

BOYERTOWN AREA SCHOOL DISTRICT

Boyertown, Pennsylvania

www.boyertownasd.org

DRAFT

Finance Committee Meeting

May 31, 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, Mrs. Dennin, Mr. Elsier, Mr. Landino, Mr. Lewis, Ms. Neiman, Mr. Stengle

Administration: Dr. Faidley, 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 April 19, 2016 as amended to correct comments by Mr. Breece regarding District vehicles and cutting unnecessary spending and not cutting programs and the uniform tax rate for the District, were moved and seconded. The minutes as amended were adopted unanimously.

Mr. Szablowski reviewed a resolution proposed by the Berks Earned Income Tax (BEIT) Bureau which all taxing authorities represented by the BEIT are being asked to adopt to allow a collection fee incurred by the BEIT to be passed along and added to the delinquent taxpayer accounts. There was discussion about the amount of delinquent taxes that may be outstanding. There was discussion about the process of collecting earned income tax at the applicable rate of 1%. Update to the questions will be addressed in the Board newsletter. This item will appear on the June 14 agenda for approval.

Mr. Szablowski reviewed the 2015-2016 Budget to date. Recapping the budget plan, the 15-16 budget projected a deficit of \$3.6 million. Through May it appears that the financials will be relatively close to projections. The \$1 million transfer from Debt Service has been transferred. As of the end of May, the projected bottom line is that there will be no surplus this year as there was in 2014-2015. A portion of the \$2 million committed fund balance will be utilized with the possibility of additional use of unassigned fund balance. There was discussion about various revenue and expenditure budgeted line items. There was discussion on the budgeting of \$3.6 million of one-time money. The use of these funds is contingent on the passage of the State budget and the amount of funding to be received from the State legislators.

The 2016-17 General Fund Budget was then reviewed. There are not many changes from the previous budget presentation from May 18. May assessment changes from each respective

County were not received but should be incorporated into the final budget presentation on June 14. Projected expenditures were explained with a slight savings projected. The proposed tax increase is an average of 1.5% with a uniform tax rate between both Counties of 24.27 mills. The use of the committed fund balance was discussed. There was a request to reflect on future reports an operating summary comparing revenues to actual expenditures before any use of fund balances. Future State revenue projections were discussed. An increase in State revenue is projected based information from the Pennsylvania Department of Education. There was discussion about the appropriate level of tax increase given the projected increase in expenditures and the levels of our reserves. Mr. Szablowski explained that if expenses are increasing at 2.9-3.0% and the District is raising taxes 1.5% when the District could raise the taxes up to 2.9% and using reserves, there should be concern about how to replace one-time income with tax increases in the future. This becomes difficult to accomplish under the current Act 1 environment. Mr. Szablowski stressed that the tax rate will need to increase as the balance reserve are depleted.

The amount of Property Tax Relief through Act 1 from the gambling revenue received by the State was officially announced at \$1,745,000. This amount give tax relief of approximately \$141.50 per approved homestead. Mr. Szablowski reviewed the agenda item that will appear on the June 14 agenda when the Board will approve how the funds will be distributed.

Public Comment Period #2

Ruth Dierolf commented on the EIT collection issue. Are revenue such as rental of buildings and students paying for AP testing included in the budget? How are salary increases budgeted, and what are the increases?

Linda Curry commented on the tax relief amount resolution being distributed to the public. There were further comments on the collection of delinquent earned income taxes and that people in the community are hurting. Will every municipality be adopting this resolution?

Committee Comment

Mr. Stengle requested clarification on how members of the public have their questions answered. Mr. Landino read an announcement regarding the submission of questions in writing. Dr. Faidley addressed the issue stating that the questions are requested in writing to get the exact question so that Administration can respond appropriately to the exact question as posed by the member of the public. Another reason for requiring the questions in writing is that all questions are then recorded, tracked and responded to on the website for the entire public to have the answers and improve efficiency in communication to the public. The issue was suggested to be reviewed by the Policy Committee.

Announcements:

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| June 7, 2016 | Commencement Ceremony | BASH Memorial Stadium | 7:00 p.m. |
| June 14, 2016 | Board of School Directors | Junior High East – Auditorium | 7:00 p.m. |

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| | (Adoption of Final Budget) | |
| July 19, 2016 | Board of School Directors | Education Center - Board Room7:00 p.m. |
| July 26, 2016 | Policy Review Committee | Education Center - Board Room6:00 p.m. |

The meeting was adjourned at 7:23 p.m.