

MINUTES

Council Rock School District Finance Committee Wednesday, April 23, 2014, at 6:30 p.m.

I. Review of the 2014-2015 Budget:

Mr. Reinhart provided the Committee with an update to the 2014-2015 Budget. He explained that there were three areas of the budget that were adjusted.

As in past years the budgeted salaries and wages have been reduced to reflect 19.3 full-time equivalent staff member retirements: 18.3 professional and one administrator. Additionally, we are reducing our professional staff by four: three secondary and one elementary staff members. Finally, wages were increased to support remediation activities for students not succeeding in the Keystone Exams. This is a new mandate from the Department of Education. Additionally, the contributions to the Middle Bucks Institute of Technology have been reduced to reflect the budget that has been adopted by the joint committee.

The following table provides the financial analysis of these adjustments:

Total Revenues, First Draft of the Budget	\$ 209,791,702
Adjustments:	
Reduction In State Social Security	(41,633)
Reduction In State Retirement	<u>(129,740)</u>
Total Adjustments	<u>(171,373)</u>
Adjusted Revenues	<u>\$ 209,620,329</u>
Total Expenditures, First Draft of the Budget	\$ 216,229,654
Adjustments:	
Reduction in Salaries and Benefits - Retirements	(1,232,507)
Reduction in Salaries and Benefits - Reduction In Staffing	(368,860)
Additional Costs For Keystone Exam Remediation	19,518
Reduction To MBIT Contributions	<u>(16,768)</u>
Total Adjustments	<u>(1,598,617)</u>
Adjusted Appropriations	<u>\$ 214,631,037</u>

He then reviewed a table summarizing the condition of the budget which included the tax increase associated with two scenarios:

	First Draft Budget	Preliminary Budget Status	Preliminary Budget Status Elimination Of Per Capita
REVENUES	\$209,791,702	\$209,620,329	\$209,158,329
EXPENDITURES	<u>216,229,654</u>	<u>214,631,037</u>	<u>214,620,037</u>
(Shortfall) Surplus	<u>(6,437,952)</u>	<u>(5,010,708)</u>	<u>(5,461,708)</u>
Use of Fund Balance	<u>3,707,307</u>	<u>3,707,307</u>	<u>3,707,307</u>
Needed from Taxation	<u>\$2,730,645</u>	<u>\$1,303,401</u>	<u>\$1,754,401</u>
Value of a Mill	\$1,221,869	\$1,221,869	\$1,221,869
Millage Increase	2.23	1.07	1.44
Current Millage Rate	<u>114.02</u>	<u>114.02</u>	<u>114.02</u>
New Millage Rate	<u>116.25</u>	<u>115.09</u>	<u>115.46</u>
Percentage Increase	<u>1.96%</u>	<u>0.94%</u>	<u>1.26%</u>

He made the following points in discussing the information:

- The first column of information entitled, “First Draft Budget” provides the Total Revenues and Expenditures as presented in the initial budget document.
- The second column entitled, “Preliminary Budget Status” provides the Total Revenues and Expenditures as presented this evening and reflects the tax increase recommended by the administration.
- The third column entitled, “Preliminary Budget Status Elimination Of Per Capita” provides the Total Revenues and Expenditures as presented this evening and reflects the tax increase should the Board decide to eliminate the Per Capita Tax.

There was considerable discussion regarding the elimination of the Per Capita Tax and varying ways to fund that elimination. These discussions included supporting the reduction with the use of fund balance, the further reduction in appropriations and a combination of the two methods described above and a real estate tax increase. There was no clear consensus on elimination of the per capita tax. The administration agreed to present the Preliminary Budget without the elimination of the Per Capita Tax.

II. Review of Responses to the Request for Proposals for the Food Services

Mr. Reinhart explained that every five years the District seeks responses to our Request for Proposals (RFP) from organizations that provide food services to the District. This process is closely regulated by the Pennsylvania Department of Education. He made the following points while describing the process:

- Process must occur every five years.
- A one year contract with an option for up to four one-year renewals will result.
- The form of the proposal is provided by the Department.
 - There are a few variables that the District must select.
- This is not a bid and we are able to use discretion in our selection of the successful vendor. But there is a prescribed process in evaluating the proposals.
- We provide a narrative describing the District's food service environment and required services.
 - Listing of Historic Revenues
 - Staffing with Costs
 - Free and Reduced Student Statistics
- Vendor Responses Include:
 - Executive Summary/ Operating Plan
 - Proposed Budget/Profit and Loss
 - Initial Annual Profit Guarantee

He explained that we received three responses to the RFP: Aramark Education, Chartwells and Metz Culinary Management and will use the following evaluation process to make a recommendation to the Board:

- Evaluation Committee Comprising of:
 - Business Office Team
 - High School Designee
 - Middle School Designee
 - Two Elementary Designees

100 Point Evaluation System

Criteria	Maximum Points
Cost	30
Service Capability	15
Personnel Management	15
Financial Conditions/Stability, Business Practices	10
Experience and References	10
Accounting and Reporting	5

The administration will report the selection committee's recommendation to the Board during the May Finance Committee Meeting with the Board voting on our recommendation during the June 5th Board Meeting.

III. Deputizing of Tax Collectors

Mr. Reinhart explained that there are two tax collectors that have informed the District that they would like to deputize individuals to collect taxes in their municipality. He explained that our counsel has advised us to formally approve the deputation of these individuals at a future meeting.

Future Discussion Items

- I. Continued Discussion of 2014-2015 Budget**
- II. Update of Board Policies**