

CENTRAL BUCKS SCHOOL DISTRICT
Finance Committee Minutes
May 17, 2017

Committee Members Present

Glenn Schloeffel, Chairperson
Beth Darcy, Member

Dave Matyas, Business Administrator
Susan Vincent, Director of Finance

Other Board Members and Administrators Present

Sharon Collopy
John Gamble
Karen Smith
Mr. Kopicki, Superintendent
Dr. Bolton Assistant Elementary Superintendent

Committee Members Absent

Paul Faulkner, Member
Jerel Wohl, Member

The Finance Committee meeting was called to order at 6:00 p.m. by Glenn Schloeffel, Chairperson

PUBLIC COMMENT

One member of the press and two members of the public were present. There was no public comment.

Review of Minutes

The minutes from April 19th, 2017 were accepted

INFORMATION/ DISCUSSION/ACTION ITEMS

Review of Financial Information Items - The finance information reports were reviewed, beginning with the treasurer's report and investment report. When reviewing the capital reserve accounts, it was noted that some encumbrances for the short-term capital account were entered for the 2017-18 fiscal year causing it to project a negative balance. However, cash flow on the projects will not be significant until the summer months which will be into the next fiscal year and match up with new funding streams. Construction projects usually cross over fiscal years with the design work happening during one year and the actual construction occurring after July 1 of the new fiscal year.

The committee had a question on the Summary of Capital Reserve Account report: Annex Freezer Project – what was the \$9,600 expense for? Post meeting research indicates the expenses were for architectural design and electrical design services.

The expense line item budget for the 500 level of account objects were reviewed. Questions from the review process were:

Why did the Fire Insurance expense line increase from \$370,000 to \$534,400? Post meeting research indicates this was an entry error; the amount picked up was the total package amount, which needed to be split into other insurance object codes, some of which were included and some not. Overall the liability insurance budgeted amount did decrease by about \$90,000 compared to the

2016-17 budget. This decrease was applied to a couple of Charter School and Tuition budget lines that looked low based upon current year expense trends.

What accounts for the differential in the following account areas 2200-538, 2200-580 and 2800-538 and 2800-580? Post meeting research indicates these accounts all fall under the same budget cost center responsibility and the change in amounts is mostly due to a change in the function where the funds were budgeted. The bottom line between the four accounts is a total budget increase of about \$13,700, applicable to travel/conference expenses.

- The 2200-538 account decreased by \$150,581 and the 2800-538 account increased by \$150,026.
- The 2200-580 account increased by \$25,700 and the 2800-580 account decreased by \$12,000, giving a net increase of \$13,700.

Budget and Staffing Proposal Update – A summary level review provided a snapshot of where revenues and expenses are projected to be as of May 17th for the 2017-18 budget year. During the April budget review revenues fell below expenses by approximately \$1.4M due to the inclusion of several proposed new positions and updated expense projections on health care. The May update shows expenses exceeding revenues by approximately \$1.2M with a revision to requested new positions, projections for position reductions at the elementary level due to enrollment declines, and adjustments to projected health care expenses. From April to May, the bottom line expense budget was reduced by about \$50,000.

Projected Staffing for 2017-18 Edited

| Description | FTE's | \$ Per FTE | Total |
|---|-------|------------|--------------------|
| English Language Learners (ELL) Teacher no Aide (was \$135k) | 1 | \$92,250 | \$92,250 |
| Teacher professional development position focused on technology 1.0 FTE | 1 | \$125,000 | \$125,000 |
| Special Education: add 4.5 FTE's for program needs | 4.5 | \$80,500 | \$362,250 |
| Special Education: Elementary Gifted .4 FTE (added since April meeting) | 0.4 | \$64,500 | \$25,800 |
| Special Education: Certified Behavior Analyst 1.0 FTE (added since April meeting) | 1 | \$95,000 | \$95,000 |
| Special Education: Speech Therapist 1.0 FTE (added since April meeting) | 1 | \$92,000 | \$92,000 |
| Special Education: Social Worker 1.0 FTE (added since April meeting) | 1 | \$97,500 | \$97,500 |
| Expand middle school sports grade 9 (soccer, baseball/softball, basketball) (was \$150k) | 1 | \$142,000 | \$142,000 |
| Expand middle school clubs total of approximately 20 EDR's (was \$32k) (added bene.) | 1 | \$45,000 | \$45,000 |
| April Middle School Schedule Changes - (Electives, Tech, Soc/Emo Wellness) (15 positions) | 15 | \$75,000 | \$1,125,000 |
| Eliminate elementary positions via attrition (1.5 teachers 1.2 aides) (changed since April meeting) | 1 | -\$223,000 | -\$223,000 |
| Sub Total Staffing Positions | | | \$1,978,800 |
| ACCESS Federal Revenue to Offset Social Worker Position (changed since April meeting) | 1 | -\$97,500 | -\$97,500 |
| ACCESS Federal Revenue to Offset Behavior Analyst Position (changed since April meeting) | 1 | -\$95,000 | -\$95,000 |
| •Grand Total all positions as of 5/23/2017 after revenue adjustments | | | \$1,786,300 |

Note: The net of new staffing costs are \$380,700 lower than the April 25th Total of \$2,167,000

Sample Act 1 Final Budget resolutions were reviewed as the Board will be asked to vote to adopt the resolutions at the June 14th Board meeting. The committee recommended a budget presentation to the full Board.

Proposal for use of the Projected 2016-17 Revenue Surplus – Administration anticipates a positive budget balance of approximately \$6M at the end of the current fiscal year meaning revenues will exceed expenses. It is recommended that administration move the anticipated positive general fund balance to the capital accounts to pay for future infrastructure expenses.

\$ 150,000 to Short term Capital for turf maintenance equipment.
\$5,450,000 to Technology Capital (for computers, servers, and switches)
\$ 400,000 to Transportation Capital (for future bus purchases)
\$6,000,000 total transfer amount

The committee had some concerns with the proposed transfer for technology asking if a transfer may lock the Board into a decision to approve a one-to-one computer program in the future. A one-to-one program provides each student with a computer to use at school and then take the computer home at night. The budget transfer process does not limit the school board's decision making options in the future. A budget transfer is not a permanent transaction. The Board can act to move the funds to another district account at any time. The committee recommended this item be placed on the Board agenda for consideration.

Assessment Appeal of The Bucks Club 2600 York Road - Owners of the Bucks Club, 2600 York Road in Jamison have appealed their real estate assessment value with the Bucks County Assessor's Office. The school district had its appraiser review the proposed property value in relationship to other comparable properties. The appraiser feels the proposed numbers are appropriate. The settlement for 2016 indicates the school district will refund \$15,730.92 to L & W Part, LP. For 2017 and each year thereafter, the real estate tax bill will be reduced by \$16,165.27 at the current millage rate of 124.1 mills.

Warwick Township and the County of Bucks must also approve the agreement. The committee recommended this item be placed on the Board agenda for consideration.

GASB 45 Post Employment Benefits Actuarial Services Contract – The committee reviewed a proposed contract for GASB 45 actuarial services as required by the yearly audit. The contract would cover review of the 2016-17 and 2017-18 school years. Jefferson Solutions will perform an independent GASB 45 calculation for post-employment benefit liabilities. This is a two-year contract for a total amount of \$3,946. The previous contractor was charging \$13,000. The committee recommended this item be placed on the Board agenda for consideration.

School Bus Bid Results – CBSD tries to maintain school buses for a period of about 12 years. Over a 12-year cycle, most of the district's bus fleet will be replaced. The transportation department must also provide multiple buses to carry sports teams and field trips every day very often at the same time that buses are taking students home for the day. The schools generate close to 4,000 field/sports trips every year many of which require multiple buses. With the proposed changes to middle school sports and the proposed middle school schedule change, administration anticipates the need for more bus coverage at the end of the school day.

Recommend the purchase of 14 77-passenger school buses from Rohrer Bus Sales as the lowest responsible bidder at a price of \$1,133,690 with each bus to include underneath storage for sports and music equipment and a spare wheel. Two of the older 77 passenger buses will be traded in to help lower the total cost.

Recommend the purchase of 1 48-passenger school bus with wheelchair lift from Wolfington Body Company as the lowest responsible bidder at a price of \$97,161. This will replace an older special needs bus. The plan is to retain the older 48 passenger and take over a current First Student special needs bus route as a CBSD bus route.

Recommend the purchase of 2 30-passenger school buses with wheelchair lift from Wolfington Body Company as the lowest responsible bidder at a price of \$179,446. This will replace two older special needs buses which will be traded in.

Recommend the purchase of 2 24-passenger school buses from Wolfington Body Company as the lowest responsible bidder at a price of \$110,930. The plan is to trade in one 24 passenger bus, and retain one 24 passenger bus to take over a current First Student special needs bus route as a CBSD bus route.

Recommend the purchase of 2 9-passenger school vans from Wolfington Body Company as the lowest responsible bidder at a price of \$78,744. These vans will be used for transporting our increasing population of homeless/foster students as well as provide another vehicle for our special needs work based learning program.

The total of all proposed transportation vehicle purchases is \$1,599,971.

The committee had some concerns about the number of 77 passenger buses proposed and asked if a special bus was to be used to transport Lenape Middle School 9th grade athletes to West High School for sports. A special bus was planned for Lenape. The committee directed administration to evaluate 77 passenger bus needs to see if any reductions could be made. The committee recommended this item be placed on the Board agenda for consideration. Post meeting note: two 77-passenger buses were eliminated from the proposed purchase.

Policy 808 Food Service – The Pennsylvania School Boards Association provided an update to the existing food service policy to address changing federal requirements. The updated policy specifically provides clarity of the differences in the type of meals provided (alternate meals) if a student has a negative account balance. Central Bucks SD provides the same meal to students whether they have a positive or negative lunch account balance. The policy update also provides administrative guidelines (series of questions and answers) that are to be incorporated into the policy. The guidelines will help parents better understand the policy by giving further explanation of the differences a school district may have between regular meals and alternative meals, as well as explaining a yearly communication requirement.

The school district is currently meeting all aspects of the new policy except for the yearly communication of the new policy contents to all parents. The committee recommended this policy be placed on the Board agenda for first read.

ADJOURNMENT

The meeting adjourned at 7:35p.m.

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

Central Bucks School District

Finance Committee

Board Room of the Education Services Center – 16 Welden Drive
 Wednesday May 17th 2017, 6:00pm Projected time – 1 Hour and 30 Minutes

Glenn Schloeffel, Chairperson
 Beth Darcy, Member
 Dave Matyas, Business Administrator

Paul Faulkner, Member
 Jerel Wohl, 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 - 4 |
| 4) Information / Discussion / Action Items | | |
| a. Review of Finance Information Items | 10 minutes Susan Vincent | Pages 58 - 72 |
| b. 2016-17 Line Item Review - Other Purchased Services (500's Object) | 10 minutes Susan Vincent | Handout |
| c. 2017-18 Budget Update: Revenue and Expense Projections | 15 minutes Matyas/Vincent/Kopicki | Pages 5 - 27 |
| d. Review of 2017-18 Staffing Proposals | 20 minutes Matyas/Kopicki | Staffing Agenda Pages 1 - 91 |
| e. * Proposal for Use of 2016-17 Projected Revenue Surplus | 5 minutes Dave Matyas | Page 28 |
| f. * Proposed Assessment Appeal Settlement with The Bucks Club | 5 minutes Dave Matyas | Pages 29 – 34 |
| g. * GASB 45 Post-Employment Benefits Actuarial Services Contract | 5 minutes Dave Matyas | Pages 35 - 37 |
| h. * Review of School Bus Bid Results | 5 minutes Dave Matyas | Pages 38 - 40 |
| i. * Policy 808 Food Services | 5 minutes Dave Matyas | Pages 41 - 57 |
| | | |
| 5) Adjournment | Chairperson | End Time |
| 6) Next Meeting Date: June 21, 2017 | | |

Information Items

| | |
|-----------------------------|---------------|
| * Treasurers Report | Pages 58 - 62 |
| * Investment Report | Pages 63 - 68 |
| Other Funds Report | Page 69 |
| Payroll Expense Projections | Page 70 |
| Benefit Expense Projections | Page 71 |
| Tax Collection Projections | Page 72 |
| | |

* This item(s) may be on the public board agenda for action. ~ This item(s) may require an executive session.

Please note: Public comment should be limited to three minutes

CENTRAL BUCKS SCHOOL DISTRICT
Finance Committee Minutes
April 19, 2017

Committee Members Present

Glenn Schloeffel, Chairperson
Beth Darcy, Member

Dave Matyas, Business Administrator
Susan Vincent, Director of Finance

Other Board Members and Administrators Present

Sharon Collopy
John Gamble
Dennis Weldon
Mr. Kopicki, Superintendent
Dr. Davidheiser Assistant Secondary Superintendent

Committee Members Absent

Paul Faulkner, Member
Jerel Wohl, Member

The Finance Committee meeting was called to order at 6:05 p.m. by Glenn Schloeffel, Chairperson

PUBLIC COMMENT

Three members of the public were present. There was no public comment.

Review of Minutes

The minutes were inadvertently omitted from the Finance Committee packet of information but were previously distributed electronically to the Board. The full Board will act on the minutes on April 25th.

INFORMATION/ DISCUSSION/ACTION ITEMS

Review of Financial Information Items - The finance information reports were reviewed, beginning with the treasurer's report and investment report. When reviewing the capital reserve accounts, it was noted that some encumbrances for the CB West auditorium project have hit the short-term capital account causing it to project a negative balance, however, cash flow on the project will not be significant until the summer months which will be into the next fiscal year and match up with new funding streams. Recommended general fund budget transfers as well as potential budget transfers were reviewed with the committee. Mr. Kopicki asked for a more detailed breakdown of membership costs for organizations such as PSBA. The committee directed administration to place the budget transfers on the school board agenda for consideration

The committee had a question as to how much revenue the district collected for facility use fees historically. Post-meeting research indicates that the district collects approximately \$475,000 per year and are recorded as an expenditure offset, not as a source of revenue. This is in accordance with the PDE chart of accounts which states that fees charged that are offsets to costs (such as custodial and maintenance) are to be recorded as a credit against expenses, not as revenue.

Question regarding "Cash Transfers from Reserve Accounts" – is referring to transfers into the fund 3 capital checking account from the fund 3 capital investment accounts that are needed to fund current capital fund check expenses. Changes are being made to the page heading and the line description to better clarify that the information provided is specific to the Fund 3 checking account.

Question on why three accounts are listed under the Debt Service Bank Balance: The PSDLAF account requires an operational account along with the investment account and also the account with TD bank was left open to facilitate any disbursements out of the debt service fund. This past week a decision was made to consolidated all the debt service funds into one investment account with Citi Bank at a .8% investment rate. The district had invested funds with Citi Bank about four years ago, but discontinued because their rates were not competitive. Citi just reached out to us with new rates a couple of weeks ago and after having their collateral and financials reviewed by LOGIC it was determined they are now a good investment source.

Request for detail on the 2300-400 Print Shop and Copier Fees: The majority of the costs are related to the Cannon Copier lease, along with costs for finger printing equipment and print shop costs.

Question concerning expenses for Central Support, 2800, Supplies, 600 objects: A review of the account indicated that about \$7,044 needs to be recoded to the 750 object for equipment, as it related to cables and switches that should not be in the 600 object. Also, as paper is purchased it is coded to this account as a warehouse expense and then charged out to buildings as they request paper, so at this time about \$15,000 will be recoded to printing costs of building budgets. This line also includes the cost of the software license for the library system of \$33,081, coded to a 2800-650 code.

As the paper costs are reallocated to the buildings, this budget may be ok. A transfer of \$10,000 was submitted for board approval, but it may not be needed.

The Payroll, FICA/Medicare and Retirement Report, along with the Fringe Benefit Report were reviewed with attention focused on healthcare where claims are increasing significantly compared to last school year. The health consortium reporting for March provided more details which indicate greater utilization of health care and prescription benefits so far this fiscal year. The increase in claims is reducing the projected amount of fund balance remaining from 2016-17 general fund budget operations.

Purchased property services were reviewed as a category of expenses. These include copier costs, facility services such as lawn care and snow plowing, electricity, disposal services, vehicle repairs, and building rentals such as modular classrooms and fees for IU classroom space at other school districts.

The committee requested administration review and explore our professional services contracts to ensure the district is getting the best value.

Zero based Budgeting Update - The process is going well, we are able to import the budget data from the zero based spreadsheets into the finance accounting database. Submissions are behind schedule since this is the first time administrators are using the new process, but timing should improve in the next budget cycle.

Budget Update – A summary level review provided a snapshot of where revenues and expenses are projected to be as of April 19th for the 2017-18 budget year. During the March budget review revenues fell below expenses by approximately \$1M due to the inclusion of several proposed new positions and updated expense projections on health care. The April update shows expenses exceeding revenues by approximately \$1.4M with a revision to requested new positions which now includes staffing for middle school schedule changes. Administration is comfortable with the

proposed deficit as it represents a small percentage of the 2017-18 budget and will work to reduce the deficit throughout the fiscal year by managing expenses.

Local real estate and wage based revenues continue to grow. Administration is pushing revenue projection higher for 2017-18 in an effort to bring budget to actual receipts to within a one percent differential.

Proposed new positions that were added to the budget for future discussions as of April:

Projected Staffing for 2017-18

| Description | FTE's | \$ Per FTE | Total |
|--|-------|------------|--------------------|
| •English Language Learners (ELL) Teacher and Aide | 1 | \$135,000 | \$135,000 |
| •Teacher professional development position focused on technology 2.0 FTE | 2 | \$125,000 | \$250,000 |
| •Special Education: add 5 FTE's for program needs | 5 | \$95,000 | \$475,000 |
| •Expand middle school sports grade 9 (soccer, baseball/softball, basketball) | 1 | \$150,000 | \$150,000 |
| •Expand middle school clubs total of approximately 20 EDR's | 1 | \$32,000 | \$32,000 |
| •Add April Middle School Schedule Changes, (15 positions) | 15 | \$75,000 | \$1,125,000 |
| •Grand Total all positions as of 4/19/2017 | | | \$2,167,000 |

4/25/2017 2017-04-25 Proposed Final Budget 17

Sample Act 1 Proposed Final Budget resolutions were reviewed as the Board will be asked to vote to adopt the resolutions at the April 25th Board meeting to maintain the Act 1 budget schedule.

The committee requested Dr. Davidheiser present an overview of the middle school schedule proposal at the next curriculum committee meeting to help determine the benefits of the proposed change, an implementation timeline, and review the financial impact of the proposed schedule change.

Food Service Contract Renewal – Food Service is heavily regulated by the Federal Government. The Food Service Contract is a series of one-year contracts over a five-year period. At the end of the five-year period, the district must conduct a formal Request for Proposal (RFP) process and ask for bids for our food service contract from all companies that are approved by the Pennsylvania Department of Education (PDE). The 2017-18 school year would be the fourth year of the potential five-year contract with Aramark. If the district is unhappy with the service provided, we can terminate the contract at the end of each year. Aramark’s contract requires that they guarantee at least \$650,000 per year in revenues to the district. These revenues are used to pay for custodial services, utilities, trash removal, equipment repairs, and equipment replacement. For the one-year renewal, Aramark must develop a budget for 2017-18 for staff, supplies and equipment and keep any

proposed cost increases below USDA Consumer Price Index limits which is 2.1% for calendar year 2016.

The budget information must be sent to PDE for their review and approval to make sure the proposed one-year contract extension meets guidelines. Once PDE have reviewed and approved each page submitted, administration would like to place the renewal contract on the Board agenda for consideration.

A breakfast/lunch price increase is not needed for next school year.

Bid Awards for General Supplies and Athletics– Purchasing Actions – The district is busy preparing for the start of the 2017-18 school year. Bid results for the following items were reported: general supplies, team sports equipment and supplies, general art supplies, general teaching supplies, physical education supplies, secondary art supplies, science supplies, technical education supplies. The committee recommended these items be placed on the Board agenda for consideration.

Policy and Guidelines on Travel – The district created a policy in June of 2016 to comply with new federal Universal Grant guidelines (UGG). Administration is recommending some changes to the policy such as a name change so that it is apparent that the policy applies to all travel not just travel charged to federal programs. Also recommended is that the federal General Services Administration (GSA) website be used to calculate maximum travel costs plus 15%. The school district does not have the purchasing power or the economies of scale that the federal government has with hotel chain pricing. The committee recommended this item be reviewed with the policy committee.

Enhanced Treasurer Report – The state auditor general’s office wants proof that administration is providing school boards and the public with meaningful statistical data about the district and student performance. Adding this information to the monthly treasurer’s report where it is reviewed and voted on each month by the school board seemed like a logical place to include additional student and financial elements. The committee agreed with the proposed concept and directed administration to move forward with the plan.

ADJOURNMENT

The meeting adjourned at 7:55p.m.

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



2017-2018 BUDGET

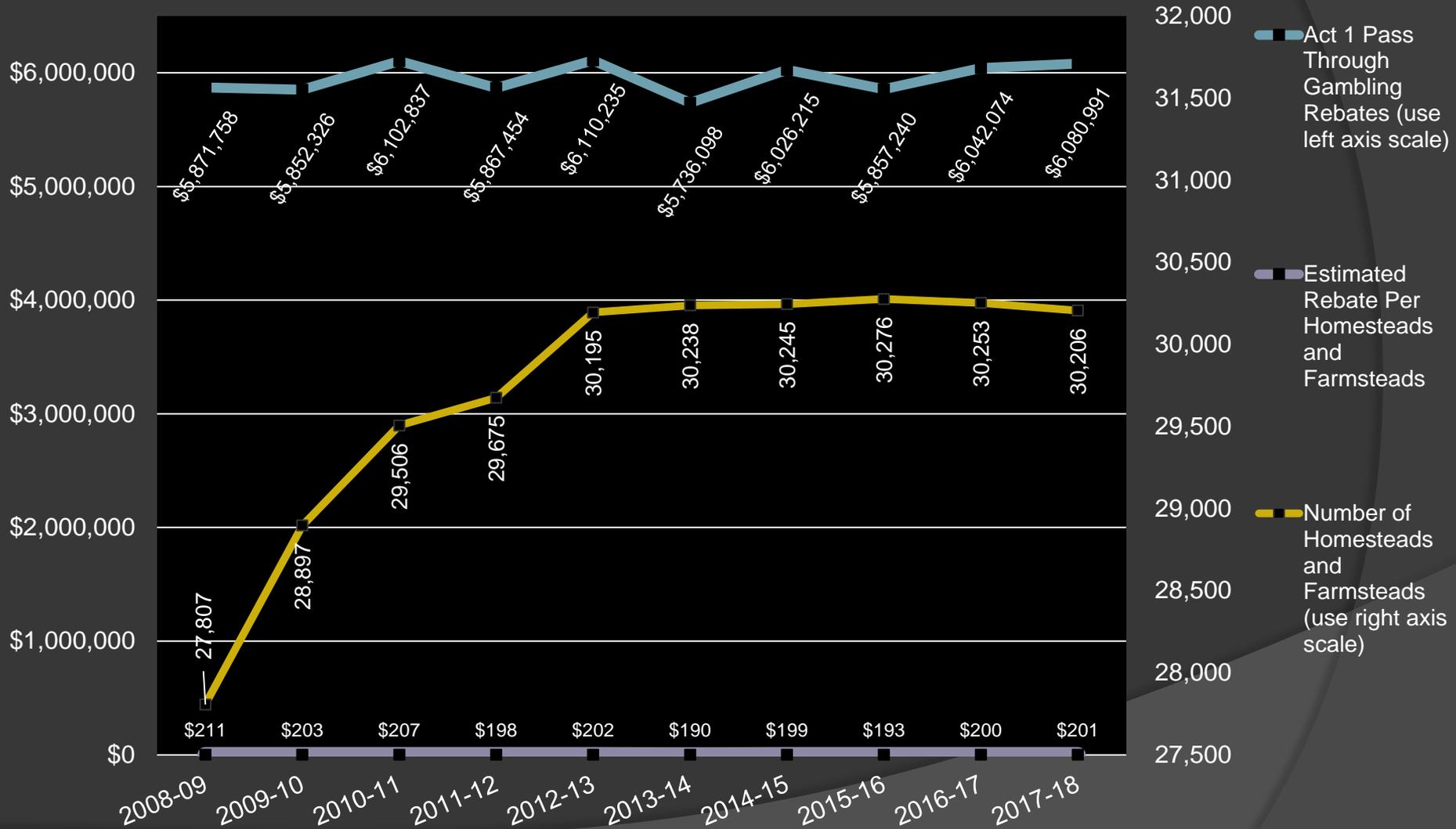


Budget Components

Revenues

Act 1 Property Tax Relief in CBSD

Estimated Homeowner Rebates From State Tax on Casino Operations



R.E. Tax Revenue for CBSD

| Description | 2017-18 May Budget |
|--|-----------------------|
| Real Estate Tax Revenue Before State Gambling Rebate | \$221,021,951 |
| Less: State Gambling Tax Relief | \$6,080,991 |
| Less: Prior Year Undistributed Tax Relief (Act 1 Round Down) | \$8,384 |
| <hr/> | |
| Revised Current Real Estate Tax Budgeted Revenue | \$214,932,576 |
| | |
| Additional Gambling Tax Relief Compared to Prior Year | \$47,301 |
| Number of Homesteads and Farmsteads for 2017-18 | 30,206 |
| State Gambling Relief Per Homestead & Farmstead (Act 1 Round Down) | \$201.54 |
| Increase in State Gambling Relief per Homestead & Farmstead | \$1.74 |

Local Sources of Revenue for CBSD

| Description | 2017-18 | 2016-17 | Projection \$ | Projection % |
|---|----------------------|----------------------|--------------------|--------------|
| | Budget | Projection | Change | Change |
| CURRENT REAL ESTATE TAXES (assessment growth) | 214,932,576 | 212,659,109 | 2,273,467 | 1.1% |
| INTERIM REAL ESTATE TAXES | 1,850,000 | 1,700,000 | 150,000 | 8.8% |
| EARNED INCOME TAX | 25,347,000 | 23,940,700 | 1,406,300 | 5.9% |
| REAL ESTATE TRANSFER TAX | 5,807,500 | 5,450,000 | 357,500 | 6.6% |
| DELINQUENCIES ON REAL ESTATE TAXES | 2,583,664 | 2,604,500 | -20,836 | -0.8% |
| DELINQUENCIES ON EARNED INCOME TAXES | 688,100 | 700,000 | -11,900 | -1.7% |
| INTEREST EARNINGS, TEMP DEPOSITS | 1,166,200 | 700,000 | 466,200 | 66.6% |
| I.D.E.A. FUNDS FROM I.U.#22 | 2,493,160 | 2,480,756 | 12,404 | 0.5% |
| TUITION FOR INCARCERATED STUDENTS | 378,750 | 375,000 | 3,750 | 1.0% |
| COMMUNITY SCHOOL PROGRAMS | 3,882,650 | 3,805,000 | 77,650 | 2.0% |
| ALL OTHER LOCAL REVENUES (Clean & Green Breeches) | 1,331,039 | 1,644,771 | -313,732 | -19.1% |
| Local Revenue Totals | \$260,460,639 | \$256,059,836 | \$4,400,803 | 1.7% |

State Sources of Revenue for CBSD

| Description | 2017-18 | 2016-17 | Projection \$ | Projection % |
|--|---------------------|---------------------|--------------------|--------------|
| | Budget | Projection | Change | Change |
| Basic Instructional Subsidy | 18,078,119 | 17,700,177 | 377,942 | 2.1% |
| Tuition, Wards of State and Foster Care Students | 225,000 | 250,000 | -25,000 | -10.0% |
| Special Educ./Except. Pupils | 7,208,225 | 7,131,934 | 76,291 | 1.1% |
| Misc. State Grants | 0 | 0 | 0 | 0.0% |
| Accountability Block Grant | 1,024,042 | 1,024,042 | 0 | 0.0% |
| Transportation | 3,167,437 | 3,443,101 | -275,664 | -8.0% |
| Rental & Sinking Fund Reimb. | 671,147 | 741,279 | -70,132 | -9.5% |
| Health Services | 370,000 | 370,000 | 0 | 0.0% |
| Gambling Proceeds for R.E. Tax Reduction | 6,089,375 | 6,042,074 | 47,301 | 0.8% |
| Social Security Payments Reimbursement | 5,856,184 | 5,491,561 | 364,623 | 6.6% |
| Retirement Payments Reimbursement | 25,432,407 | 22,643,224 | 2,789,183 | 12.3% |
| State Revenue Totals | \$68,121,936 | \$64,837,392 | \$3,284,544 | 5.1% |

Federal Sources of Revenue for CBSD

| Description | 2017-18 | 2016-17 | Projection \$ | Projection % |
|---|----------------------|----------------------|--------------------|--------------|
| | Budget | Projection | Change | Change |
| Title 1 Reading and Math | 642,005 | 629,417 | 12,588 | 2.0% |
| Title 2 Staff and Curriculum Development | 0 | 276,192 | -276,192 | -100.0% |
| Title 3 Limited English Proficiency | 53,208 | 52,943 | 265 | 0.5% |
| Medical Assistance Reimbursement (ACCESS) | 1,285,000 | 1,150,000 | 135,000 | 11.7% |
| Administrative Reimbursement for ACCESS | 44,550 | 45,000 | -450 | -1.0% |
| Other Federal revenue | 7,119 | 7,119 | 0 | 0.0% |
| Other Revenue (use of Fund Balance) | 1,196,299 | 0 | 1,196,299 | |
| Federal and Other Revenue Totals | \$3,228,181 | \$2,160,671 | \$1,067,510 | 49.4% |
| Total of All Revenue | \$331,810,756 | \$323,057,899 | \$8,752,857 | 2.7% |

Expenses

Budgeted to Projected Actuals

| Category | 2017-18 Budget | 2016-17 Projected Actual | Category % Change | Total Budget Change ≈ \$14M |
|---|----------------------|--------------------------------|-------------------------|--------------------------------------|
| Salaries | 157,642,980 | 152,465,889 | 3.40% | 37.18% |
| Employee Benefits (PSERS Increase \$6.2M Health Care \$650k) | 96,346,930 | 86,945,272 | 10.81% | 67.51% |
| Prof. Services, Special Ed OT/PT., EIT Tax, Legal | 5,412,745 | 5,120,176 | 5.71% | 2.10% |
| Electricity, Rentals, Repairs, Field Maintenance, Painting | 6,601,114 | 6,683,500 | -1.23% | -0.59% |
| Contracted Services, Transp., MBIT, IU, Charter Sch, Alt Sch. | 20,547,994 | 20,593,186 | -0.22% | -0.32% |
| Text books, Supplies, Natural Gas, Diesel, Heating Oil | 7,837,295 | 7,171,220 | 9.29% | 4.78% |
| Equipment (printers, laminators, science, athletic, facilities) | 731,239 | 765,203 | -4.44% | -0.24% |
| Interest Payments on Bonds | 3,710,459 | 4,135,101 | -10.27% | -3.05% |
| Debt Principal, Buses, Technology, Building Renovations | 32,980,000 | 34,005,000 | -3.01% | -7.36% |
| Total budget | \$331,810,756 | \$317,884,547 | 4.38% | 100.00% |

Projected Staffing for 2017-18 Edited

| Description | FTE's | \$ Per FTE | Total |
|---|-------|------------|--------------------|
| •English Language Learners (ELL) Teacher no Aide (was \$135k) | 1 | \$92,250 | \$92,250 |
| •Teacher professional development position focused on technology 1.0 FTE | 1 | \$125,000 | \$125,000 |
| •Special Education: add 4.5 FTE's for program needs | 4.5 | \$80,500 | \$362,250 |
| •Special Education: Elementary Gifted .4 FTE (added since April meeting) | 0.4 | \$64,500 | \$25,800 |
| •Special Education: Certified Behavior Analyst 1.0 FTE (added since April meeting) | 1 | \$95,000 | \$95,000 |
| •Special Education: Speech Therapist 1.0 FTE (added since April meeting) | 1 | \$92,000 | \$92,000 |
| •Special Education: Social Worker 1.0 FTE (added since April meeting) | 1 | \$97,500 | \$97,500 |
| •Expand middle school sports grade 9 (soccer, baseball/softball, basketball) (was \$150k) | 1 | \$142,000 | \$142,000 |
| •Expand middle school clubs total of approximately 20 EDR's (was \$32k) (added bene.) | 1 | \$45,000 | \$45,000 |
| April Middle School Schedule Changes - (Electives, Tech, Soc/Emo Wellness) (15 positions) | 15 | \$75,000 | \$1,125,000 |
| Eliminate elementary positions via attrition (1.5 teachers 1.2 aides) (changed since April meeting) | 1 | -\$223,000 | -\$223,000 |
| ACCESS Federal Revenue to Offset Social Worker Position (changed since April meeting) | 1 | -\$97,500 | -\$97,500 |
| ACCESS Federal Revenue to Offset Behavior Analyst Position (changed since April meeting) | 1 | -\$95,000 | -\$95,000 |
| •Grand Total all positions as of 5/23/2017 | | | \$1,786,300 |

Note: The new staffing costs are \$380,700 lower than the April 25th Total of \$2,167,000

Millage Impact

Millage Calculation

- The Act 1 Real Estate Tax Increase Limit = Base Inflation Index of 2.5% + 1.0% Retirement Exception = 3.5% or 4.3 Mills
- The 2017-18 Proposed Millage Rate is 124.1 mills + 0.0 Mills = 124.1 Mills = 0% Increase
- For the Typical Homeowner Assessed @ 40,000
 - Assessment x 124.1 mills = Gross Tax Bill = \$4,964.00
 - Less gambling relief (2016-17 tax relief is \$199.80) = -201.54
 - Tax bill with tax relief \$4,762.46
- Real estate tax cut compared to current year = \$1.74

Act 1 Tax Index + Exceptions

| | Act 1 Index with Allowable Exceptions in Mills | Actual CBSD Millage Increase | Status |
|--------------------|--|------------------------------|----------|
| 2007-08 | 5.9 | 3.8 | Actual |
| 2008-09 | 5.6 | 4.6 | Actual |
| 2009-10 | 5.4 | 4.3 | Actual |
| 2010-11 | 4.7 | 4.4 | Actual |
| 2011-12 | 3.2 | 1.6 | Actual |
| 2012-13 | 3.6 | 2.0 | Actual |
| 2013-14 | 3.4 | 0.0 | Actual |
| 2014-15 | 4.9 | 1.3 | Actual |
| 2015-16 | 3.7 | 0.0 | Actual |
| 2016-17 | 4.3 | 0.0 | Actual |
| 2017-18 | 4.3 | 0.0 | Proposed |
| Total Mills | 49.1 | 22.0 | |

Summary

- The majority of the increase, \$6.9M, is associated with retirement system funding and Health care Expenses.

Summary continued

- Continue Rollout of iPads, Laptops and expansion of the Wireless Network
- Adding 1 Staff Developer for Technology
- Improve the Safety and Playability of Athletic Fields
- 15 Additional Middle School Teachers
- 7.9 Additional Special Education Teachers
- Add 9th Grade Sports for Basketball, Soccer, Softball/Baseball
- Expand Middle School Clubs

Next Steps for June 14th

- ◎ Board of School Directors
- ◎ Consideration to adopt the 2017-18 Final Budget in the amount of \$331,810,756
 - Consideration to adopt the resolution for the 2017-18 Homestead and Farmstead real estate tax relief of \$201.54
 - Consideration to adopt the taxing resolution for real estate, earned income, and electric utilities

CENTRAL BUCKS SCHOOL DISTRICT

Final Budget for General Fund Approval Resolution

RESOLVED, by the Board of School Directors of Central Bucks School District, as follows:

The proposed Final Budget of the School District for the 2017-2018 fiscal year on form PDE-2028 as presented to the School Board is adopted as a Final Budget for the School District General Fund in the amount of \$331,810,756

CENTRAL BUCKS SCHOOL DISTRICT

2017-18 Homestead and Farmstead Exclusion Resolution

RESOLVED, by the Board of School Directors of Central Bucks School District, that homestead and farmstead exclusion real estate tax assessment reductions are authorized for the school year beginning July 1, 2017 under the provisions of the Homestead Property Exclusion Program Act (part of Act 50 of 1998) and the Taxpayer Relief Act (Act 1 of 2006), as follows:

1. **Aggregate amount available for homestead and farmstead real estate tax reduction.** The following amounts are available for homestead and farmstead real estate tax reduction for the school year beginning July 1, 2017:

a. **Gambling tax funds.** The Pennsylvania Department of Education (PDE) has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.505(b), as a property tax reduction allocation funded by gambling tax funds, the amount of \$4,727,722.

b. **Prior year under-distribution of property tax reduction funds.** Funds are available for property tax reduction as a result of an undistributed amount remaining from property tax reduction funds PDE paid to the School District in the 2016-2017 school year. This amount from the prior year will add to the property tax reduction allocation for this school year the amount of \$8,383.67.

c. **Prior year over-distribution of property tax reduction funds.** During the 2016-2017 school year, the School District provided aggregate property tax reductions beyond the amount PDE paid to the School District for this purpose. This excess reduction from the prior year will result in deduction from the property tax reduction allocation for this school year in the amount of \$0.00.

d. **Philadelphia tax credit reimbursement funds.** PDE has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.324(3), as reimbursement for Philadelphia tax credits claimed against the School District earned income tax by School District resident taxpayers, the amount of \$1,353,269.

[Act 1 requires PDE to notify the School District of this amount by May 1.]

e. **Aggregate amount available.** Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$6,089,375.

2. **Homestead/farmstead numbers.** Pursuant to Act 50, 54 Pa. C.S. § 8584(i), and Act 1, 53 P.S. § 6926.341(g)(3), the County has provided the School District with a certified report listing approved homesteads and approved farmsteads as follows:

a. **Homestead property number.** The number of approved homesteads within the School District is 30,078.

b. **Farmstead property number.** The number of approved farmsteads within the School District is 128.

c. **Homestead/farmstead combined number.** Adding these numbers, the aggregate number of approved homesteads and approved farmsteads is 30,206.

[The County Assessment Office is obligated to provide these numbers and a tax duplicate to the School District by May 1.]

3. **Real estate tax reduction calculation.** The school board has decided that the homestead exclusion amount and the farmstead exclusion amount shall be equal. Dividing the paragraph 1(e) aggregate amount available during the school year for real estate tax reduction of \$6,089,375 the paragraph 2(c) aggregate number of approved homesteads and approved farmsteads of 30,206, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$201.59.

4. **Homestead exclusion calculation.** Dividing the paragraph 3 maximum real estate tax reduction amount of \$201.59 by the School District real estate tax rate of 124.1 mills (.1241), the maximum real estate assessed value reduction to be reflected on tax notices as a homestead exclusion for each approved homestead is \$1,624, (*rounded down to the nearest dollar per Act 1*) and the maximum real estate assessed value reduction to be reflected on tax notices as a farmstead exclusion for each approved farmstead is \$1,624.

5. **Homestead/farmstead exclusion authorization – July 1 tax bills.** The tax notice issued to the owner of each approved homestead within the School District shall reflect a homestead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the homestead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$1,624. The tax notice issued to the owner of each approved farmstead within the School District shall reflect an additional farmstead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the farmstead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$1,624. For purposes of this Resolution, “approved homestead” and “approved farmstead” shall mean homesteads and farmsteads listed in the report referred to in paragraph 2 above and received by the School District from the County Assessment Office on or before May 1 pursuant to Act 1, 53 P.S. § 6926.341(g)(3), based on homestead/farmstead applications filed with the County Assessment Office on or before March 1. This paragraph 5 will apply to tax notices issued based on the initial tax duplicate used in issuing initial real estate tax notices for the school year, which will be issued on or promptly after July 1, and will not apply to interim real estate tax bills.

CENTRAL BUCKS SCHOOL DISTRICT

2017-18 Annual Tax Levy Resolution

RESOLVED, by the Board of School Directors of Central Bucks School District, that taxes are levied for school purposes for the school year beginning July 1, 2017, subject to the provisions of the Local Tax Collection Law, as follows:

1. **Real estate tax.** Real estate tax of 124.1 mills (or \$12.41 per \$100 of assessment) on the assessed value of all real property taxable for school purposes in this School District. (Levied under School Code §§ 672 and 673.)
2. **Interim real estate tax.** Interim real estate tax of 124.1 mills (or \$12.41 per \$100 of assessment) on the assessed value of taxable real property, as stated in interim real estate assessment notices, that constitutes construction of a building, an improvement to a building, or other improvement to real property, not otherwise exempt from taxation. The interim real estate tax is part of the real estate tax levy, and applies to the assessed value of taxable real property not included in the initial tax duplicate used in issuing initial real estate tax notices for the school year. Tax assessors are directed to inspect and assess all taxable real property in the School District to which any improvement has been made, and to give notice of change in assessed value as required by law. The interim real estate tax applies for that proportionate part of the School District fiscal year remaining after the property was improved. (Levied under School Code § 677.1.)
3. **Utility realty used to generate electricity.** The real estate tax and the interim real estate tax apply to all real property taxable for school purposes, including all property listed in the definition of “utility realty” under § 8101-A(3) of the Public Utility Realty Tax Act, that was classified in such definition as “utility realty” prior to January 1, 2000, and that was removed from such definition effective January 1, 2000, because used in generating electricity. The tax applies to such property to the maximum extent permissible under the Pennsylvania Constitution and the Public Utility Realty Tax Act.
4. **Tax due date/delinquent status.**
 - a. The real estate tax is due and payable on July 1, 2017, and this will be the date of the tax notice issued to the owner for real estate tax other than interim real estate tax. Unless installment payment has been elected under the Central Bucks School District Real Estate Tax Installment Payment Plan, the real estate tax is delinquent if not paid in full within four (4) months after the date of the tax notice issued to the owner – by October 31, 2017, for tax other than interim real estate tax.
 - b. The interim real estate tax is due and payable on the first day of the month after the month in which any improvement or addition to real property has been made. The interim real estate tax is delinquent if not paid in full within four (4) months after the date of the tax notice issued to the owner.
5. **Discount and penalty.** All taxpayers are entitled to a discount of two percent (2%) from the amount of the real estate tax or interim real estate tax by making payment of the entire tax amount within two (2) months after the date of the tax notice – by August 31, 2017, for tax other than interim real estate tax. Unless installment payment has been elected under the Central Bucks School District Real Estate Tax Installment Payment Plan, a taxpayer will be charged a penalty of ten percent (10%) of the tax, which penalty will be added to the tax, if the tax is not paid in full within four (4) months after the date of the tax notice – by October 31, 2017, for tax other than interim real estate tax. (Discount and penalty rules established under Local Tax Collection Law, 72 P.S. § 5511.10.)

6. **Severability.** The provisions of this resolution are severable and, if any section, clause, sentence, part or provision is determined to be illegal, invalid or unconstitutional, such determination will not affect or impair any of the remaining sections, clauses, sentences, parts or provisions of this resolution. It is declared to be the intent of this school district that this resolution would have been adopted even if any such illegal, invalid or unconstitutional section, clause, sentence, part or provision had not been included in this resolution.

7. **Continuation of other taxes.** The Board has previously imposed other taxes that do not require an annual levy. Without modifying or amending such taxes in any manner, the Board ratifies continuation of the following previously imposed taxes that do not require an annual levy:

a. **Real estate transfer tax.** Real estate transfer tax of 1.0%. (School District receives .5%, and municipalities receive .5%. Levied under the Pennsylvania Real Estate Transfer Tax Act and the Local Tax Enabling Act, Act 511.)

b. **Earned income and net profits tax.** 1% School District tax levied under the Local Tax Enabling Act, Act 511;

I certify that the foregoing is a true and correct copy of a resolution adopted by the Board of School Directors at a meeting thereof legally held on June 14th, 2017.

CENTRAL BUCKS SCHOOL DISTRICT

Date June 14th, 2017

Sharon L. Reiner

Secretary

(School District Seal)



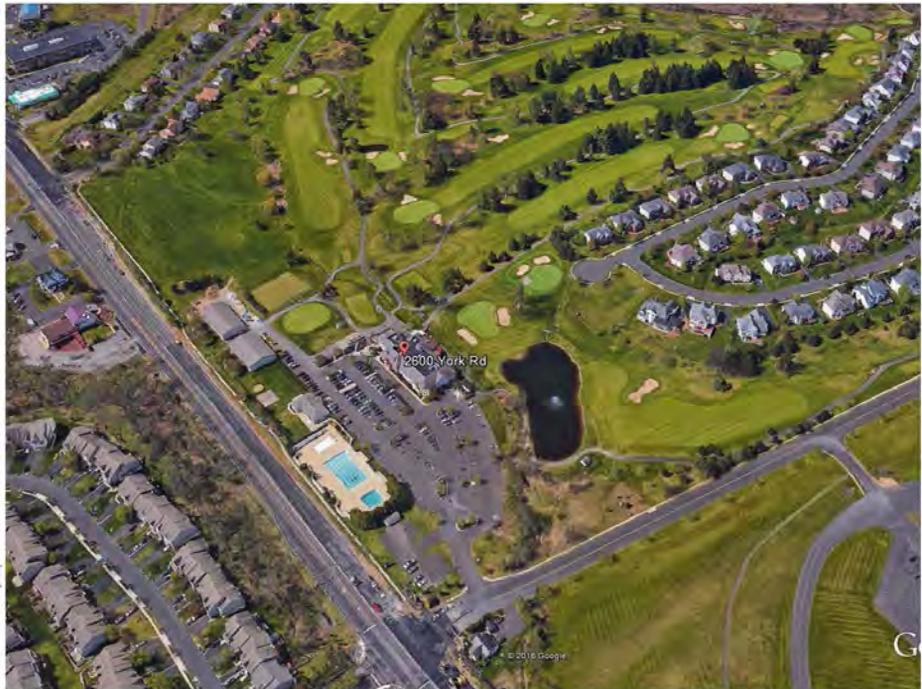
Recommendations for Action

As of 5/17/2017, administration anticipates a 2016-17 budget surplus of \$6,000,000 as of June 30th, 2017.

Administration is recommending a budget transfer from the general fund to the capital fund in the following amounts:

| | | |
|-----------------------------|------------------|--|
| Short Term Capital Fund | \$150,000 | Sports field equipment: aerators, tractors, transport trailer. |
| Long Term capital | \$0 | Already transferred \$6.5M from one-time PLANCON revenues. |
| Technology Capital Fund | \$5,450,000 | Potential transition to one-to-one computing over 3 years. |
| Transportation Capital Fund | <u>\$400,000</u> | School bus replacement. |
| | \$6,000,000 | |

Blue Bell Executive Campus
460 Norristown Road, Suite 110
Blue Bell, Pennsylvania 19422-2323
610.825.8400 + Fax 610.828.4887
www.wislerpearlstine.com



Douglas C. Maloney, Esq.
Begley, Carlin & Mandio, LL
680 Middletown Blvd.
P.O. Box 308
Langhorne, PA 19047-0308

**Re: L&W Part LP vs. Bucks County Board of Assessment;
Bucks County Court of Common Pleas, No. 2015-08693
(The Bucks Club Assessment Appeal)**

Dear Doug:

Please find enclosed a partially executed Stipulation of Settlement in the above matter. I would appreciate it if you could execute the Stipulation and forward it to counsel for the other taxing authorities for their signature. If you have questions or would like to discuss this matter, please feel free to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Herron".

JASON J. HERRON

This reduction in real estate value will reduce the assessed value (taxable value) from \$324,510 to \$197,750 for 2016. The assessment reduction will cause the district to refund \$15,730.92 in real estate taxes for 2016 and reduce future real estate tax collections as well.

Moving forward into future years it is agreed that the assess value will be reduced to \$194,250 or about a \$450 additional reduction in real estate taxes compared to the 2016 rate.

We have worked with our commercial property appraiser who agrees this is a fair appraisal of the existing property value.

JASON J. HERRON, ESQUIRE
Attorney I.D. No. 86317
WISLER PEARLSTINE, LLP
Blue Bell Executive Campus
460 Norristown Road, Suite 110
Blue Bell, Pennsylvania 19422
(610) 825-8400

Attorneys for Appellant/Taxpayer/Petitioner, L&W PART L P

| | | |
|---|---|---|
| L&W PART L P | : | |
| 55 Country Club Drive, Downingtown, PA | : | IN THE COURT OF COMMON PLEAS OF |
| 19335 | : | BUCKS COUNTY, PENNSYLVANIA |
| Appellant/Taxpayer/Petitioner | : | |
| | : | |
| | : | |
| v. | : | NO. 2015-08693 |
| | : | |
| | : | |
| BUCKS COUNTY BOARD OF | : | CIVIL ACTION – ASSESSMENT APPEAL |
| ASSESSMENT APPEALS | : | |
| Appellee | : | |
| | : | Parcel ID: 51-003-052 |
| | : | |

ORDER

AND NOW, this ____ day of _____, 2017, it is hereby ORDERED and DECREED that the terms and conditions of the attached Stipulation of Settlement are accepted as terms and conditions of a binding Court Order.

IT IS FURTHER ORDERED AND DECREED that the Bucks County Board of Assessment Appeals shall make the appropriate change in assessment as agreed to in the attached Stipulation of Settlement and that the Prothonotary shall mark the above-captioned action “settled, discontinued and ended.”

BY THE COURT:

J.

JASON J. HERRON, ESQUIRE

Attorney I.D. No. 86317

WISLER PEARLSTINE, LLP

Blue Bell Executive Campus

460 Norristown Road, Suite 110

Blue Bell, Pennsylvania 19422

(610) 825-8400

Attorneys for Appellant/Taxpayer/Petitioner, L&W PART L P

L&W PART L P

**55 Country Club Drive, Downingtown, PA
19335**

Appellant/Taxpayer/Petitioner

v.

**BUCKS COUNTY BOARD OF
ASSESSMENT APPEALS**

Appellee

**: IN THE COURT OF COMMON PLEAS OF
: BUCKS COUNTY, PENNSYLVANIA
:
:
:
: NO. 2015-08693
:
:
: CIVIL ACTION – ASSESSMENT APPEAL
:
:
: Parcel ID: 51-003-052
:
:**

STIPULATION OF SETTLEMENT

AND NOW, this ____ day of _____, 2017, it is hereby stipulated and agreed to among Jason J. Herron, Esquire, Counsel for the Appellant; Edward Rudolph, Esquire, Counsel for the Appellee, Bucks County Board of Assessment Appeals; Douglas C. Maloney, Esquire, Counsel for the Intervenor, Central Bucks School District; Donald E. Williams, Esquire, Counsel for Bucks County; and Mary C. Eberle, Esquire, Counsel for Warwick Township, as follows:

{01362015v2 }

1. The real property which is the subject of the above-captioned assessment appeal, being located at 2600 York Road, Warwick Township, Bucks County Pennsylvania (Parcel No. 51-003-052) shall be assessed as follows:

| <u>TAX YEAR</u> | <u>BUILDING</u> | <u>LAND</u> | <u>TOTAL ASSESSMENT</u> |
|-----------------|-----------------|-------------|-------------------------|
| 2016 | 65,257.50 | 132,492.50 | 197,750.00 |
| 2017 | 64,102.50 | 130,147.50 | 194,250.00 |

2. The above 2017 assessment of \$194,250.00 shall remain in effect unless and until subsequently changed by county-wide reassessment, an assessment appeal by one of the parties, or as otherwise provided by applicable law.

3. As a result of the decrease in assessment of the Property, there has been an overpayment in taxes to the County in the amount of \$2,940.83, which is calculated as follows:

| Year | Old Assessment | New Assessment | Difference | Millage Rate | Overpayment |
|------|----------------|----------------|--------------|--------------|-------------------|
| 2016 | \$324,510.00 | \$197,750.00 | \$126,760.00 | 23.2 | \$2,940.83 |

5. Within sixty (60) days of the approval of the Stipulation to Settle by the Court, the tax collector or business manager for the County shall issue a refund to the Appellant, without interest, for the overpayment of \$2,940.83.

5. As a result of the decrease in assessment of the Property, there has been an overpayment in taxes to Warwick Township in the amount of \$1,933.09, which is calculated as follows:

| Year | Old Assessment | New Assessment | Difference | Millage Rate | Overpayment |
|------|----------------|----------------|--------------|--------------|-------------------|
| 2016 | \$324,510.00 | \$197,750.00 | \$126,760.00 | 15.25 | \$1,933.09 |

6. Within sixty (60) days of the approval of the Stipulation to Settle by the Court, the tax collector or business manager for Warwick Township shall issue a refund to the Appellant, without interest, for the overpayment of \$1,933.09.

7. As a result of the decrease in assessment of the Property, there has been an overpayment in taxes to Central Bucks School District in the amount of \$15,730.92, which is calculated as follows:

| Year | Old Assessment | New Assessment | Difference | Millage Rate | Overpayment |
|------|----------------|----------------|--------------|--------------|-------------|
| 2016 | \$324,510.00 | \$197,750.00 | \$126,760.00 | 124.1 | \$15,730.92 |

8. Within sixty (60) days of the approval of the Stipulation to Settle by the Court, the tax collector or business manager for Central Bucks School District shall issue a refund to the Appellant, without interest, for the overpayment of \$15,730.92.

9. Refund checks shall be sent to : L & W Part, LP, Attention: Dan Duffey, c/o The Bucks Club, 2600 York Road, Jamison, PA 18929. If the Appellant received a discount on the face amount of a tax bill as a result of payment within a discount period, the refunds listed herein shall be adjusted to account for such discount.

10. The parties executing this Stipulation of Settlement have been authorized by their clients to do so.

11. This Stipulation of Settlement shall be binding upon the parties and their respective successors and assigns.

12. This Stipulation of Settlement may be executed in counterparts.

13. Upon Court approval of this Stipulation of Settlement, this matter shall be marked by the Prothonotary as “settled, discontinued and ended”.

14. Each party shall bear its own costs as incurred.



JASON J. HERRON, ESQUIRE
Counsel for the Appellant

EDWARD RUDOLPH, ESQUIRE,
Counsel for the Appellee, Bucks County
Board of Assessment Appeals

DOUGLAS C. MALONEY, ESQUIRE
Counsel for the Intervenor, Central Bucks
School District

DONALD E. WILLIAMS, ESQUIRE
Counsel for Bucks County

MARY C. EBERLE, ESQUIRE
Counsel for Warwick Township

JEFFERSON SOLUTIONS, INC.
14 Brittany Oaks, Clifton Park New York 12065
518-461-7805
Ray.Cerrone@JEFSI.Com
www.GASB45.Com

April 24, 2017

Ms. Cheryl Rubanich, Supervisor of Accounting
Central Bucks School District

Re: GASB 75 Report - Actuarial Valuation - Two Year Report

Dear Cheryl:

Thank you for contacting Jefferson Solutions. As we discussed, I am providing you with a quote for a GASB 75 actuarial valuation.

We look forward to the opportunity to assisting you in developing a valuation under GASB 75. This letter outlines our understanding of the terms and objectives of our engagement.

We plan to start the engagements on or about June 1, 2017 and (unless unforeseeable problems are encountered) complete the engagement by August 15, 2017. We will analyze the underlying demographic data along with summary plan descriptions to determine your organizations liability under GASB 75. The purpose of our engagement is to calculate your School District's full OPEB liability and determine the annual required contributions and annual accrued liability. Our combined report will include all information required for disclosure in the School District's financial statements for the two years ending June 30, 2017 and June 30, 2018.

The following reflects the scope of services to be provided to the School District. Jefferson Solutions will:

1. Conduct a telephone conference as necessary to plan the project and make necessary decisions and report progress with regard to conduct of the analysis as well as educate School District staff on the GASB 74 and 75 requirements.
2. Analyze the data to assess any inconsistencies and make recommendations for enhancing data quality.
3. Planning with School District – Review plan provisions, discuss and select actuarial assumptions and agree on a project plan.
4. Prepare an actuarial valuation following GASB 74 and 75 standards.
5. The GASB 75 analysis will include all applicable School District employees and retirees. We will work with the School District determine the amount of costs and liabilities to allocate to the various employee groups and the governmental activities i.e. General and Federal fund programs. Our report will include:
 - a. An Actuarial Valuation Opinion.
 - b. An Executive Summary presenting key results and figures.
 - c. Summary of Actuarial Valuation Results. This section will provide a summary of the actuarial valuation results.
 - d. Summary of Assets (if applicable).
 - e. Development of Total OPEB Liability. This section will show the development of the Total

OPEB Liability which is to be accrued to date.

- f. Actuarial Experience. This section will illustrate the actuarial gains and losses that arise from experience different from that previously assumed, changes in actuarial assumptions and methods, and changes in program provisions.
- g. Development of Fiscal Year Expense. This section will illustrate the development of the expected OPEB expense under GASB No. 75 for fiscal year ending June 30, 2018 and actual OPEB expense for fiscal year ended June 30, 2017.
- h. Schedule of Deferred Outflows and Deferred Inflows of Resource as required for disclosure in the organizations footnotes.
- i. 10-Year Projection of Employer Benefit Payments (as applicable).
- j. Assumption Sensitivity. This section will provide information about the sensitivity of the Total OPEB Liability to certain assumptions made in this actuarial valuation; primarily healthcare inflation trends and discount rate.
- k. Summary of Demographic Information showing relevant information about the population included in the valuation.
- l. A summary of Program Provisions illustrating the overall eligibility provisions for retiree health coverage, graduated eligibility provisions, the various plans offered by the organization, and Medicare integration methods by plan.
- m. Summary of actuarial methods and actuarial assumptions detailing the assumptions used to determine the organizations OPEB cost and obligation.
- n. Glossary of key terms used in the report.

6. Our report will also include the exact footnote needed for the organizations financial statements.

In performing our engagement, we will be relying on the accuracy and reliability of information provided by the School District. We will not audit, the information. Please also note that our engagement cannot be relied on to disclose errors, fraud, or other illegal acts that may exist. The procedures we perform in our engagement will be heavily influenced by the representations that we receive from School District personnel.

Jefferson Solutions shall retain all rights, title, and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret, and other intellectual property rights) in and to all technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents, and templates that have been previously developed by Jefferson Solutions or developed during the course of the provision of the Services, provided such generic documents or templates do not contain any Plan Sponsor Confidential Information or proprietary data. Rights and ownership by Jefferson Solutions of original technical designs, methods, ideas, concepts, know-how, and techniques shall not extend to or include all or any part of the Plan Sponsor's proprietary data or Plan Sponsor Confidential Information.

To the extent that Jefferson Solutions may include in the materials any pre-existing Jefferson Solutions proprietary information or other protected Jefferson Solutions materials, Jefferson Solutions agrees that Plan Sponsor shall be deemed to have a fully paid up license to make copies of the Jefferson Solutions-owned materials as part of this engagement for its internal business purposes and provided such materials cannot be modified or distributed outside the Plan Sponsor without the written permission of Jefferson Solutions. Notwithstanding anything herein to the contrary, the parties acknowledge that the Central Bucks School District is a municipality in the State of Pennsylvania and will comply with all Freedom of Information Laws and other laws requiring disclosure of public documents. Nothing in this contract shall be read to restrict the School District's obligations concerning disclosure of public documents.

In the event of any dispute arising out of or relating to the engagement of Jefferson Solutions by Plan Sponsor, the parties agree first to try in good faith to settle the dispute voluntarily with the aid of an impartial mediator who will attempt to facilitate negotiations. A dispute will be submitted to mediation by

written notice to the other party or parties. The mediator will be selected by agreement by the parties. If the parties cannot agree on a mediator, a mediator will be designated by the American Arbitration Association at the request of a party.

The mediation will be treated as a settlement discussion and therefore will be confidential. Any applicable statute of limitations will be tolled during the pendency of the mediation. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

If the dispute has not been resolved within 60 days after the written notice beginning the mediation process (or a longer period, if the parties agree to extend the mediation), the mediation will terminate, and the dispute will be resolved by final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will take place before a panel of three arbitrators. Within 30 days of the commencement of the arbitration, each part will designate in writing a single neutral and independent arbitrator. The two arbitrators designated by the parties will then select a third arbitrator. The arbitrators will have a sufficient background in employee benefits, actuarial science, or law. The arbitrators will have the authority to permit limited discovery, including depositions, prior to the arbitration hearing, and such discovery will be conducted consistent with the Federal Rules of Civil Procedure. The arbitrators will have no power or authority to award punitive or exemplary damages. The arbitrators may, in their discretion, award the cost of the arbitration, including reasonable attorney fees, to the prevailing party. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential, and except as required by law, neither party may disclose the content or results of any arbitration hereunder without the consent of the other party.

We estimate that our fees for these services will not exceed \$3,946 for the June 30, 2017 report. This report will satisfy the requirements of GASB 75 for a two year period. Our fee works out to \$1,973 per fiscal year.

Our fee is inclusive of all travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that the School District will be able to provide us with all required data in an electronic format. Our invoices will be presented electronically at the conclusion of the engagement. Payment is due within 30 days of the invoice submission. Should the fee remain unpaid past the 30 day due date, we will issue invoices each 30 days with a \$100 additional invoicing fee.

We appreciate the opportunity to be of service to you and believe that this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy to confirm your understanding, and return it to us.

Sincerely,



Raymond R. Cerrone CPA

RESPONSE:

This letter correctly sets forth the understanding of Central Bucks School District.

Signature

Date

Name

Title

Bus Purchase Recommendation 2017-2018

We reviewed our bus fleet to determine what is needed to maintain the appropriate number of buses to transport the students of the Central Bucks School District considering the age of buses, expected major repairs, and anticipating student transportation requirements for future years.

We are also seeking to purchase 2 9–passenger vans. We continue to face an expanding demand for special needs equipment as more students with required services are enrolling each year.

We would also like to take over some of First Student special needs bus routes as we are better able to provide a more consistent environment which helps to minimize student anxieties.

The transportation department must also provide multiple buses to carry sports teams and field trips every day. The schools generate close to 4,000 field/sports trips every year many of which require multiple buses. For example, Wednesday May 10th, 30 buses are needed for field trips and sports in addition to the 107 vehicles needed to cover home to school runs. With the proposed changes to middle school sports, we anticipate the need for more bus coverage at the end of the school day.

Recommend the purchase of 14 77–passenger school buses from Rohrer Bus Sales as the lowest responsible bidder at a price of \$1,133,690 with each bus to include underneath storage for sports and music equipment and a spare wheel. These will replace 14 aging buses for home to school transportation as well as provide reliable equipment coverage for out of district sports and field trips. The plan is to trade in two of the older 77 passenger buses and try to retain 12 older buses for inclusion into our spare bus fleet which will provide coverage for the expanded middle school sports schedule.

Recommend the purchase of 1 48–passenger school bus with wheelchair lift from Wolfington Body Company as the lowest responsible bidder at a price of \$97,161. This will replace an older special needs bus. The plan is to retain the older 48 passenger bus as a back-up spare bus to be used in rotation for scheduled bus maintenance and inspections on our special needs routes.

Recommend the purchase of 2 30-passenger school buses with wheelchair lift from Wolfington Body Company as the lowest responsible bidder at a price of \$179,446. This will replace two older special needs buses.

Recommend the purchase of 2 24-passenger school buses from Wolfington Body Company as the lowest responsible bidder at a price of \$112,930. Our plan is to use these two buses to take over two current First Student special needs bus routes.

Recommend the purchase of 2 9-passenger school vans from Wolfington Body Company as the lowest responsible bidder at a price of \$78,744. These vans will be used for transporting our increasing population of homeless/foster students as well as provide another vehicle for our special needs work based learning program.

The total of all proposed transportation vehicle purchases is \$1,601,971.00

School Bus Bids for 2017 - 2018 Budget

| | Brightbill | Rohrer | Wolfington | Total |
|--|---------------|----------------------|----------------------|-------------------------------|
| Purchase First 8 77 passenger buses | \$ 83,250.00 | \$ 79,619.25 | \$ 82,260.00 | \$ 636,954.00 |
| Each additional 77 passenger buses over 8 trades - 2 | \$ 83,250.00 | \$ 80,741.00 | \$ 82,260.00 | \$ 484,446.00 |
| spare wheel storage | \$ (8,000.00) | \$ (5,000.00) | \$ (9,000.00) | \$ (5,000.00) |
| | \$ 150.00 | \$ 85.00 | \$ 125.00 | \$ 1,190.00 |
| | \$ 1,825.00 | \$ 1,150.00 | \$ 1,195.00 | <u>\$ 16,100.00</u> |
| Sub Total | | | | \$ 1,133,690.00 |
| | | | | |
| 1 - 48 passenger with wheel chair no trade | \$ 98,345.00 | \$ 97,690.00 | \$ 97,161.00 | \$ 97,161.00 |
| | | | | |
| 2 - 30 passenger with wheel chair trades - 2 | \$ 93,530.00 | \$ 91,740.00 | \$ 91,523.00 | \$ 183,046.00 |
| | \$ (1,000.00) | \$ (1,000.00) | \$ (3,600.00) | <u>\$ (3,600.00)</u> |
| Sub Total | | | | \$ 179,446.00 |
| | | | | |
| 2 - 24 pass trade - 1 | \$ 56,185.00 | \$ 60,279.00 | \$ 57,215.00 | \$ 114,430.00 |
| | \$0 for trade | \$ (800.00) | \$ (1,500.00) | <u>\$ (1,500.00)</u> |
| Sub Total | | | | \$ 112,930.00 |
| | | | | |
| 2 - 9 pass vans no trade | \$ 40,940.00 | No Bid | \$ 39,372.00 | \$ 78,744.00 |
| | \$ - | | \$ - | <u>\$ -</u> |
| Sub Total | | | | \$ 78,744.00 |
| | | | | |
| | | | Grand Total | <u><u>\$ 1,601,971.00</u></u> |



| | |
|---------|----------------|
| Book | Policy Manual |
| Section | 800 Operations |
| Title | Food Services |
| Number | 808 Vol I 2017 |
| Status | From PSBA |

Legal

1. 2 CFR Part 200
2. 24 P.S. 1335
3. 24 P.S. 1337
4. 24 P.S. 504
5. 24 P.S. 807.1
6. 42 U.S.C. 1751 et seq
7. 42 U.S.C. 1773
8. 7 CFR Part 210
9. 7 CFR Part 215
10. 7 CFR Part 220
11. FNS Instruction 113-1 (USDA)
12. 7 CFR 210.23
13. 42 U.S.C. 1760
14. 7 CFR 210.14
15. 3 Pa. C.S.A. 5713
16. 42 U.S.C. 1758(h)
17. 7 CFR 210.13
18. 7 CFR 210.31
19. Pol. 246
20. Pol. 610
21. Pol. 626
22. Pol. 827
23. 42 U.S.C. 1758
24. 7 CFR Part 245
25. 7 CFR 15b.40
26. Pol. 103.1
27. Pol. 113
28. Pol. 209.1
29. 7 CFR 220.7
30. 7 CFR 210.9
31. 7 CFR 210.15
- P.L. 111-296
- 7 CFR Part 15
- Pol. 103

Purpose

The Board recognizes that students require adequate, nourishing food and beverages in order to grow, learn and maintain good health. The Board directs that students shall be provided with adequate space and time to eat meals during the school day.

Authority

The food service program shall be operated in compliance with all applicable state and federal laws and regulations, as well as federal guidelines established by the Child Nutrition Division of the United States Department of Agriculture (USDA).[1][2][3][4][5][6][7][8][9][10]

The district shall ensure that, in the operation of the food service program, no student, staff member, or other individual shall be discriminated against on the basis of race, color, national origin, age, sex or disability.[11][12]

Food sold by the school may be purchased by students and district employees but only for consumption on school premises. The price charged to students shall be established annually by the district in compliance with state and federal laws.[4][13]

Nonprogram food shall be priced to generate sufficient revenues to cover the cost of such items. A **nonprogram food** shall be defined as a food or beverage, other than a reimbursable meal or snack, that is sold at the school and is purchased using funds from the child nutrition account. **Nonprogram foods** include but are not limited to adult meals and a-la-carte items. All revenue from the sale of nonprogram food shall accrue to the child nutrition program account.[13][14]

Delegation of Responsibility

Operation and supervision of the food service program shall be the responsibility of the

- Superintendent.
- Business Manager.
- Food Services Director.
- Cafeteria Supervisor.

The individual responsible for the operation and supervision of the food service program shall present to the Board each month for its approval a statement of receipts and expenditures for cafeteria funds.[4]

Cafeterias shall be operated on a nonprofit basis. A periodic review of the cafeteria accounts shall be made by the[3][4]

- Superintendent.
- Business Manager.
- auditor.

The individual responsible for the operation and supervision of the food service program shall ensure that school meals meet the standards required by the School Breakfast Program, the National School Lunch Program and the Special Milk Program.[2][3][4][6][7][8][9][10]

The Superintendent or designee shall comply with state and federal requirements for conducting cafeteria health and safety inspections and ensuring employee participation in appropriate inspection services and training programs.[15][16][17][18]

The Superintendent or designee shall develop and disseminate administrative regulations to implement this policy.

The Superintendent or designee shall annually notify students, parents/guardians and employees concerning the contents of this policy and applicable administrative regulations. Notification shall include information related to nondiscrimination.[11]

Guidelines

To reinforce the district's commitment to nutrition and student wellness, foods served in school cafeterias shall:[19]

1. Be carefully selected to contribute to students' nutritional well-being and health.
2. Meet the nutrition standards specified in law and regulations and approved by the Board.
3. Be prepared by methods that will retain nutritive quality, appeal to students, and foster lifelong healthy eating habits.
4. Be served in age-appropriate quantities, at reasonable prices.

{√} The district shall use USDA Foods for school menus available under the Child Nutrition USDA Foods Programs.

All funds derived from the operation, maintenance or sponsorship of the food service program shall be deposited in the separate cafeteria fund, in the same manner as other district funds. Such funds shall be expended in the manner approved and directed by the Board, but no amount shall be transferred from the cafeteria fund to any other account or fund; however, district advances to the food service program may be returned to the district's general fund from any surplus resulting from its operation.
[4]

Surplus accounts shall be used only for the improvement and maintenance of the cafeteria.[4]

Procurement

Procurement of goods or services for the food service program shall meet the requirements of applicable law, regulations and Board policy and procedures.[20][21][22]

Free/Reduced-Price Meals and Free Milk

The district shall provide free and reduced-price meals and/or free milk to students in accordance with the terms and conditions of the National School Lunch Program, the School Breakfast Program and the Special Milk Program.[23][24]

Accommodating Students With Special Dietary Needs

The district shall make appropriate food service and/or meal accommodations to students with special dietary needs in accordance with applicable law, regulations and Board policy.[25][26][27][28]

School Food Safety Inspections

The district shall obtain two (2) safety inspections per year in accordance with local, state, and federal laws and regulations.[16][17][29]

The district shall post the most recent inspection report and release a copy of the report to members of the public, upon request.

School Food Safety Program

The district shall comply with federal requirements in developing a food safety program that enables district schools to take systematic action to prevent or minimize the risk of foodborne illness among students.[8][10][16]

The district shall maintain proper sanitation and health standards in food storage, preparation and service, in accordance with applicable state and local laws and regulations and federal food safety requirements.[17][29][30]

Professional Standards for Food Service Personnel

The district shall comply with the professional standards for school food service personnel who manage and operate the National School Lunch and School Breakfast Programs. For purposes of this policy, **professional standards** include hiring standards for new food service program directors and annual continuing education/training for all individuals involved in the operation and administration of school meal programs. Such professional standards shall apply to both district-operated food service programs and contracted food service programs.[6][7][18][31]

School Meal Charges and Accounts

To ensure the effective operation of the district's food service program, the district establishes the following guidelines for payment of student school meals:

1. **The district** shall assign individual accounts to each student for the purchase of meals served in school cafeterias, which ensure that the identity of each student is protected.
2. **The district** shall notify students and/or parents/guardians when the student's account reaches a **low balance**.
3. **The district shall notify students and/or parents/guardians when the student's account reaches a negative balance. The notice shall include a description of the consequences for failure to make payment.**
4. **The district shall provide students and/or parents/guardians with information on payment options and free and reduced-price meals and/or free milk.**
5. **The district may permit students to charge a meal, impose a limit on charged meals, and/or offer a reimbursable or alternate meal** when the student forgets or loses his/her money or when his/her account has insufficient funds. **Appropriate modifications to an alternate meal shall be made when required by the student's documented special dietary need.**

This policy and any applicable procedures or administrative regulations regarding meal charges shall be communicated annually to school administrators, school food service personnel, other appropriate school staff, and contracted food service personnel.

The district shall provide parents/guardians with a written copy of this policy and any applicable procedures or administrative regulations at the start of each school year, when a student enrolls in school after the start of the school year, and when a parent/guardian is notified of a negative balance.

{✓} The district shall annually inform parents/guardians, students and staff about the contents of this policy and any applicable procedures via the district website, student handbooks, newsletters, posted notices and/or other efficient communication methods.

Collection of Unpaid Meal Charges -

Reasonable efforts shall be made by the district to collect unpaid meal charges from parents/guardians. Efforts taken in the collection shall not have a negative impact on the student involved, but shall focus primarily on the parents/guardians responsible for providing funds for meal purchases.

NOTES:

When a district contracts for food services, use master as-is except delete the paragraphs under Guidelines starting with "Surplus accounts..." and "All funds derived..."

Summer Food Service – 42 U.S.C. Sec. 1751 et seq
7 CFR Part 225

PSBA Revision 2/17 © 2017 PSBA

Payment of School Meal Accounts.doc (44 KB)

Last Modified by CB Policy on March 1, 2017

Appendix B: Local Meal Charge Policy Checklists

The following pages include optional checklists SFA officials may use to ensure their meal charge policies address key components recommended by FNS. For more information about the required unpaid meal charge policy and policy communication requirements, please see [*Local Meal Charge Policies*](#). For more information about the recommended components of an alternate meal policy, please see [*Alternate Meal Policy*](#).

Local Meal Charge Policy Considerations for All SFAs

As provided in [SP 46-2016](#), no later than July 1, 2017, all SFAs operating the Federal school meal programs are required to have a written meal charge policy. An SFA may have a consistent policy for all students in the school district or choose to apply the policy differently based on student grade level.

For each entity or grade level that has a different policy, FNS encourages SFAs to explain in the policy:

| | | |
|--|--|--|
| Local Meal Charge Policy Considerations for All SFAs | | |
| <p><i>As provided in SP 46-2016, no later than July 1, 2017, all SFAs operating the Federal school meal programs are required to have a written meal charge policy. An SFA may have a consistent policy for all students in the school district or choose to apply the policy differently based on student grade level.</i></p> <p><i>For each entity or grade level that has a different policy, FNS encourages SFAs to explain in the policy:</i></p> | | |
| <p>1. Are students unable to pay for their meal at the time of the meal service allowed to charge a meal?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <p><i>If yes, which meals may be charged?</i></p> <input checked="" type="checkbox"/> Breakfast <input checked="" type="checkbox"/> Lunch <input type="checkbox"/> Afterschool Snacks Not applicable |
| | | |
| <p>2. If students are allowed to charge a meal, is there a limit to the number of charges or dollar limit allowed before requiring payment of the debt?</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A | <p><i>If yes, what is the number or dollar amount for the charge limit(s)?</i></p> <p>_____</p> |
| | | |
| <p>3. If students are allowed to a charge meal, will they receive reimbursable or alternate meals?</p> | <input checked="" type="checkbox"/> Reimbursable <input type="checkbox"/> Alternate <input type="checkbox"/> N/A | <p><i>If students will receive an alternate meal, what will the meal contain? (Include all meals that apply.)</i></p> <ul style="list-style-type: none"> • <i>Breakfast:</i> _____ _____ • <i>Lunch:</i> _____ _____ • <i>Afterschool Snacks:</i> _____ _____ |
| | | |
| <p>4. If students are allowed to charge a meal, will they have limitations on the foods they may select for a reimbursable meal?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A | <p><i>If yes, what are the limitations?</i></p> <p>Must be a "type A" breakfast or Lunch according to USDA guidelines for federal and state reimbursement</p> <p>_____</p> |
| | | |

| | |
|---|---|
| <p>5. Where can families find assistance with applying for free or reduced price school meals?</p> | <p><i>Information for families:</i> School district website under the food service department. <u>WWW.CBSD.Org/Page/342</u></p> <hr/> <p><i>Contact information for an SFA or school official:</i></p> <ul style="list-style-type: none"> • <i>Name:</i> <u>Teresa Shirey</u> • <i>Phone:</i> <u>267-893-2065</u> |
| <p>6. How will the SFA notify households of low or negative balances?</p> | <p><i>Low balance notification policy:</i> <u>Verbal notification to student from cashier. Note to student from cashier, email to parent.</u></p> <hr/> <p><i>Negative balance notification policy:</i> <u>Series of letters home to parents with enclosures of free/reduced subsidy application.</u></p> |
| <p>7. What resources are available to assist families with paying for their children’s meals or debt?</p> | <p><i>List of resources for families (i.e., repayment plans):</i> <u>Federal and state assistance programs.</u> <u>Local CBSD food service assistance program from local donations.</u></p> |
| <p>8. How will delinquent meal charges be managed by the SFA?</p> | <p><i>Delinquent charges management policy:</i> <u>The details of meal charges are tracked through the food service management system and are maintained year to year.</u></p> |
| <p>9. Which office or personnel will be responsible for managing the charges?</p> | <p><i>Contact information for SFA or school official:</i></p> <ul style="list-style-type: none"> • <i>Name/Office:</i> <u>The business office manages the accounting</u> • <i>Phone:</i> <u>with input from the building principals 267-893-2000</u> |
| <p>10. What are the consequences for families that fail to repay a debt?</p> | <p><i>Consequences for families:</i> <u>The district continues its collection efforts. The ultimate consequence may be that the student is not allowed to participate in graduation exercises.</u></p> |

Local Meal Charge Policy Communication Requirements for All SFAs

As provided in [SP 46-2016](#), no later than July 1, 2017, all SFAs operating the Federal school meal programs are required to have in place a written meal charge policy, and to communicate that policy to families and school and/or district-level staff members, as appropriate.

On an annual basis, SFAs should ensure the policy is communicated as required, and may use the following questions as a guide:

| | | |
|--|--|---|
| 1. Have all families received a written copy of the meal charge policy? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <i>Describe how the policy is communicated:</i> Student handbook, school district website, new student information packet. |
| 2. Have all families of transfer students received a written copy of the meal charge policy? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <i>Describe how the policy is communicated:</i> Part of the enrollment packet of information parents or guardians receive. |
| 3. Have all school and/or district-level staff members responsible for policy enforcement received a written copy of the meal charge policy? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <i>Describe how the policy is communicated to staff members (i.e., during annual training) and which staff members are included:</i> New school year annual training for food service staff members as well as school principals and office staff. |
| 4. Is there a system in place to notify families of the meal charge policy when sending the initial notification of delinquent debt? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <i>Describe how families are reminded of the policy when the notification is sent:</i> A copy of school board policy 808 is included with the notification letter and free / reduced meal application. |
| 5. Do schools share information about the policy in other communications with families? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <i>Explain any other ways families are informed of the policy (i.e., student handbooks and/or in online portals households use to access student accounts):</i> Student handbook and school district website |

Alternate Meal Policy Considerations for SFAs Opting to Provide Alternate Meals

SFAs are not required to provide alternate meals to children with unpaid meal charges. As provided in [SP 46-2016](#), SFAs opting to provide alternate meals should include information about alternate meals in their local meal charge policy.

For each entity or grade level that has a different alternate meal policy, FNS encourages SFAs to explain in the policy:

| | | |
|--|---|---|
| Alternate Meal Policy Considerations for SFAs Opting to Provide Alternate Meals | | |
| <p><i>SFAs are <u>not</u> required to provide alternate meals to children with unpaid meal charges. As provided in SP 46-2016, SFAs <u>opting</u> to provide alternate meals should include information about alternate meals in their local meal charge policy.</i></p> <p><i>For each entity or grade level that has a different alternate meal policy, FNS encourages SFAs to explain in the policy:</i></p> | | |
| 1. Which meal service(s) offer alternate meals? | <input type="checkbox"/> Breakfast <input type="checkbox"/> Lunch <input type="checkbox"/> Afterschool Snacks | Items 1 - 5 are not applicable, as full "type A" meals are provided to students with delinquent accounts during the duration of the debt. |
| 2. How long will alternate meals be provided? | | |
| Not applicable <i>Duration of the provision of alternate meals:</i> _____ | | |
| 3. Are students required to pay for alternate meals? | | |
| <input type="checkbox"/> Yes <input type="checkbox"/> No | If students must pay for the alternate, what is the cost? (Include all meals that apply.) | <ul style="list-style-type: none"> • Breakfast: \$ _____ • Lunch: \$ _____ Not applicable • Afterschool Snacks: \$ _____ |
| 4. When are alternate meals offered? | | |
| Explain when meals are provided (i.e., immediately in lieu of charging, or after a child's negative balance dips to a certain level): _____ Not applicable _____ _____ | | |
| 5. How are alternate meals presented? | | |
| Explain how alternate meals are presented (i.e., a sack lunch or a low-cost reimbursable entrée regularly included on the menu): _____ Not applicable _____ _____ | | |

Recommended Topics for Delinquent/Bad Debt Policies for SFAs

As provided in [SP 46-2016](#), no later than July 1, 2017, all SFAs operating the Federal school meal programs are required to have in place a written meal charge policy. Within that required policy, FNS recommends SFAs explain the collection methods the SFA will use and the conditions under which each will be initiated.

Specific topics recommended by FNS include the following:

| | | |
|---|--|--|
| 1. How many days will a household's debt be delinquent before the SFA requests payment? | | <i>Number of Days:</i> <u> 5 </u> |
| 2. What procedures are in place for determining if children with delinquent meal charges are eligible for free or reduced price meal benefits? | | <i>Provide examples (i.e., encouraging the child's household to submit an application):</i> Applications are sent home with notices of negative account balances |
| 3. How will households be notified of unpaid meal charges, expected payment dates, and collection efforts? | | <i>Describe household notification strategies:</i> Series of letters sent to households via the U.S. mail. |
| 4. How will repayment plans, with payment levels and due dates appropriate to a household's particular circumstances, be established? | | <i>Describe establishment of repayment plans, including any key considerations (i.e., a job loss in the household):</i> Determined by the school principal based on information they may have on changes in a household's circumstances as they are in communication with the households and other community organizations. |
| 5. Will children with a small number of charges, in terms of dollars, be permitted to accumulate a larger debt before the SFA pursues recovery? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <i>If so, what is the threshold?</i> A minimum of five unpaid meals perhaps longer to allow for clearing of checks or the forgetfulness of students who are tasked with bringing payment to school for food service. |
| 6. What efforts will be made to collect household debt? | | <i>Describe debt collection efforts:</i> A series of letters to the household send via U.S. mail. if the letters fail to yield results, a phone call from the school principal or staff is made. A very small percentage of debts are taken before the local magistrate. |

| | | |
|---|--|---|
| | | |
| 7. Who will initiate household debt collection procedures? | <p><i>Explain who is responsible for initiating collection procedures (e.g., food service manager, school principal, superintendent's office, etc.):</i></p> <p>School principal.</p> <hr/> <hr/> <hr/> | |
| | | |
| 8. Who will determine whether the achievement of program purposes would be jeopardized by the diversions of staff time and effort to collect payment? | <p><i>Explain who is responsible for assessing debt collection efforts (e.g., food service manager, school principal, superintendent's office, etc.):</i></p> <p>School principal.</p> <hr/> <hr/> <hr/> | |
| | | |
| 9. Is there a cumulative dollar threshold beyond which the SFA will escalate the collection method? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <p><i>If so, what is the threshold?</i></p> <p>The length of time is part of the determining information used as well as communication with the household. Is the household ignoring the issue or making good faith efforts to satisfy obligations, etc..</p> |
| | | |
| 10. How will funds be obtained to restore the unallowable bad debt to the NSFSA? | <p><i>Explain from where funds to restore the NSFSA will be obtained:</i></p> <p>Per federal requirements, the school district general fund budget must offset noncollectable bad debts held by the food service fund.</p> <hr/> <hr/> <hr/> | |
| | | |



Food and
Nutrition
Service

Park Office
Center

3101 Park
Center Drive
Alexandria
VA 22302

DATE: July 8, 2016

MEMO CODE: SP 46-2016

SUBJECT: Unpaid Meal Charges: Local Meal Charge Policies

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The purpose of this memorandum is to address the need for school food authorities (SFAs) participating in the Food and Nutrition Service (FNS) National School Lunch Program (NSLP) and School Breakfast Program (SBP) to institute and clearly communicate a meal charge policy, which would include, if applicable, the availability of alternate meals. Because all students in participating schools may receive reimbursable school meals, all SFAs must have a policy in place for children who are participating at the reduced price or paid rate, but either do not have money in their account or in hand to cover the cost of the meal at the time of service. Such a policy ensures that school food service professionals, school administrators, families, and students have a shared understanding of expectations in these situations.

For the past several years, the U.S. Department of Agriculture (USDA) has been examining policies and practices relating to unpaid meals. This examination was undertaken in response to section 143 of the Healthy, Hunger-Free Kids Act of 2010 (Public Law 111-296; December 13, 2010) entitled "Review of Local Policies on Meal Charges and Provision of Alternate Meals." In addition, Congress required USDA to report on the feasibility of establishing national standards for meal charges and alternate meals and, if applicable, to make recommendations for implementation.

During that examination, FNS sought feedback from key stakeholders through a variety of forums and specifically sought strategies and insight from school food service administrators with direct experience managing meal charges. In addition, FNS undertook a thorough review of meal charge policies and practices provided by State and local officials. FNS was careful to consider a wide variety of communities and the scope of this issue, understanding that the effectiveness of a policy depends on the size of an SFA, its location, and even the demographics of the students it serves. FNS has determined that due to these variations, meal charge and alternate meal policies should continue to be made at the State or local level.

Establishing a Meal Charge Policy

It is important that meal charge and alternate meal policies are clearly communicated to school administrators, school food service professionals, families, and students. Stakeholders at the local, State, and national levels emphasized that developing and communicating meal charge policies prevents confusion for students and families and promotes effective financial management of the school meal programs.

As stated in program regulations at 7 CFR 245.5, parents or guardians of all children in attendance at schools participating in a Federal school meal service program must be informed of the availability of reimbursable school meals and must be provided information about applying for free or reduced price meals. This is consistent with the Richard B. Russell National School Lunch Act (NSLA), which states at 42 U.S.C. 1758(b)(2)(A) that SFAs shall publicly announce the income eligibility guidelines for free and reduced price meals on or before the opening of school annually. Federal regulations at 7 CFR 210.12 also require that SFAs promote activities to involve students and parents or guardians in the school meal programs and inform families about the availability of the SBP. Including students, families, and the school community in establishing and developing a communication plan for the meal charge policy complements the public announcement of meal eligibility requirements in 7 CFR 245.5 and is consistent with the involvement required in 7 CFR 210.12.

Information about the availability of the school meal programs and their benefits may be communicated using a variety of methods, but the regulation requires that all families are notified. This notification is in addition to general releases such as public releases to local media outlets or those posted on school or district websites. For example, many school districts send the school meal application and instructions on how to apply in a back-to-school packet mailed to families. Consistent with this long-established practice, stakeholder feedback indicated that many SFAs also use existing notification methods to communicate their meal charge policies to parents, guardians, and students.

Based on these provisions, and consistent with key stakeholders' current practices, FNS has determined that students and their parents or guardians also must be informed about how students who pay the full or reduced price cost of a reimbursable meal are impacted by having insufficient funds on hand or in their account to purchase a meal. Therefore, no later than July 1, 2017, all SFAs operating NSLP and/or SBP must have a written and clearly communicated meal charge policy in order to ensure a consistent and transparent approach to this issue. Policies developed at the SFA level must be provided to the State agency during the Administrative Review.

Meal Charge Policy Considerations

State agencies and SFAs have discretion in developing the specifics of individual policies including the level at which the policy is developed. Some State agencies may choose to develop a State-level meal charge policy to be implemented by all SFAs operating the NSLP and SBP throughout the State. If the State agency does not develop a State-level

policy, SFAs must develop and implement an SFA-level policy for each school operating the NSLP and SBP. While the policy is developed at the State or SFA-level, the policy may vary for elementary, middle, and high schools, as discussed below.

In developing a meal charge policy, FNS encourages adoption of policies that allow children to receive the nutrition they need to stay focused during the school day, minimize identification of children with insufficient funds to pay for school meals, and maintain the financial integrity of the nonprofit school food service account (NSFSA). However, the specific policy is at the discretion of the State agency or SFA, as applicable. Policies may allow students to charge all types of available reimbursable meals, offer alternate meals, impose a limit on charges, or allow neither meal charges nor offer alternate meals. Additionally, policies may be consistent for all students or vary based on student grade levels.

SFAs also must include policies regarding the collection of delinquent meal charge debt in the written meal charge policy. In establishing policies regarding collection of delinquent debt, SFAs are encouraged to consider the benefits of potential collections in the context of the costs that would be incurred to achieve those collections. Additional guidance on how Federal regulations and the definition of “bad debt” apply to the NSFSA when unpaid meal charges are not collected may be found in SP 47-2016, *Unpaid Meal Charges: Clarification on Collection of Delinquent Meal Payments*, July 8, 2016.

Please note that, as with all aspects of program operations, food service management companies must operate in compliance with meal charge policies established by the State agency or SFA.

Policy Communications

Whether developed at the State or SFA-level, SFAs must ensure that the policy is provided in writing to all households at the start of each school year and to households that transfer to the school during the school year. Additionally, SFAs are encouraged to include the policy in student handbooks and/or in online portals households use to access student accounts. SFAs are encouraged to use multiple methods to disseminate the policy. The written policy also could be provided again to the household through mail or email the first time the policy is applied to a specific student.

SFAs also must provide the meal charge policy to all school or SFA-level staff responsible for policy enforcement. This includes school food service professionals responsible for collecting payment for meals at the point of service, staff involved in notifying families of low or negative balances, and staff involved in enforcing any other aspects of the meal charge policy. School social workers, school nurses, the homeless liaison, and other staff members that may assist students in need also should be informed of the policy. FNS also encourages SFAs to provide information about the policy to principals, assistant principals, and other administrators to ensure they are familiar with and supportive of the policy.

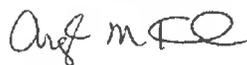
Policy Development Resources

FNS is currently developing resources that State agencies and SFAs can use in their efforts to create an effective meal charge policy. These resources, which will be available on the school meal programs website (<http://www.fns.usda.gov/school-meals/child-nutrition-programs>) in 2016, include:

- A handbook summarizing best practices that FNS collected from State agencies, SFAs, schools, and other key stakeholders working to overcome the challenge of unpaid meal charges;
- Webinars sharing ideas and strategies submitted from local-level officials during FNS' open comment period about unpaid meal charges from October 2014 through January 2015; and
- Relevant policy memoranda and guidance documents developed by FNS, including guidance on the process of designating delinquent debt that has been determined to be uncollectable as bad debt and obtaining assistance to offset bad debt losses, and clarification on how the definition of "bad debt" applies to the NSFSFA when unpaid meal charges are not collected.

FNS recognizes that various strategies will be successful in large part based on the scope of the meal charge issue and unique local circumstances. The best practice resources available from FNS are designed to provide examples of strategies to use as a starting point when designing a meal charge policy that meets State and local needs.

State agencies are reminded to distribute this information to Program operators immediately. Program operators should direct any questions regarding this memorandum to the appropriate State agency. State agency contact information is available at <http://www.fns.usda.gov/cnd/Contacts/StateDirectory.htm>. State agencies should direct questions to the appropriate FNS Regional Office.



Angela Kline
Director
Policy and Program Development Division
Child Nutrition Programs



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: May 1, 2017

Board Agenda Information:

General Fund Disbursements, April 2017

| | |
|----------------------|------------------------|
| Checks | \$2,457,259.10 |
| Electronic Payments | \$8,120,504.90 |
| Transfers to Payroll | \$8,165,876.65 |
| TOTAL | <u>\$18,743,640.65</u> |

Other Disbursements, April 2017

| | |
|---|---------------------|
| Capital Fund Checks & Electronic Payments | \$138,478.13 |
| Food Service Checks & Electronic Payments | \$546,119.85 |
| TOTAL | <u>\$684,597.98</u> |

Grand total of all Funds \$19,428,238.63

**The Central Bucks School District
General Fund
Treasurer's Report
4/30/2017**

| | | |
|---|------------------------|------------------------|
| Beginning Cash Balance | | \$13,583,485.62 |
| Receipts | | |
| Local General Funds Receipts | | |
| Local Collectors | 523,263.43 | |
| County of Bucks | 342,104.76 | |
| EIT | 1,391,156.41 | |
| Interest Earnings | 1,089.41 | |
| Facility Use Fees | 81,044.75 | |
| Tuition, Community School | 367,404.50 | |
| Contributions | 67,066.14 | |
| Miscellaneous | 33,662.29 | |
| Total Local General Funds Receipts | \$2,806,791.69 | |
| State General Fund Receipts | | |
| Basic Ed Subsidy | 2,563,779.00 | |
| State Subsidy- Other | 41,487.57 | |
| Total State General Fund Receipts | \$2,605,266.57 | |
| Federal General Fund Receipts | | |
| Title 2 | 18,412.80 | |
| IDEA | 161,323.86 | |
| Other Federal Subsidies | 41,961.13 | |
| Total Federal General Fund Receipts | \$221,697.79 | |
| Other Receipts | | |
| Investments Matured | 18,000,000.00 | |
| Offsets to Expenditures | 74,920.03 | |
| Total Other Receipts | \$18,074,920.03 | |
| Total Receipts | | \$23,708,676.08 |
| Total Beginning Cash Balance and Receipts (carried to next page) | | \$37,292,161.70 |

**The Central Bucks School District
General Fund
Treasurer's Report Continued
4/30/2017**

| | | |
|---|---------------------|------------------------|
| Total Beginning Cash Balance and Receipts (from previous page) | | \$37,292,161.70 |
| Disbursements | | |
| * Checks (see detail below) | \$2,457,259.10 | |
| Electronic Payments: | | |
| Employee Payroll Taxes/WH | 2,989,360.42 | |
| Employer Payroll Taxes | 1,008,864.93 | |
| PSERS Retire | 948,667.13 | |
| 403B/457PMT | 421,011.66 | |
| Health Benefit Payments | <u>2,752,600.76</u> | |
| Electronic Payments Total: | \$8,120,504.90 | |
| Transfer to Payroll | \$8,165,876.65 | |
| Total Disbursements | | \$18,743,640.65 |
| Ending Cash Balance | 4/30/2017 | \$18,548,521.05 |

*** Check Detail:** Check Registers provided for Board Approvals

| | |
|---|------------------------------|
| 04/04/2017 Check Run- Board Approved 04/12/2017 | \$881,061.02 |
| 04/13/2017 Check Run- Board Approved 04/25/2017 | \$93,562.67 |
| 04/18/2017 Check Run- Board Approved 04/25/2017 | \$837,380.13 |
| 04/30/2017 Check Run- Board to Approve 05/09/2017 | <u>\$93,538.92</u> |
| Total Check Runs- | \$1,905,542.74 |
| Less Voided Checks | <u>(\$4,974.46)</u> |
| April Check Disbursements | \$1,900,568.28 |
| | |
| Add Prior Month A/P Funded This Month | \$1,362,323.78 |
| Less This Month A/P To Be Funded Next Month | <u>\$805,632.96</u> |
| Checks Funded This Month | <u>\$2,457,259.10</u> |

**The Central Bucks School District
Capital Fund-Checking Account
Treasurer's Report Continued
4/30/2017**

| | | |
|---|--------------|---------------------|
| Beginning Cash Balance | | \$120,168.25 |
| Receipts | | |
| Interest Earnings | \$33.01 | |
| Cash Transfers from Fund 3 Reserve Accounts | \$325,805.14 | |
| Total Receipts | | \$325,838.15 |
| Disbursements | | |
| * Checks (see detail below) | \$138,478.13 | |
| Electronic Payment | \$0.00 | |
| Total Disbursements | | \$138,478.13 |
| Ending Cash Balance | | \$307,528.27 |

*** Check Detail:** Check Registers provided for Board Approvals

| | | |
|---|--------------------------|---------------------|
| 4/13/17 Check Run- | Board Approved 4/25/17 | \$25,750.63 |
| 4/27/17 Check Run | Board to Approve 5/09/17 | \$300,654.51 |
| Total Check Runs | | \$326,405.14 |
| Less Voided Checks | | (\$600.00) |
| April Check Disbursements | | \$325,805.14 |
| Add Prior Month A/P Funded This Month | | \$108,074.50 |
| Less This Month A/P To Be Funded Next Month | | \$295,401.51 |
| Checks Funded This Month | | \$138,478.13 |

**The Central Bucks School District
Food Service
Treasurer's Report Continued
4/30/2017**

| | | |
|--------------------------------|--------------|---------------------|
| Beginning Cash Balance | | \$483,871.52 |
| Receipts | | |
| Interest Earnings | \$16.63 | |
| Student Lunch Account Deposits | \$335,245.74 | |
| Subsidies | \$79,629.50 | |
| Total Receipts | | \$414,891.87 |
| Disbursements | | |
| * Checks (see detail below) | \$11,536.24 | |
| Electronic Payments (Aramark) | \$534,583.61 | |
| Total Disbursements | | \$546,119.85 |
| Ending Cash Balance | | \$352,643.54 |

* **Check Detail:** Check Registers provided for Board Approvals

| | | |
|---|------------------------|--------------------|
| 4/12/17 Check Run- | Board Approved 4/25/17 | \$10,066.12 |
| Total Check Runs | | \$10,066.12 |
| Voided Checks | | \$0.00 |
| April Check Disbursements | | \$10,066.12 |
| Add Prior Month A/P Funded This Month | | \$1,780.86 |
| Less This Month A/P To Be Funded Next Month | | \$310.74 |
| Checks Funded This Month | | \$11,536.24 |

**Central Bucks School District
Ratification of Investments for the Month of
April, 2017**

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

General Fund Post Employment - Liquid Investments

Investment funds that are accessible as needed on short notice

| <u>Account Type</u> | <u>Placement Date</u> | <u>Amount Placed</u> | <u>Rate</u> | <u>Daily Yield</u> | <u>Bank Name</u> |
|-------------------------|-----------------------|-----------------------|-------------|--------------------|------------------|
| Withdrawal(Now) Account | 4/27/2017 | \$5,823,028.82 | 0.80% | \$127.63 | Citibank |
| | | \$5,823,028.82 | | \$127.63 | |

Debt Service Fund- Liquid Investments

Investment funds that are accessible as needed on short notice

| <u>Account Type</u> | <u>Placement Date</u> | <u>Amount Placed</u> | <u>Rate</u> | <u>Daily Yield</u> | <u>Bank Name</u> |
|-------------------------|-----------------------|------------------------|-------------|--------------------|------------------|
| Withdrawal(Now) Account | 4/27/2017 | \$19,785,975.38 | 0.80% | \$433.67 | Citibank |
| | | \$19,785,975.38 | | \$433.67 | |

**Central Bucks School District
Investment Portfolio
Summary Totals by Bank
April 30, 2017**

| Bank Name | Principal Amount |
|---------------------------------|-----------------------------|
| BB&T Bank | 6,075 |
| Citibank | 25,611,219 |
| Firsttrust Bank | 45,153,430 |
| MBS | 2,205,000 |
| PLGIT | 16,320,802 |
| PSDLAF | 24,165,201 |
| Quakertown National Bank | 3,564,721 |
| Santander | 14,799 |
| TD Bank | 31,311,120 |
| Univest Bank & Trust | 14,438,351 |
| William Penn Bank | 248,000 |
| Total | 163,038,718 |

**Central Bucks School District
Investment Portfolio
General Fund- Bank Balances
April 30, 2017**

| <u>Purchase Date</u> | <u>Bank Name</u> | <u>Maturity Date</u> | <u>Rate of Interest</u> | <u>Principal Amount</u> |
|---|--|----------------------|-------------------------|-------------------------|
| GENERAL FUND BANK ACCOUNTS | | | | |
| 4/30/17 | TD Bank | 5/1/17 | 0.73% | 18,548,521 |
| 4/30/17 | * TD Bank Municipal Choice | 5/1/17 | 0.73% | 8,794,611 |
| 4/30/17 | PLGIT | 5/1/17 | 0.54% | 5,536 |
| 4/30/17 | PSDLAF MAX Acct | 5/1/17 | 0.52% | 698 |
| 4/30/17 | PSDLAF MAX Acct-Healthcare | 5/1/17 | 0.52% | 4,756 |
| 4/30/17 | PSDLAF MAX Acct | 5/1/17 | 0.52% | 270,544 |
| Total General Fund Bank Accounts | | | | 27,624,666 |
| GENERAL FUND CDs | | | | |
| Individual Bank CDs: | | | | |
| 8/19/16 | William Penn Bank | 8/19/17 | 0.75% | 248,000 |
| PLGIT CDs : | | | | |
| 8/22/16 | Cit Bank | 8/22/17 | 1.00% | 247,000 |
| PSDLAF CD's: | | | | |
| 6/14/16 | Western Alliance Bank | 6/14/17 | 0.80% | 191,000 |
| 2/7/17 | Tristate Capital Bank-Healthcare | 2/7/18 | 1.00% | 245,000 |
| Multi Bank Securities CDs: | | | | |
| 8/29/16 | Commonwealth Business Bank | 8/29/17 | 0.75% | 245,000 |
| 8/31/16 | BankUnited National Association | 8/31/17 | 0.75% | 245,000 |
| 9/1/16 | Ally Bank | 9/1/17 | 0.75% | 245,000 |
| 12/14/16 | BMW Bank of North America | 12/14/17 | 1.00% | 245,000 |
| 12/21/16 | Enerbank USA | 12/21/17 | 1.00% | 245,000 |
| 1/11/17 | Discover Bank | 1/11/18 | 1.00% | 245,000 |
| 1/17/17 | Infinity Federal Credit Union | 1/17/18 | 1.15% | 245,000 |
| 1/20/17 | Safra National Bank | 1/19/18 | 1.05% | 245,000 |
| 1/5/17 | Shinham Bank | 1/29/18 | 1.05% | 245,000 |
| Total General Fund CDs | | | | 3,136,000 |
| GENERAL FUND MONEY MARKET ACCOUNTS | | | | |
| 4/30/17 | Santander | 5/1/17 | 0.45% | 14,799 |
| 4/30/17 | BB&T Bank | 5/1/17 | 0.25% | 6,075 |
| 4/30/17 | PSDLAF Full Flex-Healthcare | 5/1/17 | 0.80% | 696,000 |
| 4/30/17 | PLGIT I-Class | 5/1/17 | 0.72% | 16,068,266 |
| 4/30/17 | Univest Bank & Trust | 5/1/17 | 0.45% | 14,438,351 |
| 4/30/17 | Firsttrust Bank | 5/1/17 | 0.45% | 45,153,430 |
| 4/30/17 | Quakertown National Bank | 5/1/17 | 0.75% | 7,353 |
| 4/30/17 | Quakertown National Bank-Post Employment | 5/1/17 | 0.75% | 3,557,368 |
| 4/30/17 | Citibank- Post Employment | 5/1/17 | 0.80% | 5,823,524 |
| 4/30/17 | TD Bank- Healthcare | 5/1/17 | 0.73% | 1,588,245 |
| Total General Fund Money Market Accounts | | | | 87,353,411 |
| Total General Fund | | | | 118,114,077 |

* This account will be consolidated with the General Fund TD Bank account, as a separate Earnings Credit account is no longer applicable to TD Bank's new interest rate structure.

**Central Bucks School District
Investment Portfolio
Capital Fund- Bank Balances
April 30, 2017**

| <u>Purchase Date</u> | <u>Bank Name</u> | <u>Maturity Date</u> | <u>Rate of Interest</u> | <u>Principal Amount</u> |
|--|--|---|-------------------------|-------------------------|
| <u>Fund 3 Operations Account</u> | | | | |
| 4/30/17 | TD Bank Fund 3 Operations Acct | 5/1/17 | 0.73% | 307,528 |
| | | Total Fund 3 Operations Account | | 307,528 |
| <u>Short Term Capital Reserve</u> | | | | |
| 4/30/17 | TD Bank | 5/1/17 | 0.73% | 767,785 |
| | | Total Short Term Capital Reserve | | 767,785 |
| <u>Capital Café Equip Reserve</u> | | | | |
| 4/30/17 | TD Bank Capital Proj- Bldg Cafeteria/Equip | 5/1/17 | 0.73% | 560,871 |
| | | Capital Café Equip Reserve | | 560,871 |
| <u>Technology Capital Reserve</u> | | | | |
| 4/30/17 | TD Bank | 5/1/17 | 0.73% | 57,845 |
| | | Total Technology Reserve | | 57,845 |
| <u>Transportation Capital Reserve</u> | | | | |
| 4/30/17 | TD Bank | 5/1/17 | 0.73% | 333,070 |
| | | Total Transportation Reserve | | 333,070 |
| <u>Long Term Capital Reserve</u> | | | | |
| 4/30/17 | PSDLAF MAX Acct | 5/1/17 | 0.52% | 12,895 |
| 4/30/17 | PSDLAF Full Flex | 5/1/17 | 0.80% | 6,670,000 |
| 4/30/17 | PSDLAF Full Flex | 5/1/17 | 0.90% | 16,074,000 |
| | | Total Long Term Capital Reserve | | 22,756,895 |
| | | Total Capital Fund | | 24,783,995 |

**Central Bucks School District
Investment Portfolio
Debt Service Fund- Bank Balances
April 30, 2017**

| <u>Purchase Date</u> | <u>Bank Name</u> | <u>Maturity Date</u> | <u>Rate of Interest</u> | <u>Principal Amount</u> |
|-----------------------------------|------------------|----------------------|-------------------------|-------------------------|
| Debt Service Reserve | | | | |
| 4/30/17 | PSDLAF MAX Acct | 5/1/17 | 0.52% | 308 |
| 4/30/17 | Citibank | 5/1/17 | 0.80% | 19,787,695 |
| Total Debt Service Reserve | | | | 19,788,003 |

**Central Bucks School District
Investment Portfolio
Food Service Fund- Bank Balances
April 30, 2017**

| <u>Purchase Date</u> | <u>Bank Name</u> | <u>Maturity Date</u> | <u>Rate of Interest</u> | <u>Principal Amount</u> |
|---|--------------------------------|--------------------------|--|-----------------------------|
| <u>Fund 5 Operations Account</u> | | | | |
| 4/30/17 | TD Bank Fund 5 Operations Acct | 5/1/17 | 0.73% | 352,644 |
| | | | Total Food Service Fund | 352,644 |
| | | | Grand Total- All Funds | 163,038,718 |
| | | | Weighted Average Rate of Return | 0.66% |

Summary of Capital Reserve Account Activity & Fund Balance Status

Fund 3 - Summary of Capital Reserve Account Commitments & Balances

| | Beginning Balance 7/1/2016 | Transfers from General Fund | Interest Earnings | Expenditures | Commitments | Balance 4/30/2017 | Target Amount | % of Target | Comments |
|-------------------------------|-------------------------------|--------------------------------|--------------------|------------------------|-----------------------|------------------------|------------------------|-------------|---|
| Short term Capital | \$299,754.19 | \$12,000,000.00 | \$11,869.90 | \$11,543,838.38 | \$7,173,499.35 | -\$6,405,713.64 | | | The majority of the commitment balance is for the CBW Auditorium, Stadium, and Holiconq projects. |
| Café Equipment Capital | \$709,952.00 | | \$2,452.44 | \$151,533.03 | \$0.00 | \$560,871.41 | | | |
| Technology | \$599.00 | \$2,086,639.00 | \$839.78 | \$2,030,232.78 | \$455,561.32 | -\$397,716.32 | | | |
| Transportation | \$639,347.00 | \$1,000,000.00 | \$3,603.50 | \$1,309,880.50 | \$7,920.00 | \$325,150.00 | | | |
| Long Term Capital | \$16,037,834.41 | \$6,646,000.00 | \$73,060.59 | | | \$22,756,895.00 | \$42,000,000.00 | 54% | |
| Totals | \$17,697,486.60 | \$21,732,639.00 | \$91,826.21 | \$15,035,484.69 | \$7,638,980.67 | \$16,839,488.46 | \$42,000,000.00 | 54% | |

Capital Reserve Account Expenditure Detail:

| <u>Short Term Capital</u> | | <u>Technology</u> | Comments |
|---------------------------|------------------------|--|----------|
| Unami | \$989,429.10 | * \$1,578,246.50 of the total expenditures occurred in 1 and was temporarily funded from Long Term Capital | |
| Holiconq | \$4,347,521.64 | | |
| Other Projects | \$6,206,887.64 | | |
| Total | \$11,543,838.38 | | |

Fund 4 - Debt Service Fund Balance Projections

| | Beginning Balance 7/1/2016 | Transfers from General Fund | Interest Earnings | Expenditures | Commitments | Balance | Target Amount | % of Target | Comments |
|---------------------|-------------------------------|--------------------------------|-------------------|--------------|-------------|-----------------|-----------------|-------------|---|
| Debt Service | \$19,655,650.00 | | \$132,353.00 | | | \$19,788,003.00 | \$30,000,000.00 | | No future transfers budgeted for the debt service fund. Additional \$10.3M needed for the potential \$30M debt defeasance is available in the general fund balance from the following sources: 1. OPEB Reserve of \$9.3M, considered unnecessary by the auditors. 2. \$1M of the 2015-16 positive budget variance is available. |

Fund Balances: Non-spendable, Unassigned & Assigned - General Fund 1

| | Fund Balance 7/01/2016 | |
|---------------------------|---------------------------|---|
| Unassigned: | \$ 13,997,592.00 | 4.4% of 16-17 Budget |
| Assigned: | | |
| Budgetary Reserve | \$ 4,639,065.00 | From 15-16 |
| Post Employment Reserve | \$ 9,346,223.00 | as noted above - could use for debt defeasance |
| Health Care Reserve | \$ 2,518,369.00 | |
| Total Assigned: | \$ 16,503,657.00 | |
| Non-spendable | \$ 4,521,870.00 | Prepaid Healthcare exp with Bucks Montco consortium |
| TOTAL FUND BALANCE | \$ 35,023,119.00 | |

Fund Balance Food Service - Fund 5

| | Fund Balance 7/01/2016 |
|-------------|---------------------------|
| Unassigned: | \$ 991,296.27 |

**Payroll,
FICA, Medicare
and Retirement Projection
April 30, 2017**

| | Adjusted Budget | Projected Expense | Positive (Negative) Variance |
|-------------------|----------------------------|------------------------------|---|
| PAYROLL | 152,134,017 | 151,356,989 | 777,028 |
| FICA_MED | 11,290,300 | 11,197,508 | 92,792 |
| RETIREMENT | <u>45,013,913</u> | <u>45,137,558</u> | <u>(123,645)</u> |
| TOTAL | 208,438,230 | 207,692,055 | 746,175 |
| | | | 0.36% Of Budget |

Updated projection based on history and current payroll trends - based on expense to date as of 3/31/17, expect to be very close to budget.

| | | |
|---|-----------------|--------------------|
| Original Budgeted Amounts | 100 | |
| Adjust Budget for positions added subsequent to budget passing | Orig Bdg | 151,514,017 |
| 1. New Assistant Principal at Butler | | 99,000.00 |
| 2. New PCA - various locations - | | 250,000.00 |
| 3. Additional ELL Teachers - 1.5 FTE | | 75,000.00 |
| 4. New Teaching positions - these are primarily in the special education area | | 360,000.00 |
| 5. IT Secretary - 1.0 | | 40,000.00 |
| 6. Community School Program Growth - new positions | | 59,500.00 |
| 7. HR payroll - director contract + clerical Growth | | <u>18,000.00</u> |
| Est cost of new positions | | 901,500 |
| Estimated additions to payroll lines | | 152,415,517 |
| Adjusted Payroll Budget | | 152,134,017 |
| Additional cost should be absorbed within budget by turnover etc. | | (281,500) |
| | | (620,000.00) |

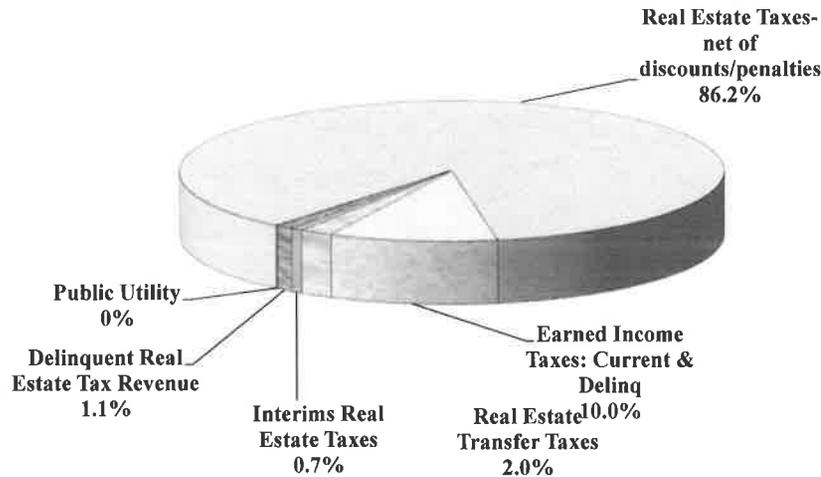
**Central Bucks School District - Fringe Benefits Report
30-Apr-17**

| | 2017-18 Proposed Budget | 2016-17 Adjusted Budget | Spent (Net of Payments less copays) Encumbered | Balance | % Committed | 2015-16 Actuals | 2016-17 Budget Increase over 15-16 Actual | % increase 2016-17 Budget to 15-16 Actual | |
|--|-------------------------------------|-------------------------------|---|--|--------------------|--------------------|---|--|----------------|
| 271 Health care | 22,537,050 | 20,184,389 | 3,231,029 | 18,655,142 | (1,701,782) | 108% | 16,574,742 | 3,609,647 | 21.78% |
| Self Insured: Spent based on expense to date; encumbered based on expected claims for remainder of the year. Projected 1718 based on current trend. | 2.97% | 21,886,441= expected 1617 exp | Self Insured: Spent = paid claims+premium prmts into stop loss plan; encumbered = expected claims and stop loss premiums based on trends. Exps reduced by empl prem cost share. Expect to exceed 1516 by \$5.3M | | (1,701,782) | | | | |
| 272 Dental coverage | 1,284,006 | 1,318,018 | 193,611 | 1,065,219 | 59,188 | 96% | 1,166,300 | 151,718 | 13.01% |
| Self Insured: Curr Yr = 99,000 per month w/qrtrly reconciliations | 2.00% | | | 1,258,830 | | | | | |
| 213 Life insurance | 181,760 | 234,666 | 36,131 | 177,664 | 20,871 | 91% | 207,680 | 26,986 | 12.99% |
| Reduced Premium for 1718 due to plan change | -14.98% | | | | | | | | |
| 274 Disability coverage | 210,011 | 255,589 | 57,998 | 136,577 | 61,014 | 76% | 225,464 | 30,125 | 13.36% |
| Self Insured: Expense = paid to date; encumbered = expected claims based on experience | 7.93% | | | 50% lower than to date in 15/16; if continues will be under budget | | | | | |
| 276 Prescription drugs | 6,880,119 | 6,635,895 | 1,042,452 | 5,287,827 | 305,616 | 95% | 6,232,368 | 403,527 | 6.47% |
| Self Insured: Spent based on submitted claims; encumbered = expected claims based on experience & trends; 1718 budget is about \$300,000 under recommendation of CVS Rep | 8.69% | | | 2.17% incrs year to date; if continues will be about 6.33M | | | | | |
| 250 Unemployment comp | 45,951 | 45,496 | 9,067 | 34,347 | 2,082 | 95% | 48,980 | (3,484) | -7.11% |
| Self Insured: Spent based on submitted claims; encumbered = expected claims based on experience & trends | 1.00% | | | | | | | | |
| 260 Workers comp | 1,619,843 | 1,308,046 | 21,585 | 1,467,557 | (181,096) | 114% | 1,207,874 | 100,172 | 8.29% |
| Self Insured: Based on estimated premium provided by SDIC and adjusted based on prior yr experience | 23.84% | | | | | | | | |
| 240 / 290 Miscellaneous/Tuition | 530,034 | 509,560 | 82,903 | 414,515 | 12,142 | 98% | 507,579 | 1,981 | 0.39% |
| Expenses incurred over course of the year | 4.02% | | | | | | | | |
| Totals | 33,288,774 | 30,491,659 | 4,674,776 | 27,238,848 | (1,421,965) | 104.66% | 26,170,987 | 4,320,672 | 16.5% * |
| | \$ 2,797,115 | 9.17% | | 31,913,624 | | -4.66% | 21.94% | % Incrs in exps. 1617 to 1516 based on projections | |
| | Total 17/18 budget incrs over 16/17 | | | | | + Var | | | |

Note: Healthcare and prescription expenses are a significant portion of the fringe expense. Will continue to monitor and adjust these lines up to finalization of the budget.

- * Due to a shift in trends for expenses related to healthcare, prescription drugs and workers comp the position of the fringe budget from 1617 to 1718 has changed
- 1. The projected increase in health care expenses has increased based on the current year actuals; may need a budget transfer if current level of increase doesn't slow.
- 2. Dental, Life, Disability, & PA UC budgets have been pulled back due to positive variances on these line. Workers Comp was increased due to trends of increasing costs.
- 4. 1718 budget amounts will be adjusted as current year data is updated.

**Central Bucks School District
Projected Tax Collections
30-Apr-17**



| <u>Revenues</u> | <u>2016-2017 Budget</u> | <u>Estimated Actual</u> | <u>Variance Positive/(Negative)</u> | <u>% Actual to Budget</u> | <u>2015-2016 Actual</u> | <u>2017-2018 Preliminary Budget</u> | |
|--|-----------------------------|-----------------------------|---|-------------------------------|-----------------------------|---|--------------|
| 1 Real Estate Taxes-net of discounts/penalties | \$212,302,642 | \$212,950,272 | \$647,630 | 100.3% | 210,702,760 | 214,705,324 | 0.82% |
| 2 Earned Income Taxes: Current & Delinq | 23,875,000 | \$24,640,700 | \$765,700 | 103.2% | 23,942,867 | 26,035,100 | 5.66% |
| 3 Real Estate Transfer Taxes | 4,900,000 | 4,900,000 | 0 | 0.00% | 5,344,465 | 5,807,500 | 18.52% |
| 4 Interims Real Estate Taxes | 1,850,000 | 1,700,000 | (150,000) | -8.11% | 1,602,641 | 1,850,000 | |
| 5 Delinquent Real Estate Tax Revenue | 2,550,000 | 2,604,500 | 54,500 | 2.14% | 2,689,277 | 2,583,664 | -0.80% |
| 6 Public Utility | <u>242,000</u> | <u>269,762</u> | <u>27,762</u> | 11.47% | 274,496 | 270,000 | |
| Total | <u>\$245,719,642</u> | <u>\$247,065,234</u> | <u>\$1,345,592</u> | 0.55% | <u>244,556,506</u> | <u>251,251,588</u> | 1.69% |
| | | | 0.548% | | | | |

- 1 Expect collections to be in line with prior years, which about 94.5% to 95.3%. The projection above reflects a 94.9% collection rate. On track to meet this amount... +/- 200,000
- 2 The EIT revenue jumped by 11% in 2013-14, but some of the spike was due to delinquent collections so it was uncertain if that level of revenue would continue. In 2016-17 budget amount was increased by 6.7% to bump it up to the continued higher level. Current Year collections remain under last year; may not meet this projection, depends on next 2 mos.the projection. 2017-2018 budget amount as well to reflect additional 5.6% growth.
- 3 Real Estate Transfer taxes have increased at about 16.5% over the past 2 years. Collections continue behind last year; based on prior yr May & June Revenues, expect to be at or short of budget
- 4 Interim Tax billings are up about 30% over last year at this time, but collection rates are below prior years. Projected 1617 revenue was reduced based on year to date collections and interim tax billing during this year.
- 5 Expect collections of Delinquent Taxes in 1617 to be close to last year; because current collections continue to lag the line was reduced.
- 6 Final - 100% collected - line was decreased too much, will move back to the \$270,000 range for 1718