

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

Finance Committee Meeting
April 19, 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, Mr. Caso (6:03), Mrs. Dennin, Mr. Elsier, Mr. Landino, Mr. Lewis, Ms. Neiman, Mr. Stengle (6:10), Mrs. Usavage

Administration: Dr. Faidley, Mr. Szablowski

Members of the Public: 24

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

Public comment

Sarah Goslin commented on the District Budget and the District's ability to provide and maintain educational and extra-curricular programs for the students and to consider utilizing the guidelines of the Act 1 Index to raise taxes to support these investments into the students through these programs.

The minutes from the committee meeting of April 5, 2016 were moved and seconded. The minutes were adopted unanimously.

Mr. Szablowski presented the projected the final 2015-2016 Budget results to the Committee. The actual revenues and expenditures were reviewed and the estimated revenues and expenditures for the final three months of the fiscal year were projected using actual encumbered expenditures through June and the results of the last fiscal quarter of the 2014-2015 fiscal year. Revenues are projected to total 97% of total revenue, leaving a deficit of approximately \$3 million. This deficit was planned in the budget process last year with planned usage of fund balance totaling \$3 million. Mr. Szablowski reviewed the major expenditure accounts detailing areas that are projected as positive and negative variances in each category. Favorable variances were identified in the contracted services, supplies and other uses of funds accounts, while negative variances are projected for wages, benefits, professional services, other purchased services, equipment and other objects. The total projected expenditures are 99.91% of the projected budget amount. The projected deficit for the 2015-2016 fiscal year is estimated at \$2.974 million. Mr. Szablowski then reviewed several spreadsheets provided by the State regarding projecting Basic Education Funding (BEF), Ready to Learn Block Grant (RTLBG) and Special Education Funding (SEF).

Mr. Szablowski reviewed the current status of the 2016-17 General Fund Budget. Projected State Revenue was discussed as a difficult figure to project considering the State Budget for 15-16 was adopted nine months late. The 16-17 Commonwealth Budget process is just beginning and with 2016 being an election year, many feel that the budget will not be passed until after the November election. Mr. Szablowski discussed the local revenue, which is projected to increase 2.22% on the strength of increased development in Montgomery County producing new homes and increased real estate values and higher earned income tax collection. The use of one-time funds totaling \$3.6 million in the 16-17 budget was discussed with the School Board proposing to use \$2 million from the PSERS Committed Fund Balance and \$1 million from the Debt Service Fund, and \$600,000 from the unassigned fund balance. The latter number being contingent on the actual State revenue received versus the projected amount. The summary of expenditures projections were reviewed with salaries projected to increase at 2.4% and benefit expenditures, namely the mandated pension contributions and health care coverage accounting for much of the projected increases. There are several new special education positions included in the budget but through a re-allocation process of educational needs the total positions within the budget net to zero FTE increases. The summary of the building operations and transportation budgets were reviewed. There was discussion about the budgeted replacement of two District vehicles included in the budget. The Committee discussed the need for cost reductions that would not affect education, such as the usage of city water to water the athletic fields. The projected deficit for the 2016-2017 budget is \$512,410 and administration proposed an average tax increase of 2.76% to fund the deficit. The 2.76% is an average based on the Market Value (MV) Tax Equalization methodology as defined in the PA School Code. Based on the calculation of MV Equalization, the Berks County tax rate would increase .95 mills (3.9%) and the Montgomery County tax rate would increase .05 mills (0.2%). There was discussion about the budget, the deficit and the proposed tax increase. There was a request to provide the effect of a uniform tax rate across the entire District. The trend of less students in the District versus the increase in professional staff was discussed. Dr. Faidley discussed preserving and enhancing the educational programs and requested if the committee wishes to cut the budget, specifics are needed to direct Administration. Mr. Szablowski presented the updated five-year budget projections in response to several questions about the committed fund balance and the proposed tax increase. The budgeting of junior high sports were discussed and based on reduced participation this may be an area that is reduced further in the future. Several comments were made about controlling the number of staff. The student population decline versus an increase in professional positions was discussed. Deficit reductions were discussed. There was extensive discussion and many questions regarding the equalization methodology and the various alternatives. The option of implementing a standard uniform tax rate for the entire District was discussed at length. Each Committee member stated their position on the budget and expressed their ideas to better the budget.

Mr. Katch explained a personnel report provided to the Committee that compared the District staff by classification year-to-year. The report was discussed by Dr. Faidley requesting input on

the information contained in the report. Mr. Katch explained the various reports provided to the Board members.

Public Comment Period #2

Rodney Boyer commented on the great information presented at the meeting about the budget and thanked the Committee Members for the quality of their questions. Mr. Boyer suggested that all programs be retained and if necessary the Act 1 guidelines should be used to reasonably tax residents.

Rob Theisen talked about his family's decision to move to the Boyertown Area School District. The strength of the District's educational programs and the extra-curricular activities available to students attracted him to the District. Cutting programs and reducing staff will hurt programs and people will leave the District. Mr. Theisen talked about retaining the Boyertown Essentials newsletter to keep people informed.

Barbara Furman talked about the decline in students talked about tonight and the increase in teachers. Mrs. Furman talked about the special needs population and the services that are required to educate this population. Students need the specialty subjects like physical education, art and music. Extra-curricular activities are part of the educational process and help students. A strong School District improves the value of the homes in the District. The taxes in Boyertown are low as compared to other schools and Boyertown provides very good value.

Committee Comment

Mr. Stengle suggested that the proposed Curriculum meeting scheduled to take place after the Finance Committee meeting be cancelled. The Committee members and Dr. Faidley agreed. Mrs. Woodard did announce that the District has submitted for the SQ Super School Grant supported by Mrs. Jobs, widow of Steve Jobs, founder of Apple. On April 8, 2016 the District was informed that our application was one of 348 high school grants moved forward to the next stage of the grant, which will fund schools with \$2 million a year for 5 years. The School Board needed to be updated on this exciting news. The next phase of the grant is due in May and the finalists will be announced in August.

Mr. Landino announced the following meetings:

April 19, 2016	Curriculum Committee	Ed Center – Conf. Room A	7:00 p.m.
April 26, 2016	Board Work Session	Ed Center - Board Room	6:00 p.m.
May 3, 2016	Curriculum Committee	Ed Center - Board Room	6:00 p.m.
May 10, 2016	Policy Review Committee	Ed Center – Conf. Room A	6:00 p.m.
May 10, 2016	Board of School Directors	Ed Center - Board Room	7:00 p.m.

Mr. Landino adjourned the meeting at 9:09 p.m.