

**BOYERTOWN AREA SCHOOL DISTRICT
FINANCE COMMITTEE
MARCH 5, 2013
MINUTES**

The meeting was called to order by Mrs. Hartford, Committee Chair, at 6:35 pm in the Education Center Conference Room A.

Member Attendance: Mrs. Hartford, Dr. Christman, Mr. Crossley, Mr. Elsier, Mr. Nichols, Mrs. Usavage

Administration: Mr. Scoboria, Mr. Szablowski, Mr. Katch, Mrs. Woodard

Public: 9

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

There was no public comment

The minutes from the 2/5 committee meeting were reviewed by the Committee.

Mr. Scoboria commented on the evening's agenda.

Mr. James Bozzini, School Media Marketing, presented the committee with the first contracted advertiser. Superior Credit Union has agreed to contract terms to compensate the School District for advertising on the District's website. The advertisement and its content were reviewed by the committee and approval was obtained to begin the advertising. There was discussion about the marketing of the web advertising and the security and types of advertising.

Mr. Katch presented information on the Adult Continuing Education Program. The District has a new coordinator for the program and the listing of classes and online courses has been developed. The School Board will be asked to approve/ratify the course of studies at the March 12, 2013 meeting.

Mr. Szablowski discussed the Governor's proposed State Budget that was unveiled earlier in the February and after attending several informational meetings. The Harrisburg politics continue with many issues in the budget dependent on other proposals from the Governor including privatizing liquor sales, the outsourcing of the lottery and pension reform. Implementing the proposed changes to the retirement system to possibly reduce the funding liability that promises to add financial pressures to the State and all school district budgets face an uphill battle with promised litigation from several of the affected parties. The Passport to Learning initiative, which is tied to the privatization of the State Liquor Control, promises \$1 billion to be paid to schools over the next three years. This is one-time money and must be used for four specific purposes. On a positive note, there is current proposed legislation that would change the formula in which Charter Schools and specifically cyber charter schools are funded.

Mr. Szablowski updated the committee on the results of the 12-13 Budget review comparison through February. The results are very comparable to last year and the budget looks very favorable.

The Bus Transportation contract was discussed. The contract ends on June 30, 2014. The majority of the committee support obtaining proposals from other transportation companies. Although several committee members stated that Quigley Bus Service is providing good service, it is a good business decision to obtain competitive quotes periodically.

Mr. Szablowski updated the committee on the District's health insurance program, stating that the contract with Capital Blue Cross expires on June 30, 2013. The new contract is currently being marketed to several companies through Banyan Consulting. The self-insured program, which will be three years old on June 30th, has saved the District over \$3 million since inception. The savings have been used to control costs and premium increases over the last three years. While industry standard increases for health insurance premiums average between 8 to 15% annually, the District has only raised the premiums 5%, 2% and 4.67% respectively over the last three years. The proposed increase for the 2013-2014 fiscal year is currently at 6% due to the loss of grandfathering under the Obamacare legislation.

Mrs. Hartford discussed the three year budget projections and Mr. Szablowski distributed the projection worksheet. Mrs. Hartford stressed to the committee that the future decisions made by the School Board will have an impact on the finances of the District. There are State and federal mandated expenditures like Special Education costs and retirement funding obligations that cannot be controlled by the District. There are also items that have a large impact that the District must be aware of as the decisions on the items approaches. The salaries of employees and the teacher's contract need to be thought through as well as the types of benefits offered. The impact of the Affordable Care Act (Obamacare) on the part-time employees needs to be addressed. The transportation contract and cyber charter schools will have a significant impact on future budgets. Mrs. Hartford asked the committee members to provide feedback and submit questions through her in developing the projection of expenses and revenue for the future budgets.

There was no public comment.

Mr. Crossley moved for adjournment. Mrs. Hartford adjourned the meeting at 7:57.