

**CENTRAL BUCKS SCHOOL DISTRICT**  
**Finance Committee Minutes**  
**April 17, 2013**

Committee Members Present

Jerel Wohl, Chairperson  
Tyler Tomlinson, Member  
Dave Matyas, Business Administrator  
Susan Vincent, Director of Finance

Committee Members Absent

Jim Duffy, Member  
Paul Faulkner, Member

Other Board Members and Administrators Present

Steve Corr  
John Gamble  
Joe Jagelka  
Geri McMullin  
Kelly Unger  
Dr. Rod Green, Superintendent  
Scott Kennedy, Director of Operations  
Ken Rodemer, Assistant Director of Operations  
Jason Brockman, Public Financial Management  
John Frey, Public Financial Management  
Ed Sherretta, Technology Director

The Finance Committee meeting was called to order at 7:05 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

Members of the public were present. There was no public comment.

APPROVAL OF MINUTES

The March 20, 2013 Finance Committee meeting minutes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

**Overview of Debt Restructuring** – The district has been actively pursuing reducing debt of CBSD so that payments can be reduced in the future. This would allow state retirement system payment increases to be accommodated without large tax increases. Public Financial Management (PFM) presented three scenarios for reducing principal and interest payments on debt. Scenario 1 calls for a down payment of \$73M which would reduce future principal and interest payments by approximately \$85M.

Scenario 2 has a down payment of \$25M in 2013 followed by another down payment of \$48M in 2016. This scenario provides more cash liquidity in the near term and would reduce future principal and interest payments by approximately \$83M.

Scenario 3 is similar to scenario 1 but only uses a \$50M down payment. Scenario 3 would reduce future principal and interest payments by approximately \$58M.

The committee invited PFM to come back to the May meeting possibly with other scenarios to review. The administration will work with committee members to make a recommendation for future action to the School Board targeting the June Board meeting for approval of the plan.

**Information Technology Capital Plan** – The I.T. Department is anticipating expenses of approximately \$1.25M to replace 1/5 of the 10,000 district computers over the coming summer months. The plan is to replace 1,900 desktop machines and 500 laptop machines. The plan also calls for adding 100 laptop machines to ensure that there are at least 2 15-unit laptop carts at each elementary and at least four 15-unit laptop carts at each middle school.

**Supply Bid Results** – The committee reviewed bid results for the following categories General Art, General teaching, Physical Education, Science, Team Sports, Secondary Art, and Technical Education. The total cost of the recommended supplies for the 2013-14 school year is \$382,167.59. This item will be placed on the Board agenda at the next School Board meeting.

**Budget Discussion** – The committee discussed the potential future ramifications of a zero mill real estate tax increase for 2013-14. Macroeconomic topics were discussed such as real estate value trends, state subsidy trends, student enrollment trends, and areas to reduce expenses that would not impact curriculum offerings or student class size.

**Budget Transfers** – The committee discussed the long term goal of CBSD paying down the current debt of the District. This goal is more important than ever with large increases in state retirement expenses expected over the next several years. The plan is to reduce principal and interest payments on debt, so that increased retirement expenses do not become a major financial burden to the district. As a part of paying down debt, funds need to be transferred into the Debt Service account. \$23 million was transferred from the General Fund Account into the Debt Service Account in June 2012 and this transfer needs to be ratified by the School Board. In the future, any transfers will have Board approval prior to the funds being transferred.

#### ADJOURNMENT

The meeting adjourned at 9:00 p.m. The next meeting will be held on May 15 at 7:00 p.m. at 20 Welden Drive.

Minutes submitted by Dave Matyas, Business Administrator and Administrative Liaison to the Finance Committee