

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

Finance Committee Meeting
September 29, 2015
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 (left at 7:16), Mrs. Dennin, Mr. Elsier, Mrs. Hartford, Mr. Landino, Ms. Neiman, Mrs. Usavage (6:12)

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

Members of the Public: 28

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

Public comment.

Liz Theisen spoke about the need for HVAC in the buildings.

Max Theisen, BASD student, discussed the neat factor in the classrooms and how it effects students.

The minutes from the committee meeting of May 26, 2015 were moved and seconded. The minutes were adopted unanimously.

Members of the Foundation for Boyertown Education and their Executive director, Carissa Bobenchik, addressed the committee. The financial results of the first year of full operation were reviewed. The Foundation's contributions of \$50,600 to the School District were discussed and the robotics curriculum which benefited from the contributions were demonstrated by the Junior High Tech Education teachers and students. Brian Snyder, Foundation Treasurer, discussed the District loan of \$25,000 that is due February 2016. The Foundation requested a two-year extension on the loan repayment to February 2018. There was discussion about the Foundation and the request for extension. The Committee agreed to recommend the requested two-year extension to the next Board meeting agenda.

Brad Remig, PFM and Lauren Eby, RBC Capital Markets presented the District's financing plan for the Senior High School and the Junior High West Center. A copy of the handout is included with these minutes. Mr. Remig and Ms. Eby reviewed the document and discussed the market conditions and the plan to issue \$30 million in General Obligation Bonds (GOBs). The financing of a proposed HVAC installation at the elementary schools was discussed. In

addition to the \$30 million, there was a proposed \$9.95 million. The Committee discussed this additional borrowing and decided to not consider the additional debt knowing that the Senior High project is not complete and the JHW project is still in the planning stage. There was discussion on reducing the term of the bonds from 30 years to 25 years. Mr. Remig was asked to provide illustrations of 20 year and 25 year terms. The Committee considered the recommendation to advance a parameters resolution to a full Board vote contingent on the various term illustrations. The resolution would authorize Administration with the financial advisory team to take the bonds to market before the end of the calendar year when the market conditions are deemed to be attractive. The committee agreed to move the parameters forward to the Board contingent on the illustrations.

Mr. Szablowski reviewed the recent upgrade to the financial software that occurred over the summer. Mr. Szablowski briefly described the new Employee Access Center (EAC) that will enhance the communication to employees. Mr. Szablowski explained the utilization and analysis of a time & attendance system. The committee recommended the District invest in the system provided by TimeClocks Plus system.

Mr. Szablowski reviewed the preliminary 2014-2015 budget results. The 14-15 revenue budget was reviewed. Revenue exceeded budget projections by over \$963,000, with local earned income tax accounting for \$550,000 more than expected. Budget projections will be adjusted for the 16-17 budget. The 14-15 budget projected to utilize \$1.2 million in PSERS Committed fund balance. Because revenue exceeded budget there was no need to use the committed fund balance. The expenditure accounts were reviewed and the salary and benefit expenditures were within 1% of budget. The various expenditures were covered in detail and the end results reflect that the surplus would total approximately \$1.7 million. Administration proposed transferring the projected surplus of \$1.7 million to the newly named Elementary HVAC Fund. The Committee supported and recommended the action to the full Board for consideration.

Mr. Szablowski reviewed the results of the first quarter of the 2015-2016 budget. State revenue is an issue due to the State budget impasse currently occurring in Harrisburg. Currently the District \$3.5 million short of revenue as compared to this period last year. There was discussion about withholding PSERS contributions because of the budget impasse. It was agreed that the District would not be withholding PSERS contributions. Local revenues for the first quarter were reviewed and discussed.

The District's self-insured healthcare program was reviewed and contrasted to the results of last year. The results so far this year are very positive. An update was provided on the wellness activity currently being implemented in the District. The Wellness Committee submitted an application to the Blue Cross Worksite Wellness Grant. Mr. Szablowski shared a video that was produced detailing the wellness activities in the District that was submitted with the grant. Several wellness initiatives were described to the Committee.

The updated 5 Year Budget projection was shared with the Committee. The future revenues and expenditures have been updated based on the projected actual results of the 2014-2015 budget year.

The 2016-2017 Budget was discussed with various details of how the budget will be developed explained. The Board direction that the General Fund start to fund Capital Projects from the budget. The elimination of the Per Capita tax was discussed. This nuisance tax which totals \$10 to all residents as a “head tax” was discussed and the Committee agreed to recommend the abolishment of this tax to the full Board for consideration. Dr. Faidley suggested we determine if there are any legal issues that need to be considered. The effect on our local municipalities was discussed.

The Act 1 Index of 2.4% state-wide was communicated to the committee with the District’s adjusted index being 2.9%. Administration proposed that the Board consider the adoption of a resolution to keep any tax increase below the adjusted Boyertown Act 1 Index of 2.9%. Due to the budget impasse, the accelerated primary, which equates to a preliminary budget in January. By adopting this resolution, the District would not need to comply with the Act 1 timeline and allow the District to produce a budget in March timeframe to have better revenue and expenditure projections.

Dr. Faidley introduced an open, public discussion about improving the Budget Process. Members were asked to provide input and suggestions that may improve the budget process. Suggestions included taking a consolidated look at all funds in the development of the budget, more detailed analysis of major accounts like personnel salaries and wages and benefits. Dr. Faidley suggested utilizing data analytics to determine trends over longer periods of time and comparable to other districts similar in size and demographics. The data would be presented to better analyze trends. The members suggested keeping the presentations from various teachers, principals, and departments to understand how the budget dollars are being spent in schools. Capital Projects funds need to be established so that the District doesn’t have to borrow in the future. Reducing the perceived scare tactics that have habitually happened in the early months of the budget process.

Mr. Szablowski summarized the actions items agreed to by the members to appear on the next Board agenda.

Committee Comment

Mrs. Usavage commented on the level of agenda items discussed this evening.

Mr. Elsier complimented Administration about the excellent 14-15 results and the plan to fund future improvement projects.

Public Comment Period

Heather Bass-DeYoung discussed the Districts needs for air conditioning and the strategic plan.

Ruth Dierolf asked questions about the West HVAC plans, are the costs to operate HVAC in each buildings, how three energy companies are now being considered, why the financing presentation was different than last year's presentation and how do our rates compare to the consortium.

Liz Theisen appreciated the renaming of a fund but wanted to discuss the actions proposed to air condition the buildings.

Mrs. Hartford announced the following future meetings:

October 13, 2015	Personnel Committee	Ed. Center – Conf. Room A	6:00 p.m.
October 13, 2015	School Board Meeting	Ed. Center – Board Room	7:00 p.m.
October 20, 2015	Parent/Community Comm.	Ed. Center – Board Room	6:00 p.m.
October 21, 2015	Parent/Community Comm.	Ed. Center – Board Room	8:00 a.m.

The meeting was adjourned at 9:34 p.m.