

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

Finance Committee Meeting
Tuesday, April 1, 2014
Meeting Minutes

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

Members attending: Mr. Caso, Dr. Christman, Mrs. Dennin, Mr. Elsier (6:40), Mrs. Hartford, Mr. Landino, Ms. Neiman, Mrs. Usavage

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

Members of the Public: 3

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

Mrs. Dierolf commented on the auditor appointment stating the fact that the firm has been auditing the District's financial statement since the 2004-2005 fiscal year and suggested a change in firms. Mrs. Curry agreed with Mrs. Dierolf.

The minutes from the committee meeting of 2/4/14 were moved by Mr. Caso, second by Mrs. Dennin. The minutes were adopted unanimously via a voice vote.

Mr. Szablowski updated the Committee on the changes to the 2014-2015 Budget since the preliminary budget was adopted in February. The presentation, which is included with these minutes, reviewed the Governor's Commonwealth Budget proposal and the effect on the Boyertown Budget. With the exception of a \$77,000 increase in Special Education funding, the first in seven years, and the increase in Pension Contributions, there were no funds directly affecting the District's General Fund. The Governor has proposed a new block grant entitled the Ready to Learn Block Grant (RTLBG). A total of \$1,071,961 million would be available to Boyertown, but the RTLBG replaces the Accountability Block Grant, which totaled \$246,234, netting the District an increase \$825,727. The planned uses of these additional funds were discussed, producing a savings to the General fund of \$533,285. The balance of the RTLBG of \$292,442 will be used to create instructional and technology education coaches servicing the various levels of education. The program will be established to allow flexibility if the funding source would be eliminated in the future. Other revenue projections were updated and Mr. Szablowski highlighted expenditure decreases, focusing on the savings in transportation costs based on the new contract with Quigley Bus Service. The new totals were shared and the deficit decreased by \$671,413 to \$1,668,051. The tax implications for funding the deficit were discussed with a focus on the equalizing of taxes between the two counties. Mr. Szablowski reviewed the tax calculation and explained the higher proposed tax increase for Berks County based on declining assessments in Berks County. Mr. Szablowski explained that the preferential tax treatment of preserved farmland reduces taxable assessed values, which in turn increase the remaining tax burden on the properties that remain on the tax rolls. There was very little discussion regarding the budget or the proposed tax rates.

The 2013-2014 fiscal year was the last year under the Auditor Agreement with Major & Mastro LLC, Montgomeryville, PA. The district has received a proposal from the firm to audit the next three fiscal years at an annual cost of \$20,000, which is the same rate as the last engagement. Administration recommended the committee approve the proposal and appoint Major & Mastro to perform the local audit for the next three fiscal years. There were discussions about the need to change auditing firms as several members suggested that a more independent and different view of the financials is necessary. Mr. Szablowski stated that the last time proposals were requested for auditing services, the next lowest quote was approximately \$9-10,000 more per year and given the deficit position on next year's budget, the recommendation to save \$10,000 was made. Several committee members felt strongly that a change should be made. Mr. Szablowski explained that as we have just entered the last quarter of the fiscal year, it may be difficult to obtain proposals for this year as most auditing firms are already booked for the 13-14 fiscal audit. It was agreed that Major & Mastro would be appointed for the 2013-2014 fiscal year and that proposals should be sought for next year. The committee agreed to recommend to the April 8 Board meeting a one-year agreement with Major & Mastro at a cost of \$20,000.

Mr. Szablowski explained the need for the Board to accept the September 2013 Auditor General Audit Review for the fiscal years audited 2009-2009 and 2009-2010. Mr. Szablowski explained the finding in the audit and that the District under-reported the transportation of non-public school students and was due \$50,050 in additional subsidy. This is the second finding regarding transportation in two consecutive audits, which prompted the District to change transportation software providers to remedy the reporting issue. Mr. Szablowski also explained the Audit's observation regarding the payment of approximately \$36,000 to the former Superintendent. Administration disagreed with this observation as it was negotiated between the individual and the School Board. The committee recommended the acceptance of the audit be included on the April 8 Board agenda.

Mrs. Curry again commented on the auditor appointment.

Mrs. Hartford announced the following upcoming meetings:

April 8, 2014	Personnel Committee, Education Center	6:00 p.m.
April 8, 2014	School Board Meeting, Education Center	7:00 p.m.
April 10, 2014	Community Forum – BASH Project, JHE	6:30 p.m.
April 15, 2014	Facilities Committee, Education Center	6:00 p.m.
April 15, 2014	Finance Committee, Education Center	7:00 p.m.
April 16, 2014	Community Forum – BASH Project, JHW	6:30 p.m.
April 22, 2014	School Board Meeting, Pine Forge	7:00 p.m.
April 29, 2014	Community Forum – BASH Project, Ed Center	9:00 a.m.
April 29, 2014	Finance Committee, Education Center	6:00 p.m.
April 29, 2014	Curriculum Committee, Education Center	7:00 p.m.

Mrs. Hartford adjourned the meeting at 8:08 pm.