

BOYERTOWN AREA SCHOOL DISTRICT

Boyertown, Pennsylvania

www.boyertownasd.org

Finance Committee Meeting

March 1, 2016

Meeting Minutes

Mr. Landino, Finance Committee Chair, called the meeting to order at 6:00 pm in the Education Center Board Room.

Members attending: Mr. Breece (Tele-Conference 7:00 p.m. arrived 8:05 p.m.), Mr. Caso, Mrs. Dennin, Mr. Elsier, Mr. Landino, Mr. Lewis, Ms. Neiman, Mr. Stengle, Mrs. Usavage
Administration: Dr. Faidley, Mr. Scoboria, Mr. Szablowski

Members of the Public: 4

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 19, 2016, were moved and seconded. The minutes were adopted unanimously.

Mr. Szablowski discussed the Boyertown Area Senior High School construction project and specifically, Phase II with the scheduled full renovation of the three story 1919/1934 old high school. The building was turned over to the contractors in late December and is scheduled to be completed by August 2016. The timeline for the renovations to be complete is extremely tight. To avoid any delays due to change order approvals, Administration is requesting that the Superintendent of Schools be authorized to approve change orders between board meetings up to a certain dollar level, with an explanation of the change order(s) provided to the board members in the weekly packet and the planned ratification of such change orders at the first board meeting opportunity. There was discussion on the acceptable level of a single change order and a possible aggregate amount that could be authorized by the Superintendent. The Committee agreed to allow the Superintendent to approve a single change order up to \$50,000 and an aggregate of \$300,000. The aggregate amount would reset to zero as soon as the Board approved the proposed change orders. This action is proposed only for Phase II and the summer of 2016.

Mr. Szablowski and Mr. Katch reviewed several documents concerning staffing that were distributed to committee members. Mr. Katch explained the reports and addressed several questions. Mr. Katch continued to explain how the teacher salary schedules included in the

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BAEA Collective Bargaining Agreement are used and provided examples of how teachers move steps and columns over their careers. There was discussion on the timing of the teacher raises and the budget impact of personnel. Mr. Szablowski discussed the development of the 2016-2017 Budget and presented information about the status of the State 2015-2016 budget, which is eight (8) months overdue. A copy of the presentation is included with these minutes. The BASD Act 1 adjusted Index for 2016-2017 is 2.9%, which equates to .69 mills. .69 mills would generate approximately \$1.587 million in additional revenue. Mr. Szablowski shared the difficulty of projecting a 2016-2017 budget when the previous years' 2015-2016 State budget is not settled. Several political issues were discussed and it appears that there is no end in sight for the impasse. Mr. Szablowski reviewed the revenue projections for 2016-2017 and stated that State revenues are projected at the 2014-2015 actual with the exception of social security and retirement subsidy. Local revenue is projected to increase, (without assuming any tax increase at this time) based on continued growth in Montgomery County home sales and recent increases in earned income and real estate transfer taxes. The use of one-time committed fund balance was discussed. The PSERS committed balance is \$7.2 million as of 7/1/15 and \$2 million is forecasted to be used this year and another \$2 million in 2016-2017. The expenditure increases focused on wages and benefits. Ten (10) professionals submitted their retirement notices by the January 15th deadline. All retiree positions will be filled but based on educational needs, they may not be utilized in the same positions. The proposed increase in classified and administrative wages is the Act 1 Index of 2.4%. Health insurance premiums are projected at an 8% increase, with all other insurances budgeted at the same level. The largest increase in the 2016-2017 budget expenditures is again the mandated contributions to the State Retirement Fund, PSERS. The contribution rate for 2015-2016 is 25.84% and the 2016-2017 rate is 30.03%, or a 16.2% increase. The current projections of the contribution rate reflect that the 2016-2017 year will be the end of very large rate increases, with future increases in the 3% range. Mr. Szablowski concluded his presentation by reviewing the next steps in developing the 2016-2017 budget and highlighting several critical dates for the committee to be aware of in the future.

Several committee comments were made including Mr. Caso updating the committee on the Policy Committee, Mr. Stengle proposed a new structure that would combine committee meetings and board meetings and the possibility of having non-members participate in committee meetings. Mr. Landino discussed the success of the mini-thon at JHW that raised over \$41,000.

Public Comment Period #2

Mrs. Dierolf discussed the BASH project timeline and change orders.

Mrs. Curry discussed the proposal for the Superintendent to approve change orders.

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Mr. Landino announced the following future meeting schedule:

March 7, 2016	Policy Review Committee	Ed Center Conf. Rm A	6:00 p.m.
March 7, 2016	Enrollment Review Committee	Ed Center - Board Room	7:00 p.m.
March 8, 2016	Curriculum Committee Meeting	Ed Center – Conf. Rm A	6:00 p.m.
March 8, 2016	Board of School Directors	Ed Center - Board Room	7:00 p.m.
March 15, 2016	Finance Committee Meeting	Ed Center - Board Room	6:00 p.m.
March 15, 2016	Facilities Committee Meeting	Ed Center - Board Room	7:00 p.m.
March 22, 2016	Parent Community Intergovernmental Committee Meeting		
		Ed Center - Board Room	6:00 p.m.
March 22, 2016	Policy Review Meeting	Ed Center - Board Room	7:00 p.m.

Mr. Landino adjourned the meeting at 8:08 p.m.

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