

CENTRAL BUCKS SCHOOL DISTRICT
Finance Committee Minutes
March 19, 2014

Committee Members Present

Jerel Wohl, Chairperson
Jim Duffy, Member
Joe Jagelka, Member

Other Board Members and Administrators Present

Steve Corr
Paul Faulkner
John Gamble

Dave Matyas, Business Administrator
Susan Vincent, Director of Finance

Dr. Dave Weitzel, Superintendent

Committee Members Absent

Tyler Tomlinson, Member

The Finance Committee meeting was called to order at 7:00 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

Two members of the public were present. Beth Darcy commented on the growth in salaries for the 2014-15 budget development process.

APPROVAL OF MINUTES

The February 19, 2014 Finance Committee meeting minutes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

2013-14 Budget Transfers – The committee reviewed proposed budget transfers for the 2013-14 fiscal year. The purpose of the transfers is to move money into district capital reserve accounts and also align the 2013-14 budget structure to the 2014-15 budget structure which is currently being developed via the budgeting process. The recommendation is to:

- Place \$3M into the Long Term Capital account to help fund the multi-phased Holicong renovation project. This would allocate a total of \$11,000,000 for this project.
- Place \$14,055,000 into the debt service account. The intent of this account is to pay down an additional \$50M to \$60M of outstanding school district debt. By permanently paying off long-term debt, the district will be better able to afford the doubling of state retirement system payments over the next seven years without major real estate tax increases.
- Place \$3.5M into the Other Post Employment Retirement Benefits (OPEB) fund as required by district actuaries. The OPEB fund was set up in response to the Government Accounting Standards Board (GASB) statement #45. The statement recommends governmental agencies set aside funding for future obligations (employee health care). In the event a governmental agency develops financial problems, the future obligations can be financially maintained.
- Place \$490,000 into the health care trust account. This account is used as a contingency for unexpected large health care claims that might exceed budgeted amounts. The district

may also use this account to fund any future expenses associated with the Bucks/Montgomery Health Care Consortium.

The committee asked if the health care trust account could be used by the Bucks/Montgomery Health Care Consortium as an alternative to "stop loss" insurance? The health care account could be used for that purpose and monies would be segregated by school district. The committee also asked if the capital account allocations could be redistributed in the future based on need? The school board has complete control over the allocations in capital accounts. The only transactions that cannot be undone are those associated with paying off debt. The committee commented that they were pleased to see new funds available for a future debt defeasance.

The committee recommended this item be placed on the Board agenda for consideration

Settlement of a Commercial Assessment appeal – Stonington Farms is a large apartment complex in Doylestown Township. The district initiated an appeal of the property's taxable assessed value in 2001. At that time it was deemed to be undervalued. This action resulted in litigation over whether a school district had the authority to initiate an assessment appeal. The district prevailed and maintained the right to request adjustments to the taxable value of real estate and prevailed in raising the assessed value of the property.

In 2009 the apartment complex owners hired an appraiser to determine the fair market value of the property. The owners rationale was the county assessment office increased the taxable value greater than the equivalent market value. The school district also hired an appraiser. The negotiation of the two appraised market values yields a tax refund to the owners of Stonington Farms Apartments of \$550,000 which covers the years 2001 through 2010.

In past years, the school district set aside a reserve as a contingency for a tax refund. The reserve would be used to refund the back taxes owed. The negotiated settlement is \$245,000 less than the reserve that the district was required to establish.

The tax years 2011 through 2013 are still being negotiated.

Even with the real estate tax refund and downward adjusted assessed value, the district still has a positive yearly revenue gain as the assessed value is still greater than the original 2001 value.

The committee asked how the owners of Stonington Farm could go so far back in time with their appeal of assessed value? When an assessment value is changed, the owner can appeal the county ruling which enables an owner to be reimbursed for past taxes paid if the assessment is reversed or partially reversed. Since this property was in litigation for a number of years, the length of time involved in the calculation of tax reimbursement is much longer than is typical.

The committee recommended this item be placed on the Board agenda for consideration.

Music Instrument Bids – We worked with our music department chairperson to develop a list of music instrument and program needs. We sent our bids out to 16 companies and received 12 responses. The bid results totaled \$194,479. In addition, we would like to purchase some software upgrades for our music department, some adjustable stools for the strings program, and some minor elementary instruments such as triangles, maracas, and recorders. The software will help

students learn to read music, develop timing, and allow students to write their own music. Altogether, total expenses for the music program will be around \$220,000.

The committee wanted to make sure enough music instruments were available to students as there have been some instances of students needing to transport large instruments from home to school. Administration will double check quantities before issuing a purchase order. A question was also asked as to what happens to old pianos? The district does not have many pianos in schools (perhaps one per school). Electric Clavinovas has been the replacement equipment of choice for a number of years as they are cost effective and do not need to be retuned each year. In the past the district has sold surplus pianos or disposed of them if they could not be sold.

The committee recommended this item be placed on the Board agenda for consideration.

Student School Pictures Quotations – Every five years, the district requests quotations from photographers for student picture packages. This is a service the district provides for parents, similar to middle school gym uniforms. There is no cost to the district for student pictures. This is a contract between parents and the photographers. In the photographer specifications, the district asked for a series of five one-year contracts. If the photographer does not meet the districts performance criteria the contract would be terminated at the end of a year and a new request for proposal initiated to find a replacement photographer.

We received four responses to our request for proposal. Administration performed a financial pro forma comparing the incumbent photographer to the company with the lowest cost, Barksdale. Assuming that the five offered picture packages would be equally chosen by parents, cost would be reduced by 61% for secondary packages and by 49% for the elementary packages as compared to the current photographer. We checked the references for Barksdale with neighboring school districts that use their service. All gave favorable reviews.

The committee asked if the photographer would be able to transfer student pictures into existing school district software packages? The specifications call for this type of interface and Barksdale reaffirmed that they will meet our specifications and do what is required to meet district needs. The committee also had concerns that a new photographer could handle the large volume that Central Bucks requires. One of Barksdale's references was for larger school district. They should be able to add some additional temporary staff to meet the needs of Central Bucks students. It was noted that the current incumbent photography company proposed the highest costs.

The committee recommended this item be placed on the Board agenda for consideration.

Executive Session – After the Finance Committee adjourned, they met in executive session to discuss contract issues.

ADJOURNMENT

The meeting adjourned at 7:50 p.m.

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

Central Bucks School District

Finance Committee

Administration Center – 20 Welden Drive
 Wednesday March 19th, 2014 7:00 pm Projected time – 1 Hour

Jerel Wohl, Chairperson
Jim Duffy, Member
Dave Matyas, Business Administrator

Joe Jagelka, Member
Tyler Tomlinson, Member
Susan Vincent, Director of Finance

Agenda

1) Call to Order	Chairperson	Start Time
2) Public Comment	Chairperson	
3) Approval of Prior Meeting Minutes	Chairperson/Committee	Pages 1 - 3
4) Information / Discussion / Action Items		
a) * Budget Transfers for 2013-14	10 minutes Susan Vincent	Pages 4 – 5
b) * Proposed Settlement on Owner Assessment Appeal 2001to 2010	10 minutes Dave Matyas	Pages 6 – 8
c) * Music Instrument Bids	5 minutes Dave Matyas	Pages 9 - 11
d) * Student School Pictures Quotation Results	10 minutes Dave Matyas	Pages 12 – 14
e) * Food Service Contract Renewal 2014-15	10 minutes Dave Matyas	Page 15
f) ~ Executive Session on Contracts	30 minutes Fred D'Angelo	
5) Adjournment	Chairperson	End Time
6) Next Meeting Date: April 16, 2014		

Information Items

* Treasurers Report	Pages 16 – 20
Capital Reserve Fund Report	Page 21
Bond Fund Report	Page 21
* Investment Report	Page 22 - 27
Payroll Expense Projections	Page 28
Tax Collection Projections	Page 29
Benefits Projections	Page 30

* These item(s) may be on the public board agenda. ~ These item(s) may require executive session.

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Finance Committee Minutes
February 19, 2014

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Jerel Wohl, Chairperson
Tyler Tomlinson, Member

Dave Matyas, Business Administrator
Susan Vincent, Director of Finance

Other Board Members and Administrators Present

John Gamble

Dr. Dave Weitzel, Superintendent

Committee Members Absent

Jim Duffy, Member
Joe Jagelka, Member

The Finance Committee meeting was called to order at 7:00 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

Three members of the public were present.

APPROVAL OF MINUTES

The January 15, 2014 Finance Committee meeting minutes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

2014-15 Budget Update – The district continues to work on the budget process and will likely present \$500,000 in expenditure reductions in the employee benefit lines to the Board at the next budget presentation on March 11th. Administration is also working on teacher negotiations which will have an impact on the budget process.

The committee reviewed the proposed revenue increases from state subsidies. According to the Governor's initial budget, CBSD will receive \$50,000 more in basic instructional subsidy and \$1.1M in additional subsidy from the new Ready to Learn Block Grant. Looking at state subsidies, these additional revenues are contingent upon the Governor reducing the employer's PSERS retirement contribution which would eliminate about \$170M in expenses at the state level. The Governor also plans on diverting \$225M from the tobacco settlement fund to the PSERS retirement system. This is one-time revenue that would be used to help pay the state's share of the retirement expenses for 2014-15.

The committee asked how this would impact the district budget for 2014-15? In the current year, 2013-14, the district budgeted for a lower retirement contribution (14.7%) instead of the actuarial recommended amount of 16.9% because the Governor recommended lower contributions in his budget address from February 2013. The state legislature did not agree with the Governor's recommendation and held the contribution rate for 2013-14 at 16.9%. Moving forward into 2014-15, if the Governor can't get legislation passed to reduce employer retirement contributions

and save \$170M, it is likely that the proposed extra revenues to school districts will dry up. It was also noted that the projected state revenues for 2014-15 would bring CBSD back on level with state revenues last seen in 2008-09.

Act 1 Tax Reform Retirement and Special Education Real Estate Tax Exceptions – The official calculations were recently opened in the PDE website to enter data for 2014-15. The district would qualify to increase real estate taxes due to retirement costs by \$2.7M or 1.6 mills and special education costs would allow for \$1.3M tax increase or .8 mills. Act 1 tax reform allows for these exceptions because these costs are out of the control of the local school board as they are prescribed by the state legislature. In addition the Act 1 base index of 2.1% would allow for a real estate tax increase of \$4.2M or 2.6 mills for a total increase of 5 mills or \$8.2M. The district has no intension of using these exceptions. They are applied for as part of the normal budget process each year in case state subsidies are cut as they have been in the past years.

Central Bucks Joint School Building Authority – Before the early 1970's, school districts did not have the legal ability to borrow money and own property. School board's appointed district residents to Authority Boards who would then be able to borrow money to build or renovate schools and also make payments on outstanding debt. The School Board funded the Authority Board. The district has been working with the engineer on the East High School stadium project, and found the district has several properties that are still on record with the county as owned by the Central Bucks Joint School Building Authority. To correct the deeds, the solicitor is recommending the Board appoint several residents of the district and reconvene the Authority Board for the purpose of conveying property from the Authority to the school district. Administration recommends placing an agenda item on the school board's next meeting agenda to appoint Authority members with the intention of holding an authority meeting to convey property in the Authority's name to the school district. The committee directed that an agenda item be developed for the Building Authority.

State Reimbursement for 2011 Debt Payoff and Associated Fund Transfer – In 2011, the district defeased approximately \$35M of outstanding debt and restructured some of the outstanding debt. That is, \$35M in bond principal payments was paid off before their due date. This action reduced future principal and interest payments. The reduced principal and interest payments, helped eliminate long term budgeted expenses and helps the district to accommodate higher retirement system payments without major tax increases.

The debt pay off will also save the state of Pennsylvania money over the years as the state will no longer need to provide reimbursement payments to the district for this debt. As a result, \$261,725.87 was received from the state for the district's share of state savings.

Administration recommended that these funds be transferred from the general fund to the technology capital fund to cover future technology expenses. The committee asked about technology initiatives that this money could be used for? Administration is studying the cost of providing wireless internet access in the secondary schools that can accommodate multiple students logging in concurrently. Committee members also suggested administration look at technology items that provide students with opportunity for hands-on learning centered around science, engineering, and math such as 3D printers, greater access to robotics, and design software. The committee also asked what other technology

related initiatives were in the planning process? Dr. Weitzel indicated that he is currently surveying the faculty, Administration, curriculum developers, and staff developers to solicit feedback on technology related items and training that would help improve instruction and learning. The committee directed administration to place this item on the school board agenda for consideration.

Estimate of Remaining Funds in the 2008 Bond Issue – It was noted that the balance of funds in the 2008 bond issues is approximately \$6.9M after the completion of the CB East High School Project. After allowing funds for construction of the CB East stadium, there will likely be some remaining funds in the bond issue for other projects. The committee asked when the stadium bids results will be available? It was anticipated that the bid results would be available within the next several weeks.

Fixed Asset Appraisal Request For Proposal (RFP) – Administration noted that it has been approximately 10 years since a full appraisal has been conducted of district facilities and building contents. Administration was in the process of developing a Request for Proposals (RFP) for appraisal services and would review the proposal results with the committee within the next two months.

Other Items – The committee discussed school board training and taking advantage of the opportunities of the National School Board Association conference. Most school board members have not been to any training sessions or workshops. It has been several years since board members have attended a conference. The committee asked that this item be placed on the Board agenda for discussion.

It was also noted that the district was in the process of developing bid specifications for school bus replacements.

ADJOURNMENT

The meeting adjourned at 7:35 p.m.

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

**Proposed Budgetary Transfers
For 2013-2014**

FROM	1-????-100	5,200,000
TO	3-????	5,200,000
	Transfer expected Payroll budget reserves to capital accounts	
FROM	1-????-200	11,400,000
TO	3-????	11,400,000
	Transfer expected Benefit budget reserves to capital accounts	
FROM	1-????-300	500,000
TO	3-????	500,000
	Transfer expected Purchased Professional & Technical Service budget reserves to capital accounts	
FROM	1-????-400	1,950,000
TO	3-????	1,950,000
	Transfer expected Purchased Property Service budget reserves to capital accounts	
FROM	1-????-500	500,000
TO	3-????	500,000
	Transfer expected Purchased Services budget reserves to capital accounts	
FROM	1-????-600	800,000
TO	3-????	800,000
	Transfer expected Supplies budget reserves to capital accounts	
FROM	1-????-700	200,000
TO	3-????	200,000
	Transfer expected Property/Equipment budget reserves to capital accounts	
FROM	1-????-800	3,195,000
TO	3-????	3,195,000
	Transfer expected Debt Service & unused Contingency budget reserves to capital accounts	
	Total Proposed	
	Budget Transfers	23,745,000
		23,745,000

Proposed Distribution into Capital Accounts

Long Term Capital	\$3,000,000.00	Major renovations
Debt Payment Fund	\$16,755,000.00	Toward pay off \$50M - \$60M in debt
GASB 45 (O.P.E.B.)	\$3,500,000.00	Retired teacher health care
Health Care Trust	\$490,000.00	Reserve for catastrophic health care expense
	<u>\$23,745,000.00</u>	

WILLIAM J. CARLIN
1926-2004
S. RICHARD KLINGES, III
1932 - 2011

THOMAS J. PROFY, III
JOHN P. KOOPMAN
JEFFREY P. GARTON
THOMAS R. HECKER
JOSEPH S. BRITTON
DOUGLAS C. MALONEY
THOMAS J. PROFY, IV*†
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February 25, 2014

VIA EMAIL – dmatyas@cbsd.org

David Matyas, Business Administrator
Central Bucks School District
20 Welden Drive
Doylestown, PA 18901

**Re: 150 Commons Way Investors, Inc./Stonington Farm Apts.
v. Bucks County Board of Assessment Appeals**

Dear Mr. Matyas:

As you know, Stonington Farms is a large apartment complex located off of Burpee Road in Doylestown Township. It is the apartment complex you see from the by-pass on the right side as you travel from Rt. 313 south to Rt. 611. In 2001, the School District filed an appeal with the Bucks County Board of Assessment Appeals suggesting that the property was under assessed. The Board of Assessment agreed and raised the assessment on the apartment complex.

Thereafter, the property owner filed an appeal alleging that the Board of Assessment had no authority to raise the assessment based upon an appeal by the School District and also that the assessment was too high versus the market value of the property.

Our office and the attorney for the property owner spent considerable time litigating over whether or not the Board of Assessment had the right to raise the assessment based upon the appeal filed by the School District. This litigation involved numerous depositions, interrogatories and several motions for summary judgment filed by both the property owner and the District. The depositions included the deposition of Dr. Laws and others, as well as, comprehensive interrogatories.

The end result of all of the litigation and the back and forth was that the School District prevailed and the Judge agreed that the District had the right to file the appeal and the Board of Assessment had the right to raise the assessment.

The matter remained dormant for quite a while thereafter and our conclusion was, let sleeping dogs lie.

New counsel was then hired in 2009. The property owner secured an appraisal from Equity Appraisal Co., Inc. a well recognized and competent commercial real estate appraisal firm. They concluded the following:

VALUATION DATE	VALUE
August 1, 2001	\$20,000,000.00
January 1, 2002	20,000,000.00
January 1, 2003	20,000,000.00
January 1, 2004	20,000,000.00
January 1, 2005	20,500,000.00
January 1, 2006	22,000,000.00
January 1, 2007	24,000,000.00
January 1, 2008	25,500,000.00
January 1, 2009	24,000,000.00
January 1, 2010	22,500,000.00

In response to this report, I contacted George Sengpiel, MAI, a commercial appraiser who had done the original appraisal work when the District filed its appeal in 2001.

He reviewed the appraisal prepared by the property owner as well as rent rolls, capital expenditure reports and other documents related to the apartment complex. As a result thereof, he advised me that his opinion as to values was as follows:

VALUATION DATE	VALUE
2001	\$21,400,000.00
2002	21,400,000.00
2003	21,400,000.00
2004	21,400,000.00
2005	21,650,000.00
2006	22,750,000.00
2007	25,000,000.00
2008	26,200,000.00
2009	25,200,000.00
2010	24,000,000.00

The length of time involved in the dispute created two problems. The first was the resolution of what the appropriate assessment should be based upon the differences of Opinion as to market

value. The second problem had to do with the potential of a significant refund being afforded to the property owner because of reductions in the assessments.

I notified Tom McCambridge and sent him all of the information that I had available as far as what the outcome of this litigation might deduce. As a result thereof, I understand that he and you reserved approximately \$790,000 to deal with the back taxes and that reserve has been maintained to date.

Negotiations took place between the parties and the negotiations primarily related to fixing the market value for the property for the years in question so that the appropriate assessment could be determined based on market values. It became problematic to try to deal with each of the many years involved in the case so I focused primarily on the most recent years being 2011 and 2012 and was able to secure their concurrence on a market value of \$23,500,000.00 which was within \$500,000.00 of the District's appraiser's number of \$24,000,000.00.

The market value for those years is a very reasonable outcome for the School District.

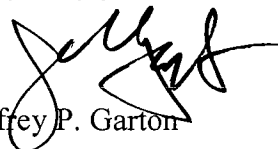
When you relate that number to the prior years, the demand from the property owner was the sum of almost \$800,000.00 in tax refunds.

Based upon the analysis conducted by the District's appraiser, he agreed that there would be a significant refund because of the change in market conditions and even his analysis was that the value of the property was less than the value based upon the assessment. I was able to negotiate the tax refund from \$790,000.00 to \$550,000.00 which is significantly less than the demand, significantly less than our appraiser felt might be the outcome, and approximately \$250,000.00 less than what was being held in reserve by the District.

For the years 2011 through 2013 there will be tax credits afforded as opposed to the outlay of cash but the final number has not been determined because there was a reduction due to a fire which should now result in an increase since the property has been reconstructed. My guess is that the number will be based upon the \$23,500,000.00 assessed value.

If you have any questions, please let me know. Otherwise, I would appreciate it if you would review this with the Board at the Finance Meeting and schedule it for action at a public meeting.

Very truly yours,



Jeffrey P. Garton

JPG:rrm

cc: Dr. David Weitzel, Superintendent (**via email**)

PURCHASING ACTION

MUSICAL INSTRUMENTS - ELEMENTARY AND SECONDARY

GENERAL FUND

Bids were solicited by advertisement and mail to suppliers of instruments for the music programs at elementary and secondary schools. Sixteen suppliers were solicited and twelve bids were received. A complete bid tabulation is available in the Purchasing Department.

The following (16) vendors received bid documents:

National Education Music Company	No Response
Russo Music.	Responded
Jacobs Music	Responded
Interstate Music	Responded
Shar Music Products	Responded
Anderson Violins	Responded
Loser's Music Inc	Responded
Music & Arts Centers	Responded
Steve Weiss Music	Responded
Washington Music Center	Responded
Sam Ash Music	Responded
K & S Music	Responded
Taylor Music	Responded
Zeswitz Music	No Response
Nazareth Music Center	No Response
Nick Rail Music	No Response

It is recommended purchase orders be awarded to the following suppliers as the on-specification bidders offering the greatest value to the district.

Russo Music.	\$ 42,619
Jacobs Music	59,420
Interstate Music	8,031
Washington Music	59,891
Sam Ash Music	6,577
Taylor Music	<u>17,941</u>
Total	\$194, 479

A large scale purchase of musical instruments has not been made in over six years. A portion of this purchase is simply to replace some instruments due to wear. However the main reason for this purchase is due to an expansion of the music program resulting largely from increased interest in music studies by our students, particularly on the secondary level. Twenty Clavinovas (electronic pianos, moveable, no tuning) are part of this purchase as more teachers are finding them useful for their particular course of study. The clavinovas are a replacement for acoustical pianos.

Musical Instrument Requests- January 2014

Quantity	Item	Delivery Locations
20	Clavinovas CLP440 with Dolly	3 each: South 2 each: Jamison, Lenape, Tohickon, Unami 1 each: Tamanend, West, Butler, Doyle, Kutz 1 each: Pine Run, Mill Creek 1 each: Buckingham, Groveland
5	String Bases (with French bows) Eastman VB90	Full Size: South-1; West-3; Tohickon-1
7		3/4 Size: Lenape-2; Unami-1; East-1
1		3/4 Size: Holicong-1; Tohickon-2
4		1/2 Size: Unami-1
4	1/4 Size: Doyle-4	
17	Cellos (with French bows) Eastman VC100T	Full Size: South-2; West-5; Lenape-3
4		Full Size: Holicong-1; Tamanend-3; Unami-3
2		3/4 Size: Tohickon-3, Unami-1
2		1/2 Size: Elementary-2
2	1/4 Size: Elementary-2	
2	Yamaha Piccolo YPC-32	West-2
1	Yamaha Oboe YOB-211	South-1
1	Yamaha Eb Soprano Clarinet YCL 280	East-1
4	Yamaha Bass Clarinet YCL 220L	Holicong-2; West-1; Lenape-1
3	Yamaha Tenor Saxophone YTS 475	Lenape-1; Holicong-2
4	Yamaha Baritone Saxophone YBS 52	West-1; South-1; Lenape-1; Holicong-1
3	Amati Bassoon ABN-32-MS Maple	East-1; West-1; Tamanend-1
2	Yamaha French Horns-Silver YHR567	East-2
2	Yamaha Flugelhorn YFH-631GS	West-2
1	Yamaha Marching Baritone YBHS-301	South-1
1	Yamaha YBL 620-G Bass Trombone	East-1
4	Yamaha Euphonium YEP-321S Silver	Holicong-2; Tamanend-2
1	Yamaha Sousaphone YSH-411S Silver	Tamanend-1

1	Yamaha Bb Tuba w/case YNN-321	South-1
1	Yamaha 3-Octave Vibraphone, with cover, YV-2700GC	Tamanened-1
1	Yamaha Band and Orchestra Chimes 1 ½" chrome DC-9190AC	Tohickon-1
1	Ludwig Timpani Standard Series, Hoop Gauges, Polished Copper Bowls (Set of 4)	Holicong- Set of 4
1	Gretsch Drums Energy 5-Piece Drum Set With Hardware and Sabian Cymbals	Lenape-1
1	Pearl Philharmonic Concert Bass Drum 16" x 36" PEA-PBA3616	South-1
2	Pearl Philharmonic Concert Bass Drum 16" x 32" PEA-PB3216	Jamison-1; Titus-1
60	String Bass Stools: Adjustable Height	30- Elemetary; 15- Middle; 15-High

Legend:	Clavinovas	Percussion
	Strings	Band

Not included: Misc. classroom instruments/percussion: \$3000 total for Elem.Sec.

Revised: January 24, 2014

K-12 Photography RFP

	Lifetouch	Gurcsik Studios	C & C	Barksdale
Elementary Pkg A	\$ 20.00	\$ 19.00	\$ 21.00	\$ 18.00
Elementary Pkg B	\$ 19.00	\$ 18.00	\$ 20.00	\$ 15.00
Elementary Pkg C	\$ 15.00	\$ 17.00	\$ 16.00	\$ 13.00
Elementary Pkg D	\$ 13.00	\$ 15.00	\$ 14.00	\$ 10.00
Elementary Pkg E	\$ 34.00	\$ 62.50	\$ 35.00	\$ 15.00
Pre Purchase Preview	Yes	Yes	Yes	Yes
Basic Retouch	\$ 7.00	\$ 8.00	\$ -	\$ 4.00
Premium Retouch	\$ 12.00	\$ 12.00	\$ 8.00	\$ 9.00
Color Background charge	\$ 2.00	\$ -	\$ -	\$ 4.00
Name/Date on picture charge	\$ 8.00	\$ 8.00	\$ 4.00	\$ 3.00
Secondary Pkg A	\$ 19.00	\$ 20.00	\$ 21.00	\$ 17.00
Secondary Pkg B	\$ 18.00	\$ 19.00	\$ 20.00	\$ 14.00
Secondary Pkg C	\$ 14.00	\$ 18.00	\$ 16.00	\$ 12.00
Secondary Pkg D	\$ 12.00	\$ 16.00	\$ 14.00	\$ 9.00
Secondary Pkg E	\$ 34.00	\$ 62.50	\$ 35.00	\$ 70.00
Pre Purchase Preview	No	Yes	Yes	Yes
Basic Retouch	\$ 7.00	\$ 8.00	\$ -	\$ 4.00
Premium Retouch	\$ 12.00	\$ 12.00	\$ 8.00	\$ 9.00

Name/Date on picture charge	\$	8.00	\$	8.00	\$	4.00	\$	3.00
Distance for 2nd retake in miles from zip 18901		16		20		3		47
How many photographers per 300 kids		1		2		4		1

Right off the top, I would eliminate Lifetouch as well as Grurscik Studios as their pricing/services do not warrant being front runners.

This leaves C & C as well as Barksdale.

Advantages of C & C

- *Well liked in the district
- *Used to working with our size district
- *Complaints have not made it to the district office in 2 years
- *Extremely service oriented (lowest service related item prices)

Advantages of Barksdale

- *Lowest pricing for packages (not service related items)

Concerns for C & C

Pricing- they are the highest. However there is value in a smooth picture day that should be considered.

Concerns for Barksdale

Barksdale is 47 miles away for 2nd retakes

When reviewing thier customers, they seem to not have any districts anywhere near the size.

Agenda Item

Recommendation to approve the contract with Aramark Incorporated to provide food service operations.

FOR ACTION: Aramark contract extension

The United States Department of Agriculture allows for a five year food service contract. But, the five-year contract must be made up of five individual 1-year contracts that must be approved by the school board and the Pennsylvania Department of Education each year. The proposed contract extension for Aramark would be the fifth year of a potential five-year contract.

As a part of the federal Healthy Hunger-Free Kids Act, school district must increase the price of school lunch and breakfast so that they are equivalent or greater than the federal reimbursement school districts receive for students eligible for free meals. Prices must increase by at least \$.10 per year until targets are met. The intent behind the measure is to make sure federal free meal reimbursements do not subsidize the pricing of non-free meals. Below are recommended price changes.

For 2014-15, Aramark would like to experiment with a tier 3 premium lunch at the high schools. These lunches would stay in compliance with the federal Healthy Hunger-Free Kids Act and also provide minimally processed foods as an alternative for students. Minimally processed foods tend to cost more and require greater amounts of labor as meals are produced in-house with cooking from scratch ingredients.

Proposed 2014-15 Pricing	Current Prices	Proposed 2014-15 Prices	Meets Federal Targets for 2014-15
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Under Construction

RECOMMENDATION:

The administration is recommending approval of the contract extension with Aramark.



CENTRAL BUCKS SCHOOL DISTRICT

LEADING THE WAY

The Central Bucks Schools will provide all students with the academic and problem-solving skills essential for personal development, responsible citizenship, and life-long learning.

To: Sharon Reiner
From: Brett Haskin
Date: March 3, 2014

Board Agenda Information:

General Fund Disbursements, February 2014

Checks February 2014	3,011,905.45
Electronic Payments	9,856,103.47
Transfers to Payroll	7,191,874.39
TOTAL	<u>\$20,059,883.31</u>

Other Disbursements, February 2014

Capital Fund(net voids)	\$873,974.86
Food Service(checks issued)	\$31,695.63
TOTAL	<u>\$905,670.49</u>

All Funds	<u><u>\$20,965,553.80</u></u>
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**The Central Bucks School District
General Fund
Treasurer's Report
2/28/2014**

Beginning Cash Balance		\$8,386,478.78
Receipts		
Local General Funds Receipts		
Local Collectors	413,373.13	
County of Bucks	352,817.24	
EIT	2,672,094.11	
Interest Earnings	7,305.02	
Facility Use Fees	39,937.50	
Tuition, Community School	262,259.67	
Contributions	14,093.11	
Miscellaneous	89,778.47	
Total Local General Funds Receipts	\$3,851,658.25	
State General Fund Receipts		
Basic Ed Subsidy	2,291,372.97	
Soc Sec & Retirement	423,222.11	
State Subsidy- Other	1.25	
Total State General Fund Receipts	\$2,714,596.33	
Other Receipts		
Investments Matured	13,745,000.00	
Offsets to Expenditures	103,870.89	
Transfer from Other Funds	280,673.49	
Total Other Receipts	\$14,129,544.38	
Total Receipts		\$20,695,798.96
Total Beginning Cash Balance and Receipts		\$29,082,277.74

**The Central Bucks School District
General Fund
Treasurer's Report
2/28/2014**

Disbursements

Checks (see detail on following page)		3,011,905.45	
Electronic Payments:			
MBIT Operations Payments	942,535.25		
Employee Payroll Taxes	2,971,350.88		
Employer Payroll Taxes	888,050.63		
PSERS Retire	856,060.69		
403B/457PMT	334,600.40		
Health Benefit Payments	2,376,779.75		
Investments Placed	1,225,000.00		
Transfer to Other Funds	261,725.87		
Electronic Payments Total:		9,856,103.47	
Transfer to Payroll		7,191,874.39	
Total Disbursements			\$20,059,883.31

Summary:

Total Beginning Cash Balance and Receipts (from previous page)		\$29,082,277.74
Cash Disbursements		\$20,059,883.31
Ending Cash Balance	2/28/2014	\$9,022,394.43

**The Central Bucks School District
General Fund
Treasurer's Report
Check Reconciliation
2/28/2014**

First Check Run	\$1,878,061.19
Second Check Run	\$82,729.62
Third Check Run	\$984,768.59
Fourth Check Run	\$111,952.89
Total Check Run (see attached detail)	\$3,057,512.29
Less Voided Checks	(\$25,480.66)
Check Run Sub-Total	\$3,032,031.63
Add Prior Month A/P Funded This Month	\$220,093.22
Less This Month A/P To Be Funded Next Month	\$240,219.40
Checks Funded This Month	<u><u>\$3,011,905.45</u></u>

**The Central Bucks School District
Food Service
Treasurer's Report
2/28/2014**

Beginning Cash Balance		\$ 1,167,038.98
Receipts		
Subsidies	\$ -	
Student Lunch Account Deposits	\$ 297,785.97	
Interest Earnings	<u>\$ 296.97</u>	
Total Receipts		\$ 298,082.94
Disbursements		
Checks	\$ 8.55	
Electronic payments	<u>\$ 572,802.27</u>	
Total Disbursements		\$ 572,810.82
Cash per Bank Statement		\$ 892,311.10
Less Outstanding Checks	<u>\$ (163,164.84)</u>	
Ending Cash Balance @ 2/28/14		\$ 729,146.26

Capital Funds As of Feb 28, 2014

	Beg. Bal. 7/1/2013	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 2/28/2014	Target Amount	Percent of Target	Comments
Short term Capital	\$8,094,493		\$4,330,000	\$ 16,328	\$ 5,879,047	\$ 793,360	\$ 5,768,413	\$ 6,000,000	96%	
Technology	\$3,013,161		\$2,000,000	\$ 7,006	\$ 1,749,944	\$ 22,947	\$ 3,247,276	\$ 3,500,000	93%	
Transportation	\$899,274		\$1,000,000	\$ 3,176	\$ 838,551	\$ -	\$ 1,063,899	\$ 2,100,000	51%	
Debt Service	\$73,065			\$ 2			\$ 73,067	\$ 60,000,000	0%	
Long Term Capital	\$8,000,000			\$ 14,806			\$ 8,014,806	\$ 25,000,000	32%	
Totals **	\$20,079,993	\$0	\$7,330,000	\$ 41,318	\$ 8,467,543	\$ 816,308	\$ 18,167,461	\$ 96,600,000	19%	

Trust Funds As of Feb 28, 2014

	Beg. Bal. 7/1/2013	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Balance 2/28/2014	Comments
Post Employment (GASB 45)	\$3,767,099			\$ 6,542	\$ 3,773,641	Per the Actuarial Report, the present value of benefits payable in the future years, as of 10/1/13, is \$64,094,298. Goal is to fund \$2M per yr towards this liability. Funds remain unrestricted, so can be accessed if needed.
Health Care	\$1,860,560	\$490,000	\$370,000	\$ 7,315	\$ 1,747,875	Goal is to maintain \$2.5 m to provide additional funding in a year of high level claims that might exceed budget.
Totals **	\$5,627,659	\$490,000	\$370,000	\$ 13,857	\$ 5,521,516	

**Central Bucks School District
Ratification of Investments for the Month of
February, 2014**

Ratifying action is requested on the following investments which were made during the above timeframe.

General Fund						
<u>Category</u>	<u>Purchase Date</u>	<u>Principal</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Yield</u>	<u>Bank Name</u>
PSDLAF	2/7/2014	\$245,000.00	2/5/2016	0.80%	\$3,909.26	Carver Federal Savings Bank
MBS	2/19/2014	\$245,000.00	8/19/2014	0.30%	\$364.48	Banco Popular De PR Hato Rey
MBS	2/20/2014	\$245,000.00	2/22/2016	0.50%	\$2,456.71	Compass Bank Birmingham, AL
Bank CD	2/21/2014	\$247,000.00	8/20/2015	0.60%	\$2,212.85	William Penn Bank
MBS	2/26/2014	\$245,000.00	8/26/2015	0.35%	\$1,282.73	Customers Bank Phoenixville, PA
MBS	2/26/2014	\$245,000.00	8/26/2015	0.35%	\$1,282.73	BBCN Bank Los Angeles, CA
	TOTALS	\$1,472,000.00			\$11,508.75	

**Central Bucks School District
Investment Portfolio
Summary Totals by Bank
February 28, 2014**

Bank Name	Principal Amount
3rd Fed Bank	249,000
Bank of America	11,676
First Niagara	24,936,550
First Savings Bank of Perkasie	249,000
Firsttrust Bank	248,000
Fulton Bank	107,318
Hatboro Savings & Loan	248,000
JP Morgan/Chase	63,985
MBS	2,205,000
Milestone Bank	243,000
Monument Bank	244,000
National Penn	43,050,745
PLGIT	2,232,500
PNC	54,979
PSDLAF	4,261,698
Quakertown National Bank	19,569,267
Santander	42,666,461
Susquehanna	73,067
TD Bank	34,471,643
Team Capital Bank	249,000
William Penn Bank	247,000
Total	175,681,890

Central Bucks School District

Investment Portfolio

General Fund

February 28, 2014

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
GENERAL FUND BANK ACCOUNTS				
2/28/14	TD Bank	3/1/14	0.30%	9,022,394
2/28/14	TD Bank Munciple Choice	3/1/14	* 0.55%	10,800,000
2/28/14	PLGIT	3/1/14	0.02%	500
2/28/14	PSDLAF MAX Acct	3/1/14	0.01%	97,278
Total General Fund Bank Accounts				19,920,173

GENERAL FUND CDs

Individual Bank CDs:				
3/2/13	Hatboro Savings & Loan	3/2/14	0.50%	148,000
4/26/13	3rd Fed Bank	4/26/14	0.40%	249,000
5/1/13	First Savings Bank of Perkastie	5/1/14	0.30%	249,000
5/21/13	Team Capital Bank	5/22/14	0.25%	249,000
2/28/13	Fulton Bank	5/28/14	0.45%	107,318
5/1/13	Firstrust Bank	7/1/14	0.35%	248,000
9/1/12	Monument Bank	9/1/14	1.05%	244,000
2/21/14	William Penn Bank	8/20/15	0.60%	247,000
8/27/13	Hatboro Savings & Loan	8/27/15	0.50%	100,000
5/23/13	Milestone Bank	12/23/15	1.05%	243,000
PLGIT CDs :				
5/13/13	Bank Leumi USA, New York, NY	5/13/14	0.50%	248,000
5/13/13	Privatebank & Trust Co.	5/13/14	0.30%	248,000
5/13/13	Bank of China, New York, NY	5/13/14	0.35%	248,000
5/13/13	Bank of East Asia Ltd., New York, NY	5/13/14	0.40%	248,000
8/19/13	Israel Discount Bank of New York	8/19/14	0.40%	248,000
11/7/13	Valley Green Bank, Philadelphia, PA	11/7/14	0.45%	248,000
11/7/13	Stearns Bank, St. Cloud, MN	11/7/14	0.35%	248,000
11/7/13	Franklin Synergy Bank, Franklin, TN	11/7/14	0.35%	248,000
11/7/13	Bridgewater Bank, Bloomington, MN	11/7/14	0.35%	248,000
PSDLAF CD's:				
4/10/13	Fifth Third(OH)	4/10/14	0.30%	245,000
5/23/13	First Republic Bank	5/23/14	0.45%	245,000
12/18/13	Luana Savings Bank(Athletic CD)	6/11/15	0.35%	140,000
2/7/14	Carver Federal Savings Bank	2/5/16	0.80%	245,000
Multi Bank Securities CDs:				
2/19/14	Banco Popular DE PR Hato Rey	8/19/14	0.30%	245,000
10/18/13	State Bank India, New York, NY	10/17/14	0.50%	245,000
10/18/13	Bank Barada, New York, NY	10/17/14	0.35%	245,000
10/31/13	Bank India New York, NY	10/31/14	0.40%	245,000
11/4/13	Bank Hapoalim BM New York	11/4/14	0.45%	245,000
11/15/13	BMW BK North Amer Salt Lake City, UT	11/14/14	0.35%	245,000
2/26/14	Customers Bank Phoenixville, PA	8/26/15	0.35%	245,000
2/26/14	BBCN Bank Los Angeles, CA	8/26/15	0.35%	245,000
2/20/14	Compass Bank Birmingham, AL	2/22/16	0.50%	245,000
Total General Fund CDs				7,396,318

GENERAL FUND MONEY MARKET ACCOUNTS

2/28/14	First Niagara	3/1/14	0.20%	16,508,076
2/28/14	Santander	3/1/14	0.30%	34,651,655
2/28/14	Bank of America	3/1/14	0.20%	11,676
2/28/14	National Penn (1652)	3/1/14	0.25%	43,050,745
2/28/14	Quakertown National Bank	3/1/14	0.25%	19,569,267
2/28/14	PNC	3/1/14	0.10%	54,979
2/28/14	JP Morgan/Chase	3/1/14	0.05%	63,985
2/28/14	PSDLAF(Athletic Full Flex)	3/1/14	0.10%	130,188
Total General Fund Money Market Accounts				114,040,570

Total General Fund 141,357,061

* Interest earnings credited to offset fees

**Central Bucks School District
Investment Portfolio
Capital Fund
February 28, 2014**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>2008 Bond</u>				
2/28/14	First Niagara	3/1/14	0.20%	6,736,791
2/28/14	PSDLAF MAX ACCT	3/1/14	0.01%	6,745
5/29/13	PSDLAF(Financial Federal Savings Bank)	5/29/14	0.20%	245,000
5/29/13	PSDLAF(Liberty Bank of Arkansas)	5/29/14	0.20%	245,000
5/29/13	PSDLAF(Merchants Bank of Indiana)	5/29/14	0.20%	245,000
5/30/13	PSDLAF(GBC International Bank)	5/30/14	0.20%	245,000
6/3/13	PSDLAF(Grandpoint Bank)	6/3/14	0.20%	245,000
6/5/13	PSDLAF(Discover Bank)	6/5/14	0.20%	245,000
6/21/13	PSDLAF(Merrick Bank Corp)	6/20/14	0.25%	245,000
6/28/13	PSDLAF(Safra National Bank of NY)	7/28/14	0.25%	245,000
Total 2008 Bond Account				8,703,536
<u>Transportation Capital Reserve</u>				
2/28/14	TD Bank	3/1/14	0.30%	1,063,899
Total Transportation Reserve				1,063,899
<u>Technology Capital Reserve</u>				
2/28/14	TD Bank	3/1/14	0.30%	3,270,223
Total Technology Reserve				3,270,223
<u>Short Term Capital Reserve</u>				
2/28/14	PSDLAF Max Acct	3/1/14	0.01%	147
2/28/14	TD Bank Fund 3 Acct	3/1/14	0.30%	1,116,008
2/28/14	TD Bank	3/1/14	0.30%	6,561,626
Total Short Term Capital Reserve				7,677,781
<u>Long Term Capital Reserve</u>				
2/28/14	Santander	3/1/14	0.30%	8,014,806
Total Long Term Capital Reserve				8,014,806
Total Capital Fund				28,730,246

Central Bucks School District
Investment Portfolio
Debt Service Fund
February 28, 2014

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>Debt Service Reserve</u>				
2/28/14	Susquehanna	3/1/14	0.10%	3,067
6/27/13	Susquehanna	6/27/14	0.20%	70,000
Total Debt Service Reserve				73,067

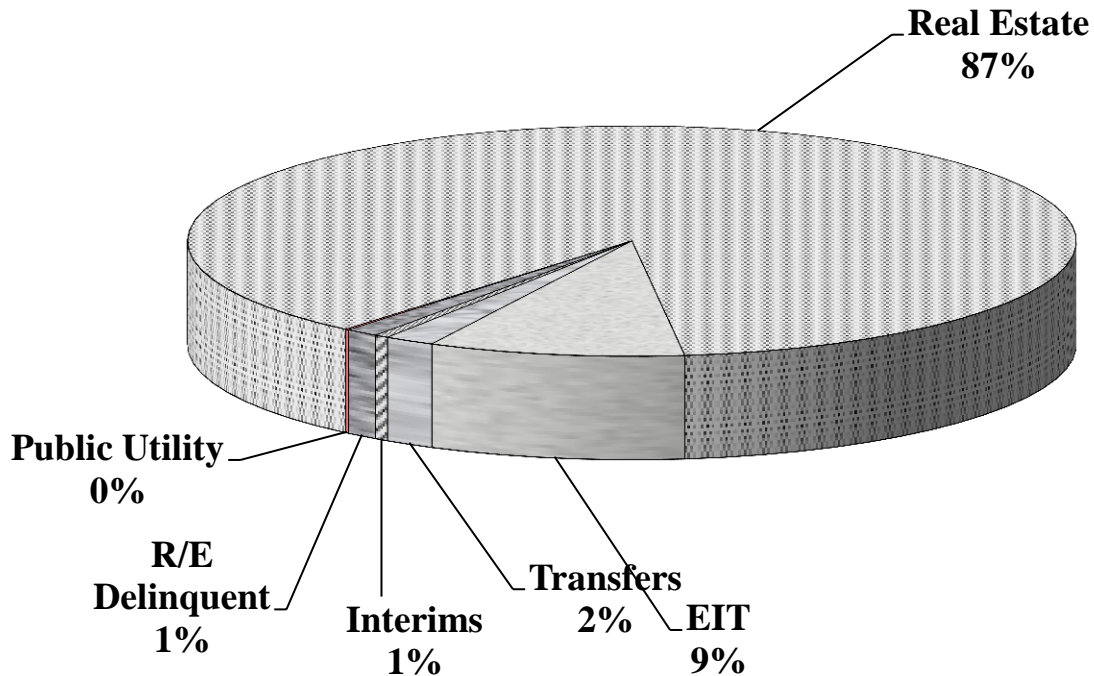
**Central Bucks School District
Investment Portfolio
Trust Fund
February 28, 2014**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>Post Employment Trust Fund Reserve</u>				
2/28/14	First Niagara	3/1/14	0.20%	1,691,683
2/28/14	TD Bank	3/1/14	0.30%	2,081,958
			Total Post Employment Reserve	3,773,641
<u>Healthcare Trust Fund Reserve</u>				
2/28/14	PSDLAF Max Account	3/1/14	0.01%	12,341
4/18/13	PSDLAF(The First Bancorp)	4/18/14	0.25%	245,000
7/19/12	PSDLAF(GE Capital Financial)	7/19/14	0.90%	245,000
7/23/13	PSDLAF(One West Bank)	7/23/14	0.50%	245,000
7/31/13	PSDLAF(Beal Bank USA)	7/30/14	0.30%	245,000
7/31/13	PSDLAF(Ally Bank)	7/31/15	0.65%	200,000
2/28/14	TD Bank	3/1/14	0.30%	555,534
			Healthcare Reserve	1,747,875
			Total Trust Fund	5,521,517
			Grand Total- All Funds	175,681,890
			Weighted Average Rate of Return	0.27%

Payroll Projection
February, 2014

	Estimated Final
<i>Budgeted Payroll, Social Security & Retirement Adjusted for Transfers</i>	174,247,328
<i>Projected spending</i>	167,990,658
<i>Positive (Negative) Variance</i>	<u>6,256,670</u>

**Central Bucks School District
Projected Tax Collections
Feb 28, 2014**



<u>Revenues</u>	<u>Projected</u>	<u>Budget</u>	<u>Variance</u>
Real Estate	\$204,375,000	\$203,518,979	\$856,021
EIT	21,875,000	20,420,000	1,455,000
Transfers	4,300,000	3,150,000	1,150,000
Interims	1,195,000	575,000	620,000
R/E Delinquent	2,875,000	3,000,000	(125,000)
Public Utility	<u>303,755</u>	<u>289,000</u>	<u>14,755</u>
Total	<u>\$234,923,755</u>	<u>\$230,952,979</u>	<u>\$3,970,776</u>

**Central Bucks School District
Fringe Benefits
2/28/14**

	<u>Budget</u>	<u>Encumbered</u>	<u>Spent</u>	<u>Balance</u>	<u>% Committed</u>
Health care	29,022,386	6,538,738	11,877,476	10,606,172	63%
Dental coverage	1,487,648	433,798	867,596	186,254	87%
Life insurance	290,000	88,856	124,110	77,034	73%
Disability coverage	373,120	69,460	138,921	164,739	56%
Prescription drugs	5,441,393	1,518,493	3,036,985	885,915	84%
Unemployment comp	361,392	120,000	116,481	124,911	65%
Workers comp	1,027,371	100,466	1,059,680	(132,775)	113%
Miscellaneous	240,000	45,054	90,107	104,840	56%
Totals	38,243,310	8,914,865	17,311,356	12,017,089	69%

fringe.xls