

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

Finance Committee Meeting
April 7, 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 (7:30), Mrs. Dennin, Mr. Elsier, Mr. Landino, Mr. Stengle (7:06), Mrs. Usavage

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

Members of the Public: 3

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 March 17, 2015 were moved and seconded. The minutes were adopted unanimously.

Mr. Szablowski stated that because there was no decision by the School Board at the last Board meeting regarding the appointment of a local auditing firm, the issue was referred back to Committee. There was discussion about both Major & Mastro, the current auditing firm who proposed an annual fee of \$20,000 per year, and Herbein & Company, which proposed an annual fee of \$27,500. Both firms were considered by the Board on March 24th and both did not receive the necessary votes to appoint. A proposal was made to compromise and appoint Barbacane Thornton as the audit firm at a cost of \$22,000 per year. A majority of the members agreed that this was an acceptable compromise and recommended Barbacane, Thornton from Wilmington, Delaware be recommended to the School board for approval at the April 14 Board meeting.

Mr. Szablowski distributed a document that illustrated the dollar impact of using the Act 1 percentage index on the District's millage versus a District with a higher millage rate. The dollar impact of a 6.16%, 4%, 3%, 2.3% and 1.9% tax increase were

presented to show the relative impact of the various tax increases to homeowners on an annual and monthly cost basis.

The status of the 2015-2016 preliminary budget was reviewed by Mr. Szablowski with a brief overview of the Governor's Commonwealth Budget. Although the Governor had proposed increased funding to each school district, legislators have warned school districts not to budget any increase in funds for the 2015-2016 fiscal year. No additional State revenue with the exception of the 50% mandated retirement subsidy is included in the present version of the Boyertown budget. Mr. Szablowski summarized the increases in revenue since early February and detailed the reduction of projected expenditures since the preliminary budget was adopted on February 10th. The deficit included in the preliminary budget was \$3.6 million and proposed a tax increase of 6.16%. The budget as of April 7th reflects a deficit of \$2.3 million and a tax increase of 3.99%. There was discussion about the budget and the major expenditure increases including the increased pension contribution, which net of subsidy equals almost \$929,000, health care premium increases of 8.32% totaling more than \$730,000, special education costs for professional services and tuition, which are projected to increase more than \$1.2 million over the 14-15 budget. These four items alone account for over \$2.8 million of added expense to the District. These costs were compared to the Act 1 tax increase which would increase revenues by \$1.242 million. Dr. Faidley stated that the Final Proposed Budget is to be considered at April 28 Board meeting. Further expense reductions would have an impact on educational programs through decreased professional staff. Dr. Faidley proposed bringing a cost reduction plan to the Committee on April 21. There was also discussion about utilizing fund balance with the understanding that if the State would provide additional funding the fund balance would not be utilized.

Mr. Szablowski informed the Committee that the Retirement Incentive offered to professionals did not meet the criteria for offering the incentive because only 4 teachers submitted their letter of retirement by the deadline. The minimum number of professionals required to offer the incentive was 6 employees.

Mr. Szablowski provided a brief update on the status of the District's upgrade to version 5.1 of the Sungard Financial Software. The district is currently operating in the 4.3 version. The new version will be live in July as training and parallel comparisons are performed over the next three months. The software upgrade will offer opportunities to be more efficient by providing an Employee Access Center and an automated time & attendance system to assist payroll data entry.

Public Comment Period #2

Mrs. Linda Curry discussed the budget and the secondary program of studies.

Mr. Elsier announced the following upcoming meetings:

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	Facilities Committee	Education Center	6:00 p.m.
April 21, 2015	Finance Committee	Education Center	7:00 p.m.
April 28, 2015	Personnel Committee	NHUF Library	6:00 p.m.
April 28, 2015	Board of School Directors	New Han.- Upper Fred.	7:00 p.m.

(Final Proposed Budget Adoption)

The meeting adjourned at 9:15 p.m.