

**BOYERTOWN AREA SCHOOL DISTRICT**  
**Boyertown, Pennsylvania**  
[www.boyertownasd.org](http://www.boyertownasd.org)

**Finance Committee Meeting**  
**April 21, 2015**  
**Meeting Minutes**

Mr. Elsier, School Board President chairing the meeting, called the meeting to order at 7:30 pm in the Education Center Board Room.

Members attending: Mr. Caso, Dr. Christman, Mrs. Dennin, Mr. Elsier, Mr. Landino, Ms. Neiman, Mr. Stengle, Mrs. Usavage

Administration: Dr. Faidley, Mr. Scoboria, Mr. Szablowski, Mr. Katch

Members of the Public: 14 including 10 BASD Building Principals

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 April 7, 2015 were moved and seconded. The minutes were adopted unanimously.

Mr. Szablowski distributed the projected 2014-2015 Fiscal Year End Projections as requested by the Board Members. This report, as of March 31, 2015, is on an accrual-type basis and forecasts the revenue and expenditures for the remainder of the fiscal year. A copy of the report is enclosed with these minutes. The 2014-2015 budget included the use of \$1.2 million in committed fund balance for the PSERS retirement liability. The report projects that the District will end with a deficit of \$456,341, \$743,659 less than anticipated in the 2014-2015 budget as adopted last June. Committee members discussed the projected results.

The details of the 2015-2016 Debt Service budgeted expenditures was then distributed and reviewed. The total amount of debt outstanding as of July 1, 2015 is \$70,340,000. The principal and interest expenditures included in the 2015-2016 budget total \$6,855,245. \$21.35 million of the outstanding debt are variable rate notes. The variable interest rates used to project the interest expense averaged 1.85%. The committee members expressed their appreciation for the information and agreed that the modest rate of interest used to forecast the expense was appropriate.

Mr. Szablowski reviewed the 2015-2016 Budget. The final Proposed Budget will appear on the April 28, 2015 Board agenda for approval. There was a presentation for a possible personnel

reduction as explained by Mr. Scoboria & Dr. Miller. The proposal, which was requested by several members of the Finance Committee at a previous meeting, considered the pool of teachers retiring as of the end of the year. Per the Collective Bargaining Agreement with the BAEA, only through attrition and demotions or furloughs be considered. The proposal included reducing both elementary and secondary staff. The elementary proposal would impact the attendance areas between Washington Elementary and Boyertown Elementary and reduce the teaching staff by a total of 3 positions. This could possibly increase class size in either of the two buildings to the level currently being instructed at the two larger elementary buildings. The secondary proposed not replacing three teachers, one at each secondary school. The impact would be slightly larger class size and possibly less elective choices for students. The staff reduction would allow the District to save several hundreds of thousands of dollars, reducing the proposed tax increase. There was extensive discussion on the proposal, the effect on the tax increase but also the educational impact on students. The committee agreed not to pursue the reduction in staff through attrition. The committee discussed the level of tax increase that would be acceptable and determined that a 2.9% increase, although being over the Act 1 Index, could be supported given the large increases in health care and pension liability expenditures. In order to achieve the 2.9% an additional amount of funding would be necessary. With the budget including no increase from the State for basic education and special education subsidy, the committee suggested utilizing unassigned fund balance up to \$600,000 to reduce the tax increase to an acceptable level. The understanding would be that if the Governor and the Legislators would agree to increase the level of State funding above the amounts included in the budget, the increased revenue would be replace the use of the one-time unassigned fund balance. A majority of the committee members agreed to recommend this action for the Final Proposed Budget agenda item on April 28<sup>th</sup>.

There was no public comment.

Mr. Elsier announced the following meeting schedule:

|                |                                  |                         |           |
|----------------|----------------------------------|-------------------------|-----------|
| April 28, 2015 | Personnel Committee              | NHUF Library            | 6:00 p.m. |
| April 28, 2015 | Board of Directors               | NHUF                    | 7:00 p.m. |
|                | (Final Proposed Budget Adoption) |                         |           |
| May 12, 2015   | Suggestion Committee             | Conference Room A       | 6:00 p.m. |
| May 12, 2015   | Board of Directors               | Ed Center               | 7:00 p.m. |
| May 26, 2015   | Finance Committee                | Boyertown El. Library   | 6:00 p.m. |
| May 26, 2015   | Board of Directors               | Boyertown El.           | 7:00 p.m. |
| June 2, 2015   | Board of Directors               | Senior High, Auditorium | 7:00 p.m. |
|                | (Adoption of Final Budget)       |                         |           |

The meeting adjourned at 10:24 p.m.