

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

Finance Committee Meeting
March 17, 2015
Meeting Minutes

Mr. Elsier, School Board President chairing the meeting, called the meeting to order at 7:00 pm in the Education Center Board Room.

Members attending: Mr. Caso, Dr. Christman, Mrs. Dennin, Mr. Elsier, Mr. Landino, Ms. Neiman, Mr. Stengle (7:44)

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

Members of the Public: 5

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 February 3, 2015 were moved and seconded. The minutes were adopted unanimously.

Mr. Szablowski briefly discussed Governor Tom Wolf's 2015-2016 Budget address and shared three videos. The first was Governor Wolf discussing the need for properly funding Pennsylvania Public Schools. The next video was produced by the Pennsylvania School Business Officials and detailed the spending plan but also the suggested tax increases to fund the investment in education. The final video was the Republican response to the Governor's budget address, with Rep. Michael Turzai sharing a very critical view of the proposed revenue increases. The videos set the stage for a long budgetary process between a Democratic Governor and a Republican Legislature. Dr. Faidley and Mr. Szablowski informed the committee that they would be attending a Commonwealth Budget Seminar on March 24, 2015 and would share more information as it became available.

Mr. Szablowski and Mr. Katch presented details of the proposed retirement incentive for teachers and reviewed an analysis of the projected savings based on several assumptions regarding which teachers would be eligible. There was much discussion

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about the plan, the amount of incentive offered, and the projected savings. A majority of the committee felt the savings were not great enough to offer the \$15,000 incentive and suggested possibly lowering the amount to \$10,000. Mr. Szablowski explained that the incentive funds would be mandated to be paid into a 403(b) retirement account saving the employee and the District the FICA, and Medicare taxes paid on regular earnings. Mr. Szablowski further explained that the full amount of the incentive would be paid to the teachers in the 2014-2015 school year budget and that the replacement teachers would be budgeted at a lower salary in the 2015-2016 school year saving the District approximately \$253,634 with a six teacher minimum. There was further discussion on the net savings between the two years, 14-15 and 15-16. Discounting the retirement subsidy revenue reduction due to the lower salaries, the net between the two years reflected a negative savings of approximately \$3,400. A majority of the committee felt that this was less than break-even and did not support the plan at \$15,000. The plan was proposed at \$10,000 but Administration could not support the lesser amount stating that the projected minimum of 6 employees would not be realized, and pulled their support for the recommendation. No further action to offer the incentive was discussed.

Mr. Szablowski reviewed a summary of the four (4) auditor proposals received. A complete copy of each proposal was sent to all Board members prior to the meeting. A copy of the summary is included with these minutes. The four firms proposed to complete the local auditing duties starting with the 2015-2016 fiscal year and the following two years. Administration, citing the difficult budget year for 2015-2016, recommended the firm of Major & Mastro at an annual cost of \$20,000. A majority of the committee in attendance supported Herbein & Company at an annual cost of \$27,500. There was discussion on the various reasons each member had for supporting the firms, with that major discussion points being a need to periodically change firms for a different perspective on the financials, others believed that the \$7,500 per year was too much for a non-educational service like the audit. After polling the committee members, a majority supported Herbein & Company to appear on the next Board agenda for approval.

Mr. Szablowski updated the committee on several health care related issues including the Affordable Care Act (ACA) employee hours tracking measurement that is ongoing through the end of April. The number of part-time employees that would qualify to have health benefits offered was less than 10. Mr. Szablowski informed the committee that the actual claims experience for this fiscal year has improved beginning in November and that after meeting with Banyan Consulting, the projected increase in premiums is now projected to be between 8-10%, lower than the increase of 15% included in the preliminary budget. There was discussion regarding several

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documents sent to the Board members detailing the decision to leave the Berks School consortium in 2010.

Mr. Szablowski distributed the updated 5 Year Budget Projection to the committee for their review.

The committee discussed the need for a Facilities Committee meeting in the near future. Mr. Elsier will work with Mr. Szablowski to establish a meeting to discuss the 5 year plan, the BASH project update and the Gilbertsville modular proposal.

There was no public comment in period #2.

Mr. Elsier made the following announcements of future meetings:

March 24, 2015	Board of School Directors	Junior High East	7:00 p.m.
April 7, 2015	Finance Committee	Education Center	6:30 p.m.
April 14, 2015	Curriculum Committee	Education Center	6:00 p.m.
April 14, 2015	Board of School Directors	Education Center	7:00 p.m.
April 21, 2015	Finance Committee	Education Center	6:30 p.m.

Mr. Elsier adjourned the meeting at 9:42 pm.

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