the meeting to order at 6:30 pm in the Education Center Board Room.

Members attending: Mr. Caso, Dr. Christman (6:46), Mrs. Dennin, Mr. Elsier, Mrs. Hartford, Mr. Landino, Ms. Neiman, Mr. Stengle, Mrs. Usavage
Administration: Dr. Faidley, Mr. Scoboria, Mr. Szablowski

Members of the Public: 5

Everyone recited the Pledge of Allegiance to the Flag and observed a moment of silence

No public comment.

The minutes from the committee meeting of January 20, 2015 were moved and seconded. The minutes were adopted unanimously.

Dr. Faidley discussed the 2015-2016 budget and the District's primary mission to educate the youth of Boyertown. Mr. Szablowski presented the 2015-2016 Preliminary Budget, a copy of the presentation is included with these minutes. Mr. Szablowski guaranteed that the budget presented tonight would change considerably by the time the Final Budget is presented in June. The budget includes no increase in State funding with the exception of the retirement subsidy that is mandated to reimburse 50% of the District's expense for PSERS. All other State revenues are projected to be zero percent. The total income is projected to increase \$1.283 million, with PSERS accounting for over \$900,000. Expenditures are projected to increase \$6,712,753 (6.89%) with health insurance and retirement contributions accounting for \$3,131,159. Wage increases including added personnel are projected to rise by \$828,180 (1.73%). Other large increases in expenses are attributed to special education in the Professional Services accounts and tuition accounts included in the Other Purchased Services. The increases in these two accounts are \$258,353 and \$1,348,160, respectively. Interest expense is also increasing based on the final two years of a General Obligation Bond debt service. The expected increase is

Please note: This agenda is subject to change. Changes can occur up until the start of the meeting.

\$1,178,195. To offset the increased debt service, Administration is recommending the use of \$1 million from the debt service fund. To offset the large increase in mandated retirement contributions to PSERS, the District would utilize \$2 million from the committed fund balance reserved exclusively for retirement. The total projected budget deficit for 15-16 is \$3,628,821, which equates to a tax increase of 1.46 mills or a 6.26% increase in taxes. The preliminary budget was recommended for approval at the next School Board meeting in compliance with the Act 1 of 2006 mandated timeline.

Board members all spoke about the proposed preliminary budget citing the personnel costs, especially benefits, namely health insurance and retirement contributions. The proposed new instructional coaches were discussed and questioned. The members realizing that the Governor will not make his budget presentation for another month stated that this is a conservative budget and would likely include a lesser deficit and tax increase when more information is known. There was discussion on the bubble teachers proposed to reduce class sizes at Gilbertsville and New Hanover-Upper Frederick elementary schools and a suggestion to shift attendance at these schools westward or northward toward schools that may have more space. Health care was discussed with a suggestion to consider the Berks Trust if money could be saved. There was extensive discussion to bring the tax increase down to the Act 1 Index by the final budget.

Mr. Szablowski reviewed the Act 1 Exceptions that the District would be eligible for and reviewed the Special Education Exception and the Retirement Contribution Exception. Both exceptions are based on the cost drivers to increase by the Act 1 Index and for any amount that these costs may be over the index would allow the District to increase taxes and still comply with the law. Mr. Szablowski stated that the entire tax increase of 6.26% would be allowed based on the increase in expenditures for special education and retirement.

Mrs. Dierolf discussed technology and how the expenditures are budgeted. The 15% increase in health insurance premiums versus the 16% increase in total budget expense and the utilization of the PSERS Committed Fund Balance.

Mrs. Curry discussed the travel & conference budget items and professional development as well as the BCTC tuition. The expense of legal fees versus tuition payments was a questioned and the reduction of water and sewer fees projected.

Please note: This agenda is subject to change. Changes can occur up until the start of the meeting.

Mrs. Hartford announced the following upcoming meetings:

February 10, 2015	Curriculum Committee	Conference Room A	6:00 p.m.
February 10, 2015	Board of School Directors	Board Room	7:00 p.m.
	(Preliminary Budget Adoption)		
February 24, 2015	Personnel Committee	Colebrookdale – Library	6:00 p.m.
February 24, 2015	Board of School Directors	Colebrookdale	7:00 p.m.
March 10, 2015	Policy Review Committee	Conference Room A	6:00 p.m.
March 10, 2015	Board of School Directors	Ed. Center–Board Room	7:00 p.m.
March 17, 2015	Curriculum Committee	Ed. Center – Board Room	6:00 p.m.

The meeting adjourned at 8:53 p.m.

Please note: This agenda is subject to change. Changes can occur up until the start of the meeting.