

**BOYERTOWN AREA SCHOOL DISTRICT  
BUDGET WORKSHOP  
MARCH 27, 2018  
MEETING MINUTES**

The March 27, 2018, Budget Workshop was convened at 6:30 PM by Mr. Elsier, Finance Committee Chair, at the Education Center.

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:

Clay Breece, Jill Dennin, Ruth Dierolf, Steven Elsier, Brandon Foose, David Lewis, Christine Neiman, Donna Usavage

Mrs. Adams, Acting Chief Financial Officer, introduced Mr. Brad Remig, Managing Director of PFM Financial Advisors LLC. Mr. Remig will be talking about a refinancing option available to the school district. Interest rates are starting to climb and the school district currently has variable rate bonds.

Mr. Remig presented the following information: 1) Municipal Market Update: a) MMD Yield Curve, b) Historical MMD Curve since January 1, 2007, c) Spot Analysis 10 year MMD since January 1, 2007, 2) Effective Rates Over Time (Jan 2005 – Jan 2018): a) Effective Emmaus Rate and b) Budgeted Rate, 3) Boyertown Area School District Summary of Outstanding Indebtedness: a) Debt Service Requirements, b) Local Effort Requirements, c) Principal, and d) Call Date, 4) Summary of Refunding Option-Upfront Savings Structure, 5) Summary of Refunding Option-Level Savings Structure, 6) Sample Resolution and Time-Line.

Discussion/Questions/Comments by board members: 1) Need further call date explanation, 2) Need further Debt Service Requirements explanation, 3) What are the risks to do refunding, 4) Current interest rate, 5) Federal Reserve rate adjustments, 6) Advantage of fixed rate versus variable rate for budgeting purposes, 7) Cost of refunding, 8) Which option would be better, 9) Cost versus savings, and 10) Need to get information to board members before being presented at a meeting.

Based on the majority of board members Mr. Remig will begin the resolution paperwork process on the Summary of Refunding Option-Upfront Savings Structure. The refunding resolution will be placed on the April 10, 2018, board meeting agenda for consideration.

Mrs. Adams presented the following Boyertown Area School District 2018-2019 General Fund Budget information:

2017-2018 Budget and 2018-2019 General Fund Budget Projection: 1) Local Revenue, 2) State Revenue, 3) Other Revenue, and 4) Expenditures. The 2018-2019 projected budget amount is \$115,292,322 which would produce a deficit of (\$5,983,697).

Deficit: 1) Revenue generated from real estate tax millage at Act 1 Index percentage, 2) Filing for eligible Special Education Exception, and 3) Revenue generated from maximum allowable millage with Exception. The deficit amount, by doing tax increase at the Act 1 Index of 2.9% and using allowable Special Education exception, would be (\$1,573,546).

Personnel Changes: Mrs. Torchia and Dr. Woodard did a district-wide analysis of the staffing based on student enrollment to determine the staffing needs. One additional position (learning support) would be recommended for 2018-2019.

BOYERTOWN AREA SCHOOL DISTRICT / BUDGET WORKSHOP / MARCH 27, 2018 MEETING MINUTES

2018-2019 Budget Changes (since Jan 2018): 1) Proposed State Funding Increase in revenue, 2) Updated Special Education Exception Approved Increase in revenue, 3) Retirement decrease in expenditures, 4) Additional Learning Support Staff increase in expenditures, 5) Bond Refunding (savings) decrease in expenditures. The deficit amount after the changes would be (\$641,404).

General Fund 5 Year Budget Projection: 1) 2018-2019 to 2022-2023, 2) Local, State, and Other Revenue, 3) Expenditures, and 4) Continued deficit amounts.

Things to Start Considering Now: 1) Redistricting and 2) Possibly closing an elementary building. Mrs. Adams stated that if you were to consider these items you need to be aware that both of these items will take time to accomplish and need to be looked at now to have a chance of impacting the 2019-2020 school year.

Cost Saving Suggestions to Consider from Mrs. Adams and board members: 1) Reduce the need for substitute teachers, 2) Reduce busses for high school runs – many students drive, 3) Generate revenue by renting underutilized capacity - such as to a preschool provider, 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 facilities, school monitors, and websites, and 9) Review the most outsourced placements for Special Education and explore our ability to improve services offered in-house.

Non-mandated Program Costs: 1) Kindergarten, 2) Music, 3) Fine Arts, 4) Health, Safety, and Physical Education, 5) Library, 6) Athletics. Mrs. Adams stated she was not recommending the reduction and/or elimination of non-mandated programs as these program are needed to maintain the quality education offered in Boyertown. Mrs. Adams was making board members aware these are the programs the school district has the ability to change.

Discussion/Questions/Comments by board members: 1) Redistricting should have been done years ago, 2) Can the elimination of the per capita tax be reconsidered, 3) Were possible costs for athletics to be held at other locations {due to stadium issue} included in the budget, 4) Need for board members to think of ideas for cost savings, 5) Future deficit amounts, 6) Staffing/class size concerns, 7) Student activity fee, 8) General Fund Balance amount and can any be used, 9) Five-year projection assumptions, 10) What are the next steps to proceed with the “Cost Saving Suggestions to Consider”, 11) Ad-Hoc Enrollment Committee reinstatement, 12) Cell phone costs, 13) Brainstorm ideas to improve education without increasing cost, 14) Compounding of taxes and impact on taxpayers, 15) Not raising taxes to Act 1 Index in prior years has created the current and future budget issues and board members knew it was going to eventually happen, and 16) need to have ongoing meaningful discussions.

No Public Comment.

No Committee Comment.

Public Meeting Announcements:

March 27, 2018	Facilities Committee	Education Center	8:00 PM
April 3, 2018	Curriculum Committee	Education Center	6:30 PM
April 3, 2018	Facilities Committee	Education Center	8:00 PM

There being no other business for consideration the meeting was adjourned at 8:22 PM moved by Ms. Neiman, second by Mr. Breece.