

**BUDGET & FINANCE COMMITTEE MEETING****MINUTES****WELLSBORO AREA SCHOOL DISTRICT**

May 21, 2012      12:00 PM      Administration Office- Conference Rm.

Start Time: 12:03PM

Present

Craig West – Chairperson, Jonathan Lawton, Carl Chambers, Glenn Poirier, Chris Morral, Steve Adams, Mike Pietropola, Steve Adams, Pat Hewitt, Dave Krick, Bryan Murphy, Amy Repard, and Marcia Newcomb.

Public – Jon Peropat

Agenda

- 1- Act 1 Homestead/Farmstead Resolution
- 2- Review 2012-13 General Fund Budget – adoption 6/12/2012
  - a. Review/Discuss Early Retirement Incentive Cost Analysis
  - b. Discussion of 2012-13 staffing
- 3- Committed Fund Balance Reserve for Health Insurance Expenses
- 4- Discussion/preview of Fund Balance Policy in compliance with GASB 54 mandate
- 5- Refinancing of Series of 2007 General Obligation Bonds
- 6- Wellsboro School Library Media Center’s Proposal

Committee Member /Administration Issues or Discussion Topics

1. Chairperson Craig West called the meeting to order at 12:03 p.m. after which he turned the meeting over to Superintendent Chris Morral.
2. Marcia Newcomb reported that the district will receive \$ 378,433 from Slot Machine Tax Revenues to be distributed to approved Homestead/Farmstead property owners for the 2012-13 fiscal year. The committee reviewed an Act 1 Homestead/Farmstead Resolution which will be presented to the Board of Directors for adoption during the June 12, 2012 Business Meeting. The projected Homestead and Farmstead Exclusion Amount approved property owners will receive for the 2012-13 fiscal year is \$ 120.06.
3. Mr. Morral and committee members reviewed the revenue and expenditure adjustments that have been made to the 2012-13 General Fund Budget from April 22, 2012 through May 22, 102. Attention was given to the decrease to teacher wages and benefits of \$ 151,547 due to seven teachers taking advantage of the Early-Out Retirement Incentive and an offset of \$ 73,713 for the additional cost of retiree health insurance for these teachers for the 2012-13 fiscal year. At this point, projected 2012-13 expenditures total \$ 22,172,484; projected revenues are \$ 22,116,054; with plans to take \$ 56,430 out of the Committed Reserve for

Future Retirement Expenses reserve. The Budget and Finance Committee is recommending the adoption of the 2012-13 General Fund Budget at the June 12, 2012 regular business meeting.

4. The Committee discussed the need to establish a Committed Fund Balance Reserve for Health Insurance Expenses due to the 10% per year over the next four years increase to district health insurance rates/expenses. The Committee directed Administration to place this item on the June 12, 2012 Board Agenda to seek authorization of the creation of a Committed Fund Balance Reserve for Future Health Insurance Expenses.
5. Fund Balance Policy – GASB 54 Mandate - Administration reported that GASB 54 mandated that fund balance should be reported in pre-defined classifications as well as required fund balance disclosures which were presented to the committee. GASB 54 reporting regulations became effective July 1, 2010, however the district has not adopted a Fund Balance Policy which reflects the GASB 54 reporting mandates. A Fund Balance Policy draft was presented to the Budget and Finance Committee for review and will be presented to the Programs and Policy Committee during its June 13, 2012 meeting.
6. 2012-13 Staffing – Committee members reviewed a cost analysis of the retirement incentive offer. District administrators recommended the replacement of five positions, the recall of one furloughed employee, and reconfiguration of the 7<sup>th</sup> and 8<sup>th</sup> grade Reading/Language Arts Staffing.
7. The Committee discussed the refinancing of the district's Series of 2007 General Obligation Bonds. At this time, it is project the district will save approximately \$ 85,000 with the refinancing of the bonds. Les Bear and Jonathan Cox of Rhoads & Sinon will be present at the June 12, 2012 Board meeting to discuss this item.
8. Library Media Center – Mr. Morral distributed a power point presentation created by the district librarians regarding extended school days for librarians. Mr. Morral noted that this item was addressed during July 2011 and it was his recommendation to not include this item in the 2012-13 General Fund Budget. His recommendation was the result of previous budget discussions regarding the number of positions within the district with extended year contracts.

#### Comments and concerns:

The 2012-13 Final Budget has been prepared and is available for public inspection in the Business Office. The adoption of a 2012-2013 Final Budget will be included on the June 12, Board Agenda for Board approval.

The next scheduled Budget and Finance Committee is Wednesday, June 27, 2012 at 12:00 p.m. in the Administration Building Conference Room.

There being no further business to come before the Budget and Finance Committee, Mr. West adjourned the meeting at 1:13 p.m.