

CENTRAL BUCKS SCHOOL DISTRICT

Finance Committee Meeting
January 17, 2018

Committee Members Present

Mrs. Beth Darcy, Chairperson
Mrs. Jodi Schwartz, Member
Mrs. Karen Smith, Member
Mrs. Tracy Suits, Member

Mrs. Susan Vincent, Director of Finance
Mr. Dave Matyas, Business Administrator

Others in Attendance

Mr. Glenn Schloeffel, Board President
Mrs. Sharon Collopy, Board Member
Dr. John Kopicki, Superintendent
Dr. David Bolton, Assistant Superintendent

Ms. Andrea DiDio-Hauber, Director of Human Resources
Mr. Robert Kleimenhagen, Jr., CFM, SFP, Director of Operations
Mr. Jason Jaffe, Director of Technology & Innovation
Mr. Wayne Birster, District Facility Manager
Mrs. Lindsay Smith, Supervisor, Instructional Technology

The meeting was called to order at 6:00 p.m. by Mr. Schloeffel

PUBLIC COMMENT

There was no public comment.

REVIEW OF MEETING NOTES

The November 15, 2017 Finance Committee Meeting minutes were reviewed and approved without changes.

INFORMATION/DISCUSSION/ACTION ITEMS

Proposed Assessment Appeal Settlement – Penn’s Purchase:

District Solicitor Mr. Doug Maloney from Begley Carlin provided an update on the assessment appeal for the Penn’s Purchase retail property in Lahaska. Mr. Maloney noted that as of January 2018 the property had a 64% vacancy rate. Occupancy has been declining for several years. In 2014, the property was taken over by the bank and sold at auction. The imputed value at that time was \$14 million. The property was purchased from the bank for \$6 million, and the new owner filed a tax assessment appeal.

The property was marketed immediately, but no buyers were found for over a year. Roach Properties purchased the property for \$4.5 million, contingent upon approvals for redevelopment of the site. Buckingham Township did not grant the approvals, and Roach Properties terminated the deal to purchase. In May 2017, the property was sold to another developer for \$3.5 million. Buckingham Township has approved the new developer’s plans, and the sale was completed in December 2017. The property will be a mixed-use property, including retail/residential space and 19 single-family homes.

After an exchange of appraisals and review of information, the assessment appeal was scheduled for trial in the fall of 2017. The negotiated settlement agreement for 2015-2016 maintained the 2014 value of the property (\$6 million). The settlement agreement for 2016-2017 is for \$5.25 million, which is \$750,000 above what a developer was willing to pay for the property at that time. For the current 2017-2018 year, the settlement agreement is for \$5 million, which is \$1.5 million over the December sale price of the property.

Mr. Schloeffel inquired if the property was in arrears, Mr. Maloney indicated that all taxes have been paid current. The settlement agreement will mean a refund to the owner of approximately \$335,000.

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Mr. Schloeffel asked if the property could be reassessed after development, Mr. Maloney stated that it would be reassessed at that time. Mr. Maloney noted that he believed the settlement agreement was a good one, and the district would not have done as well had the appeal gone to court. Mrs. Collopy asked why the owner would agree to this settlement if he could have done better in court. Mr. Maloney believes the owner wanted to complete the tax assessment appeal before the final purchase of the property by the developer.

The Committee agrees to move the settlement agreement to the board agenda for approval.

Contracting for Substitute Teachers:

Ms. DiDio-Hauber introduced Mr. Chris Jones and Mr. Andy Hall from ESS/Source4Teachers. Mr. Jones and Mr. Hall have met with Cabinet, and are here to present information regarding ESS/Source4Teachers proposed services to the Committee.

ESS/Source4Teachers (ESS/S4T) partners with public school districts to provide substitute staff for many different needs, including teachers, paraprofessionals and nurses. They currently work with about 100 school districts in Pennsylvania. ESS/S4T worked with the CB HR and Business departments to develop a proposal for a financial and operational partnership with Central Bucks, customized to the district's needs.

ESS/S4T believes they can offer a proactive response to some of the current concerns regarding substitute staffing. Mr. Jones noted that the district had done a great job recruiting and staffing substitute employees, resulting in an exemplary fill rate for absent staff. The ability to continue the district's current fill rate status, and the cost to do so, are items ESS/S4T believes they can address.

PSERs costs to the district increase each year, partnering with ESS/S4T would alleviate the district of that cost. Mr. Jones noted an increase in the absence rate for Central Bucks – over 1,000 additional teacher absences in the 2016-2017 school year over the previous year. ESS/S4T has experienced the same trend, showing a 20% increase in their customer's requests for substitute staff over the same time period. Mr. Schloeffel asked if the increase could be attributed to any specific reason. Mr. Hall remarked that there has been a change in perspective on leave time – rather than save time for future need, today's employees tend to treat sick and personal leave more like "vacation" time to be used rather than saved. He also noted that the growth in the Special Education field has shown an increase in leave time requested. Mr. Jones commented that the trend for increased absence rates is being seen nation-wide. Mrs. Schwartz inquired if absences due to conferences and professional development were considered as reasons for the increased need for substitutes. She believed family obligations and child care were also factors in the use of leave time, rather than the idea employees were using leave time as "vacation". Mr. Hall noted that CB has a large professional development program that he was sure contributed to the need for additional substitute support.

Mr. Jones spoke on some leading challenges school districts face in recruiting substitute staff. There has been a 40% decrease in the number of teacher graduates, and an increase of 50% in the number of emergency permits issued. Districts will face significant costs recruiting and maintaining the quality of their substitute staff because of these challenges.

CB absence data for the 2016-2017 was presented. The district maintained a 97% fill rate for teacher absences (13,160 total absences), a 100% fill rate for long-term substitute absences (3,764 total

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absences), and an 80% fill rate for paraprofessional absences (2,175 total absences). Actual cost data was given for maintaining the CB substitute staff. Expenses, including daily pay rates, PSERs contributions, payroll taxes, administrative fees, etc. totaled \$2,892,493.

ESS/S4T would pay substitutes the same daily rate already established at Central Bucks. ESS/S4T would charge a 31% markup to the district for the cost of a daily sub. To supply the same number of substitutes detailed in the CB expense data, ESS/S4T projected a total cost of \$2,564,163. That cost, relieving the district of additional expenses such as PSERs and payroll taxes, would provide the district a \$328,330 savings.

Key deliverables provided by ESS/S4T include maintaining and enhancing current fill rates, retention of current CB subs with a one-year exclusivity to CB, enlarging the pool of available substitutes by including ESS/S4T subs, and the ability of retirees to substitute without penalizing their retirement from PSERs. ESS/S4T will have an onsite manager for Central Bucks, as well as a regional support team working to maintain current CB fill rates. ESS/S4T offers their employees weekly pay checks, healthcare, 401K and incentive pay.

Mr. Schloeffel asked if ESS/S4T had performance metrics that would ensure the maintenance of the high fill rate CB already has. Mr. Hall indicated that those metrics could be built in to a contract. Mrs. Schwartz noted that utilizing ESS/S4T creates another layer of red tape that needs to be managed if there are issues regarding fill rates, etc. Mr. Hall noted that the onsite ESS/S4T manager would be able to address those issues easily. Mrs. Schwartz expressed concern that there would be only one manager for 23 buildings. Mr. Hall reassured the Committee that the onsite manager would be supported by the regional team. Mrs. Schwartz asked if ESS/S4T had a diversity program, Mr. Hall indicated they did.

Mrs. Collopy asked if ESS/S4T substitutes sign an exclusivity contract. Mr. Hall noted that they do not. Mrs. Collopy inquired if there were a minimum number of days a substitute would be required to work. Mr. Hall commented that substitute participation is monitored.

ESS/S4T also provides substitute nurses, paraprofessionals and custodial staff. Any pricing for providing those substitutes would be based on the current CB pay rates for each group. Mrs. Collopy asked if a contract was being sought for providing substitutes for all groups, Ms. DiDio-Hauber noted that CB and ESS/S4T had only spoken about substitute teachers and paraprofessionals. Mrs. Collopy inquired if the building substitute program would continue, noting that the Board had been very happy to reinstate that program. Mr. Hall commented that the building substitute program would continue if the district contracted ESS/S4T. Principals would continue to be able to choose their own building substitute. Mrs. Darcy asked if teachers would be able to request specific substitutes, Mr. Hall indicated that it is a process available on AESOP and would continue to be available to teachers.

Mrs. Suits noted that ESS/S4T data showed overhead costs for 2016-2017 totaled \$504,721, which is 21% of the fixed cost. She asked how a 31% markup would save the district money if overhead costs only totaled 21% of the current costs. She asked that ESS/S4T provide more clarity regarding that data. Mrs. Suits inquired how ESS/S4T dealt with issues of co-employment, especially for long-term substitutes that spend months in an assignment. Substitutes could make the argument that they had all the responsibilities of a CB teacher but none of the benefits. Mr. Hall noted that because the substitutes would be working for a third-party provider they would not be able to make that claim. Mrs. Suits commented that her current employers must be very vigilant regarding outsourced employees to avoid

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lawsuits regarding co-employment. She would like to see co-employment language in any contract very clearly stated.

Mrs. Darcy asked if the district currently pays an incentive rate to substitutes for filling positions on Friday and Monday, Ms. DiDio-Hauber noted that was correct. Mrs. Darcy inquired if there had been any discussion with the teacher's union regarding a possible contract with ESS/S4T. Ms. DiDio-Hauber indicated that there had been discussion at a very high level.

Dr. Kopicki asked how many school districts ESS/S4T currently serves. Mr. Hall indicated that there were ten in Bucks County, and over 100 in Pennsylvania. Dr. Kopicki asked if Central Bucks would be one of the largest school districts ESS/S4T served, Mr. Hall indicated that it would. Dr. Kopicki noted that there was some consternation about utilizing ESS/S4T when the district already has a 97% fill rate. He asked what ESS/S4T could guarantee regarding maintaining that fill rate. While cost savings are important, Dr. Kopicki commented that ensuring there were teachers in classrooms was the highest priority. Mr. Hall remarked that there could be financial penalties built in the contract if ESS/S4T did not maintain the 97% fill rate. Dr. Kopicki noted that the financial impact means nothing if there are classrooms without teachers. Financial savings on the front end meant little if the fill rate was not maintained. Dr. Kopicki stated that he was not comfortable without some type of guarantee that ESS/S4T could continue to meet the 97% fill rate. Mr. Jones assured Dr. Kopicki that there would be language in the contract that would give him a level of comfort regarding the fill rates. Dr. Kopicki commented that the quality of service and maintenance of the high district fill rate were the key components in any discussion regarding outsourcing the substitute staff.

Mrs. Suits inquired what the fill rates were in the other Bucks County districts ESS/S4T services. Mr. Hall noted that there was a range of fill rates, and conceded that Central Bucks has the highest fill rates in the area. Dr. Kopicki remarked that CB has the highest fill rates because the program is handled in house. The proposal for outsourcing is based on cost-savings potential. He noted that ESS/S4T would be taking on the largest client they have, while already servicing ten districts in Bucks County. He reiterated his concern that the 97% fill rate would be maintained. Mr. Hall stated that he was confident his company would meet the challenge. Dr. Kopicki asked if the bill rate was negotiable, Mr. Hall indicated it was. Mrs. Schwartz asked if the 6 regional employees ESS/S4T had to support the on-site manager would be dedicated to Central Bucks. Mr. Hall noted they work with all the districts in the Bucks County region. Mrs. Schwartz asked why ESS/S4T would not be increasing their staff if they were to add a district as large as Central Bucks. Mr. Jones noted that their corporate structure would be able to provide the needed support. Mrs. Schwartz expressed concern that long-distance support would not be sufficient. Mr. Hall commented that if an additional person was required on site, ESS/S4T would certainly provide that. Mrs. Colopy expressed concern regarding the cost data provided for the daily substitute teachers. Mr. Jones noted that, while ESS/S4T was comfortable with the data provided, there was a "next layer" of cost analysis that needed to be done.

Mrs. Darcy noted that CB has a thorough screening process for substitutes, and commented that by utilizing ESS/S4T the district would lose that option. The district has a stringent vetting process, and does not want to compromise the quality of substitutes by not being able to continue to screen candidates. Mrs. Darcy also commented that CB substitute pay rates are different than others in the county. She noted that ESS/S4T had guaranteed CB substitutes would receive the current rate set by CB for one year. She wondered what would happen to those pay rates at the end of the year. Mr. Hall stated that the district would always set the pay rates. Mrs. Darcy noted that the district worked very hard to get to a

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97% fill rate, setting the pay rates was just one component. She agreed with Dr. Kopicki that the priority was maintaining the high fill rate. Mrs. Schwartz expressed concern that after a one-year exclusivity, current CB substitutes would go in to a big pool of ESS/S4T employees available to many other districts. She noted that the training the district had invested in CB substitutes would be lost.

Mr. Schloeffel commented that he believed the presentation was interesting enough to pursue, but would like to have better financial data provided. Mrs. Schwartz indicated she would like more information to be communicated to the teacher's union.

Mrs. Darcy asked Mr. Jones and Mr. Hall to work with the Business Department and Human Resources to compile more information for the Committee that addresses the concerns noted tonight.

Review of Finance Information Items:

Mrs. Vincent began with a review of the investment portfolio of the General Fund-Bank balances, which have dropped due to monies being drawn as tax revenues have slowed. Investments are being made in CD's as more attractive interest rates become available. Mrs. Vincent noted General Fund check disbursements included \$17,564.39 of void checks. The Business Department is in the process of contacting payees of uncleared checks from the previous school year. If payees indicate a replacement check is necessary, their original check is voided, and a replacement check issued. Mrs. Vincent anticipates there will a higher number of void checks for the next couple of months. Payees that do not respond will have their original check voided, and a check will be issued to the state of Pennsylvania for unclaimed funds.

Fund 3 balances were reviewed, including beginning balances, transfers into the account, interest earnings, expenditures, commitments and balances as of December 31,2017. Short-term capital is showing a negative balance because approximately \$557,000 is committed for spending that will occur in the next fiscal year.

Capital Reserve Account expenditures were reviewed for projects across the district. A summary of the General Fund balance, which had been updated to reflect final audit information, was presented. Projected tax collections are slow for EIT and real estate transfer taxes.

FICA and Medicare are showing a positive fund balance. Mrs. Vincent noted that it is early in the year, and there will be more snow days that will hit that balance – bad weather work days make the Payroll run high.

A summary of Fringe Benefits was reviewed. Health care is the largest expense, and Mrs. Vincent stated that the district had not received data from AON regarding the district's actual expenses. She is hopeful the data will be received soon, and the balance will move back to a positive amount. Mrs. Darcy asked if conversations regarding the district's status with the consortium were continuing, Mrs. Vincent indicated that they were. Dr. Kopicki noted that the board will be presented with a proposal to hire a consultant that will compare various healthcare plans across the state. Due to the complexity of the details, it was determined that an outside consultant would be able to provide the most complete information for the board to consider when reviewing healthcare choices for the district. Mr. Schloeffel asked when the district needed to give notice to the consortium regarding our continued participation. Dr. Kopicki noted that the deadline is March 31 but indicated that the district would not want to wait until that date if the decision was not to continue as a consortium member. Early March would be an

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appropriate time to notify the consortium if CB decided to opt out. Mrs. Schwartz inquired if healthcare options were part of the teacher contract. Dr. Kopicki noted that negotiations are beginning for the next teacher contract. Healthcare will be negotiated as part of that process. No changes have been made to the healthcare available to employees, the district is always working to see if they can do better in terms of the healthcare provided to its staff. Dr. Kopicki noted that Ms. DiDio-Hauber and her consortium team had worked diligently to add another healthcare package to those already established. The goal for any changes moving forward is to provide the best possible healthcare packages for employees with no additional strain on the district budget.

Review of Professional Services Contracts: 600 Objects FEMO:

A review of the 600 Object expenditures was presented by Mr. Kleimenhagen. Mrs. Vincent had supplied Mr. Kleimenhagen with a list of supply purchases and total payments to vendors for the 2016-2017 school year. Mr. Kleimenhagen offered details to the Committee regarding a few of the larger expense items.

VERITIV is one of our main custodial supply companies with an expense of \$173,185.74. FEMO is in the process of transitioning custodial supplies to a preferred vendor – Hillyard. Mr. Schloeffel asked if there would be savings associated with contracting with a preferred vendor. Dr. Kopicki asked Mr. Kleimenhagen to bring new board members up to date on the current situation with Hillyard. Mr. Kleimenhagen noted that the district has signed a letter of understanding with Hillyard, who will provide a cleaning cost analysis to the district. Hillyard will collect data from each CB building, detailing every aspect of what needs to be cleaned in each facility. That data will enable FEMO to determine the district's cleaning cost per square foot per custodian. Benchmarks for cleaning standards and size of assigned areas to be cleaned will also be addressed with the data provided from Hillyard. The data will also be used to develop training checklists, optimizing workforce and supplies. On May 8, Mr. Kleimenhagen is on the board agenda to provide a full custodial supply service update.

Bearings and Drives Unlimited is an HVAC and plumbing parts supply vendor, expenses totaled \$29,486.03. Those expenses reflect purchases made by district mechanics and tradesmen for repairs done over the course of the year. FEMO is reviewing large vendor expenses to determine if better pricing would be available if the district entered into a contract with a preferred vendor.

Mr. Schloeffel asked if all large expenses listed were under COSTARS. Mr. Kleimenhagen noted that any custodial operations like Grainger are COSTARS. Mr. Schloeffel inquired if there were areas that could provide cost reductions. Mr. Kleimenhagen stated that FEMO was diligently reviewing the data to make that determination.

Technology Capital Project Budget:

Mr. Jason Jaffe, Director of Technology and Innovation, presented an overview of the financing for the 1-1 Initiative including cost projections for both a 7th/ 8th grade and a 7th/8th/ 9th grade initiative.

The district currently has carts of laptops available in each building for classrooms to share. The vision of the Innovation and Technology team includes increasing technology access for students across the district. The three-year vision included a 1-1 laptop program for grades 7 through 9, the five-year vision is a 1-1 laptop program for grades 7-12. The team believes that teaching and learning will be enhanced by increasing student accessibility to technology.

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The choice of device for the 1-1 program is the HP Pro Book X360. This device is easy to carry and can fold to become a tablet, a tent or a traditional laptop. The keyboard is spill resistant and the screen is Gorilla Glass, which is important for repair costs. Currently the district spends about \$150,000 yearly to repair all devices used K-12, and broken screens and spillage on keyboards are a significant part of that repair cost. (The current 1-1 program at Holicong has had only one cracked screen this year) The HP Pro Book X360 also has a digitized pen, which enables the laptop to be used for math problems and scientific equations. Mr. Jaffe presented a video about the device to the committee.

Last year \$1.7 million was spent on laptops for students K-12. Repair costs were \$150,000, cart costs were \$43,000 - totaling \$1,893,000 spent on student laptops. Technology Fund 3 spending for student devices, iPad, projectors, infrastructure for wi-fi and teacher laptops totaled \$3.7 million.

The HP Pro Book X360 cost \$645 per unit. The device was chosen because it has a good processor, providing students the same power as teacher laptops. Features of the device will lower repair costs, and the device will be able to handle usage by secondary students over several years.

There are currently 9388 secondary students in the district. The cost to supply each student with an HP Pro Book X360 would be \$6,055,260. Mr. Jaffe noted the intention was not to supply each student immediately, but to stagger the supply over time. If all seventh and eighth grade students were to be supplied with a laptop (3,079 students projected for 2018-2019), the cost would be just below \$2 million. A \$50 usage fee is collected from students currently participating in the 1-1 pilot. If all seventh and eighth grade students were supplied with laptops in 2018-2019, the revenue from usage fees would be \$154,000 – more than enough to cover repair costs. Mr. Schloeffel asked if the usage fee was a one-time fee, Mr. Jaffe noted that it would be collected every year. If all 9388 secondary students were supplied with laptops, the revenue from usage fees would be \$469,400 – also covering repair costs for the district. Mr. Schloeffel asked if the district was internally insured, Mr. Jaffe stated that the district would self-insure.

Expenses for the current Holicong pilot program total \$210,000. To supply all seventh and eighth grade students with a laptop for 2018-2019 would cost \$1.8 million. Supplying ninth grade students with laptops would be of benefit in multiple ways, including staff development, training, and providing consistency in the classroom. Adding ninth grade students to the 1-1 program would cost an additional \$1 million, bringing total costs for the project to \$2.8 million.

A seventh-grade student would continue using the laptop through eighth and ninth grade. Students would not take the laptop home over the summer. Laptops would be refreshed in tenth grade – the laptops would be sold back, creating revenue of about \$314,000. That revenue would lower the cost of laptops for the following year. Five-year cost projections for having all secondary students participate in the 1-1 laptop program total \$7,473,200. Mr. Schloeffel asked if there had been a comparison of leasing vs. purchasing. Mr. Jaffe noted that it was more expensive to lease the equipment due to interest payments.

Mr. Jaffe presented information on the current laptop cart program. There are 30 laptops in a cart, for a total cost of \$20,000 per cart. Placing a cart in every seventh-grade classroom (currently 106 classrooms) would cost \$2,116,608. Adding carts to every eighth-grade classroom would bring the total to \$4 million. Cost comparison of the 1-1 program to the cart program show that it is cheaper to provide each student with a laptop than to provide each classroom with a cart. Over 6,000 laptops would need to be

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purchased to put a cart in every room, versus 3,000 purchased to supply each seventh and eighth-grade student. Even placing a cart in every other room would cost \$100,000 more than providing each student with a laptop.

Mr. Jaffe reviewed the benefits of a 1-1 program including access to technology for all students, mobile learning, ownership to students with the \$50 usage fee, cost-savings over a cart program, “anytime-anywhere” learning, and providing all staff the tools they need for teaching and learning. He presented a video on the problems with the cart program.

Mrs. Schwartz noted she had the opportunity to view the 1-1 program at Holicong and was beyond impressed. She asked if students taking summer courses would have the opportunity to use district laptops. Mr. Jaffe stated the plan would be for the students to turn the laptops in at the end of the school year so the Technology Department could clean them up and provide any repairs necessary.

Mrs. Suits commented that she thought the 1-1 program would be an excellent resource for students. She noted that the filters she has at home often block some of the teacher websites for her child. The ability to have a district laptop will provide seamless use for students. Mr. Jaffe stated that his department had worked very hard to ensure the filtering at home would be the same as the filtering at school, preventing any unwanted viewing of websites when the laptops were off school property. Providing students with district laptops also ensures a consistent platform for devices.

Mrs. Schwartz asked if, rather than selling back the units at the end of three years, had there been any talk of selling to the community. Mr. Jaffe noted that since the program was still under consideration, nothing had been discussed yet. There is a program currently being worked on for lower income students in the district that have no access to technology.

Mrs. Collopy commented that she was happy to see numbers presented for the cost of the program. She is not a proponent of the idea and remarked that she was concerned that only positive details had been discussed. She stated she had heard a student had been accused of cheating based on an inactivity log. She remarked that she had been hearing the program was not all “lollipops and rainbows” and was concerned she was not hearing the same information presented at the committee meetings. Mr. Jaffe addressed the cheating situation, explaining that the situation would have occurred whether or not there was a 1-1 program. He noted that there were issues with the roll out of any program that could be discussed, however this 1-1 program had been very successful. Repair rates have been low, the biggest issue being the pens – students jam the pens into the table like lead pencils, so the tips need to be repaired. Mr. Jaffe stated that he was very proud of the way the program had rolled out, and in his opinion, it had been highly successful. Mrs. Collopy noted that the incident she heard about was specific to the 1-1 program, not the incident Mr. Jaffe had described. Mr. Schloeffel informed the Committee that Mr. Jaffe would be presenting at the next Operations Committee meeting, and the information provided would address Mrs. Collopy’s concerns. He suggested further discussion be tabled until the Operations Committee meeting. Mrs. Collopy agreed. Mr. Jaffe encouraged the Committee to bring any issues they’ve heard about to his attention so he could address them specifically at the Operations meeting. Dr. Kopicki noted that Mr. Jaffe had been included on the agendas for both Finance and Operations to provide the board a full picture of the 1-1 program.

Budget Update – Projected Actual Expenses:

Mrs. Vincent will email the Committee with a handout of projected actual expenses.

Preparation for the January 23 Preliminary Budget Presentation:

Mr. Matyas discussed the next phase of the budget development process. He presented data on the history of the district's retirement contributions (PSERs). Contributions on the employee's behalf are about 11% (5.5% contributed by the school district and 5.5% contributed by the state). Employees contribute about 7.5% of their gross payroll. PSERs contribution rate is approximately 32.5%. Example: PSERs contributions for a million dollars in gross salaries total \$325,000 (half contributed by the state, half by the school district). In addition, 7.5% of the employee's gross pay is being contributed. Mr. Matyas noted those numbers showed a considerable amount of money going to the state retirement system to correct the under-funding that has happened over the years. He noted that in 2000-2001, the district contributed about 1% because the retirement system was over-funded. In the coming years, returns on investment declined and funding decreased from 125% to about 60%.

In 2018-2019 the contribution rate will increase to 33.43%, increasing costs to Central Bucks by about \$3.9 million. Even though the rate increase is only 2.6%, it is the largest increase in cost for the 2018-2019 budget. Increased budget pressure points for 2018-2019 include PSERs contributions, healthcare costs (consortium projected increase of about 9%) and prescription costs (consortium projected increase of about 8%). Decreased budget pressure points include a decline in energy costs, student enrollment and debt payments. Act 1 Basic Growth index (PDE-mandated maximum percent the district could raise real estate taxes if funding was needed) is at 2.4% for the 2018-2019 school year, which equals about 3 additional mills. Central Bucks current millage rate is about 124.1 mills. Current budget projections do not indicate the need for a tax increase. State funding is anticipated to grow by 1%, with no increase anticipated in federal funding.

With no tax increase planned for the 2018-2019 school year, the preliminary budget revenue projection is \$336,582,781. The budget breakdown shows that local revenues make up 78.4% of the overall budget, state revenues 20.9% and federal revenues 0.7%. While there is no tax increase planned, there is still growth in local revenues which includes real estate taxes, interim real estate taxes, local earned income taxes and transfer taxes.

Salaries and Benefits make up the vast majority of district expenses, pushing toward 80% of the total budget – ten years ago salaries and benefits were about 68% of the budget. The increased percentage reflects increased costs in retirement contributions and healthcare costs.

Debt principal from past district-wide construction projects equals \$9,915,000. Principal payments on the debt continue to decrease due to pre-payments the district made over the last several years. Currently there is \$3,000,000 budgeted for technology for the 2018-2019 school year, which could be adjusted based on the district's decision on the 1-1 laptop program. Short-term capital used to maintain district facilities is budgeted at \$12,000,000. (District facilities and grounds are worth about \$750 million collectively). Long-term capital is budgeted at \$3.6 million. There is \$1 million budgeted for school buses – buses are typically turned over after about 12 years. Debt principal and interest payments will be \$13,696,307 – 4.1% of the budget. Mr. Matyas noted that was a low debt ratio for a school district. The goal is to decrease the principal and interest payments to 0%, leaving more funds available for curriculum and instruction. The growth rate in the budget from 2017-2018 to 2018-2019 is 1.89%.

Mr. Schloeffel inquired about the 6% anticipated increase in energy costs, he thought the lower rates the district was receiving for energy usage would make for less of an increase in costs. Mrs. Vincent said

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that a decrease in that area was anticipated, numbers have been refined since this budget data was compiled.

Local revenues have improved over the last several years, allowing for no increase in the tax rate. The Governor will have his budget address in February, and Mr. Matyas will provide a complete run down on projected revenues once the Governor's proposal is made. Adoption of the proposed budget will be acted on at the next full board meeting. The final budget adoption is scheduled for June 12. Work will be done on refining staffing needs and healthcare numbers before final budget adoption.

Mr. Matyas presented information on state-wide issues facing school districts. School age population is decreasing, which ties into the enrollment reduction in CB. There is also a reduction in working-age adults, which means less tax revenue for the state. The increase in retiree populations and related services places an additional burden on state funds. GDP growth in the state is good, wages and salaries show an increase which helps the district EIT revenues. Job gains also show an increase, which also helps increase local revenues.

The state general fund balance shows a deficit of about \$1.5 billion, which the state is trying to alleviate with one-time sources of funds. The PA Independent Fiscal Office is projecting a \$79 million balance for the 2017-2018 fiscal year. Serious deficits are projected for the coming years. One-time funds for the 2017-2018 fiscal year include Tobacco Fund Securitization and miscellaneous fund transfers, which combined with corporate net operating losses and sales taxes create total revenues of about \$2,303 billion. Those one-time fund sources are not a recurring resource that can be used to meet expenditures – one-time revenues lead to long term issues. The state will be forced to raise taxes or cut expenses, which could mean a decrease in state support for school districts.

Air Gas LERTA Proposal for Plumstead Township:

Mr. Matyas reported that representatives from Airgas in Plumsteadville will be attending the next Operations Committee meeting seeking a property tax abatement. The Board recently approved a LERTA zone in Chalfont for a revitalization project encompassing several blocks. LERTA approval is a partnership between the county, the school district and the township borough. Airgas is requesting district approval for a tax abatement for their proposed new facility in Plumsteadville – county taxes, school taxes and borough taxes would be deferred for the new facility.

The current Airgas facility will continue to pay current school district taxes of about \$76,000. Their proposed new facility would have an estimated school tax of about \$148,866. Airgas is asking to defer the \$148,866 school taxes for five years, giving them a school tax abatement of \$744,330. Total tax deferment between the municipalities equals approximately \$1 million.

Dr. Kopicki noted some items to consider regarding the requested abatement, including the fact that the economic impact of the new facility will not be large. He encouraged the Committee to be very thoughtful about granting this proposal. Airgas is a New Jersey based company, building a facility in Pennsylvania already assures them lower property taxes. A new facility will necessitate the need for a water line. The placement of a water line will provide developers an excellent opportunity to build in Plumsteadville. Groveland Elementary is already at capacity, increased development in Plumsteadville may create a need down the line to build additional schools. The Committee should take into consideration the full impact this type of LERTA would mean for the district.

Finance Committee Meeting
January 17, 2018

Mrs. Collopy commented that she researched the Airgas proposal after they attended an Operations Committee meeting. She remarked that granting a LERTA for Chalfont borough was very different than granting one for an individual business. She spoke with Plumsteadville supervisor Nick Lykon after the Operations meeting, who remarked that the presentation Airgas gave to the township was very different than the one presented at Operations. Mrs. Collopy does not see that granting the LERTA would be beneficial to the district. Mr. Schloeffel commented that the Committee needs to consider the “slippery slope” - what will happen when the next business seeks an abatement. Mrs. Suits noted that the Chalfont LERTA was a more traditional one, enabling development of areas currently undeveloped. The Airgas LERTA proposal is a tax break for an individual company.

Mrs. Darcy inquired if Plumstead Township had signed off on the Airgas proposed LERTA, Mrs. Collopy indicated they had not. Dr. Kopicki remarked he believed Plumstead would wait for the school district to make their decision first. He reiterated his encouragement that the Committee be very thoughtful when considering this LERTA proposal.

State Senate Bill 2 Voucher Program and Resolution:

Mrs. Smith wanted to share with the Committee that PSBA had released an alert regarding Senate Bill 2, asking school boards to consider passing a resolution opposing the bill. Passage of the bill would enable families that live in the bottom 15% (academic performance) of school districts to receive a voucher of approximately \$5,700. That money could be used to help a child to attend a private school, which would also include religious schools. The granting of the voucher is not dependent on family need, it is dependent on whether a family lives in a low performing district. Mrs. Smith noted her opposition to the bill. She opposes vouchers because she feels they do not address the core issue of low performance in some districts. She believes allowing the voucher to be used for religious schools violates the separation of church and state. Mrs. Collopy remarked that she agreed that students are suffering in low performing districts despite how much money is thrown at the problems. She does not oppose vouchers because they help provide a solution until the low performing programs are fixed. She would not support a resolution because she would not be comfortable denying students the opportunity to attend better schools. Mrs. Darcy commented that she did not like resolutions on principal. PSBA releases legislative alerts routinely, many of which are not things that Central Bucks would agree with. Mrs. Darcy noted that a more effective measure would be for the board members to call their state representative and share their opinions as fellow elected officials.

Miscellaneous:

Mr. Schloeffel asked for an update on the following:

- The RFP for the new auditor. Mr. Matyas noted that there are some questions yet to be answered, one auditor has requested a meeting to review district procedures. The RFP is due in February.
- The placement of funds in the higher returning accounts. Mr. Matyas stated that is part of the plan for long-term capital and would be happening very soon. More information will be provided at the February meeting.
- The internal and external bussing study. Mr. Matyas reported that he had seen a draft of the external study early in January, which he marked with questions and comments and sent to the CB Transportation Department for their review. It is possible that there will be study results to present to the Committee in February. The internal review is progressing. Meetings have been

Finance Committee Meeting
January 17, 2018

held with District Athletic Director Danielle Turner, Transportation Manager Jim Czyz, Transportation routers, Mr. Matyas and Dr. Davidheiser. Mrs. Turner is drafting a report on how the district could schedule games to optimize bus usage. There has been consensus that the purchase of larger capacity buses (perhaps 2 per high school) for use in transporting teams would be a good idea. Information on the internal study may be provided as early as the next Finance meeting.

ADJOURNMENT:

The meeting was adjourned at 8:40 p.m.

NEXT MEETING:

The next meeting of the Finance Committee will be February 21, 2018.

Central Bucks School District

Finance Committee

Board Room of the Education Services Center – 16 Welden Drive
 Wednesday January 17th, 2017, 6:00pm Projected time – 2 Hours

Beth Darcy, Chairperson
 Jodi Schwartz, Member
 Dave Matyas, Business Administrator

Karen Smith, Member
 Tracy Suits, 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. Proposed Assessment Appeal Settlement - Penn's Purchase	15 minutes Doug Maloney of Begley Carlin	Pages 5 - 9
b. Contracting for Substitute Teachers	20 minutes Source 4 Teachers / A. Didio	Handout
c. Review of Finance Information Items	15 minutes Susan Vincent	Pages 34 – 38 & Handout
d. Review of Professional Services Contracts: 500 Object FEMO	10 minutes R. Kleimenhagen / Susan Vincent	Pages 10 - 12
e. Technology Capital Project Budget	20 minutes Jason Jaffe	Handout
f. Budget Update – Projected Actual Expenses	15 minutes Susan Vincent	Handout
g. * Preparing for the January 23rd Preliminary Budget Presentation	15 minutes Dave Matyas	Handout
h. Air Gas LERTA Proposal for Plumstead Township	10 minutes Dave Matyas	Page 13
5) Adjournment	Chairperson	End Time
6) Next Meeting Date: February 21 st , 2018		

Information Items

* Treasurers Report	Pages 14 – 27
* Investment Report	Pages 28 – 33
Other Funds Report	Pages 34 – 35
Tax Collection Report	Page 36
Payroll Report	Page 37
Benefit Report	Page 38
LOGIC Report on Banking	Handout

* 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

Committee Members Present

Mr. Glenn Schloeffel, Chairperson

Mrs. Susan Vincent, Director of Finance
Mr. Dave Matyas, Business Administrator

Committee Members Not Present

Mr. Paul Faulkner, Member

Dr. Jerel Wohl, Member

Others in Attendance

Mrs. Sharon Collopy, Board Member

Mr. Robert Kleimenhagen, Jr., CFM, SFP, Director of Operations

Mr. John Kopicki, Superintendent

Mr. Wayne Birster, District Facility Manager

Dr. David Bolton, Assistant Superintendent

Ms. Suzanne Moffat, District Operations Coordinator

The meeting was called to order at 6:02 p.m. by Mr. Schloeffel

PUBLIC COMMENT

There was no public comment.

REVIEW OF MEETING NOTES

The October 17, 2017 Finance Committee Meeting minutes were reviewed and approved without changes.

INFORMATION/DISCUSSION/ACTION ITEMS

Review of Finance Information Items:

Mrs. Vincent presented a review of finance information items, which included a summary of all checks submitted for approval at Board meetings. Mr. Schloeffel asked if more detail could be provided for the \$528,343.41 listed as Miscellaneous receipts in the General Fund. **Post Meeting Update:** *Miscellaneous Revenue breakdown is: \$251,608 = PURTA Tax Revenue from the state; \$100,693 = Incarcerated Educational Revenue; \$7,953 is Title III Revenue; the remaining \$168,089 is primarily Parking Permit Revenue along with some other miscellaneous revenue items. Going forward, these identified items will be included in a category other than miscellaneous.*

Mrs. Vincent noted the \$265,032,209.00 summary total for the Investment Portfolio. About 97% of tax revenues have been received at this point, and it is anticipated totals will come in as projected. General Fund Bank Balances were reviewed. Mrs. Vincent indicated there was an increase in investment rates over the summer, so interest earning should be strong.

Changes to the Capital Funds were discussed. There was a \$6 million transfer of the 2016-2017 surplus into the Capital accounts. In July, \$3 million was moved into Technology. The remaining transfer amount was moved in October. Short term Capital has an additional \$150,000; Technology has an additional \$2,450,000; Transportation an additional \$400,000.

Mr. Kopicki asked for verification that the Short-Term Capital Fund contained \$2.5 million. Mrs. Vincent noted that was the balance of uncommitted funds effective October 31, 2017. Mr. Kleimenhagen commented that the purchase order for the HVAC work at the Educational Services Center was not done prior to that date, therefore \$1.5 million would need to be deducted from the \$2.5 million uncommitted balance shown on the report.

Fund Balances were updated to reflect the 2016-2017 unassigned fund balance. The Budgetary Reserve number did not change. The Post Employment Reserve and Health Care Reserve were adjusted to reflect interest earned over the 2016-2017 school year. Transfer taxes look good so far, Mrs. Vincent noted that she did not think it was likely the budget number would be met because it had been increased from \$4.6 million to \$5.8 million. Because of the increase included in the 2017-2018 budget, the 2018-2019 proposed budget holds that line flat at approximately \$5.8 million.

The Healthcare Consortium has added a fourth plan, and because costs for 2016-2017 were higher than normal, the 2018-2019 proposed budget amounts for healthcare reflect a cost decrease of about 3%. Prescription costs are still trending upward, so the proposed 2018-2019 budget reflects an increase of about 5.9%.

Review of Professional Services Contracts:

Mrs. Vincent presented a report of the 400 Object (Purchased Property Services – expenditures related to the operation, repair and maintenance of property used by the district). The report was reviewed by Mr. Kleimenhagen and the Operations staff, and additional information was supplied. Mr. Kleimenhagen noted that the Operations Department had been working closely with Finance to review expenses for the past fiscal year (2016-2017). He highlighted several items in the report that will be looked at more closely. Time and Material vendors will be reviewed this fiscal year to determine if services are being provided in the most cost-effective way, or if services should be bundled in an RFP in the spring. Consideration will be given to the feasibility of having one roofing contract for non-warranty roofing repairs, rather than contacting several different vendors when repairs are needed. Painting services have been decentralized over the years. Paint has been purchased at the individual school level. Staff or volunteers have completed painting in the building. Operations has worked with building principals to stop that practice until it can be reviewed, perhaps having a dedicated district employee provide painting service thereby decreasing the current painting costs. Yearly contracts will be reviewed and rebid if necessary to get the best costs available. Operations will continue working with the Finance Department to review the 500 and 600 Objects, and will be back before the Committee in the coming months to present their findings.

Mr. Kopicki noted the \$52,000-line item for tree services, and asked if the district had the equipment necessary to perform those services in-house. Mr. Kleimenhagen indicated that the district did not have all the necessary equipment. Mr. Kopicki asked if the district could bring in the equipment and train the staff to handle the district's tree service needs, Mr. Kleimenhagen responded that it could be done, and Operations would research it.

Comparison of 2016-2017 Original Budget to Final Budget:

Mrs. Vincent presented a review of transfers made in the 2016-2017 budget. About one-third of transfers completed were due to PDE changes made to the chart of accounts. Approximately 1.5% of the budget was transferred. Some of the reasons for transfers include unforeseen staffing changes, the addition of the building/floating substitute program, and healthcare costs.

Comparison of the 2018-2019 Budget to Prior Years:

Mr. Matyas presented a report, comparing the proposed 2018-2019 budget to the 2016-2017 actual budget and the 2017-2018 projected actual expenses. He noted trends in benefits and salaries, and indicated that the comparison shows the movement (either upward or downward) in each budget item.

Update on Budget Process and New Zero-Based Timeline:

Mr. Matyas reported that Finance is in the process of getting the zero-based budgeting tool to all administrators. Secondary schools have the tool, elementary schools will be next, then Athletics. The goal is to have all zero-based budgeting information submitted to Finance so a final budget can be compiled in early March. Mr. Schloeffel asked if the Finance Department give any limitations/guidelines for preparing a budget. Mrs. Vincent noted that the Assistant Superintendents meet with their staff. Mr. Kopicki complimented Mr. Matyas and the Finance Department for providing Cabinet with details for budget considerations. Mr. Matyas attended the most recent Secondary Principals meeting and provided details regarding expectations for preparing their budgets. Mr. Matyas will also address the elementary principals. Dr. Bolton and Dr. Davidheiser then meet with the principals to review their individual budgets prior to submission to the Finance Department. Mr. Schloeffel asked if there was any communication regarding parameters for budgeting. Mr. Kopicki noted that there is not a dollar figure given, the expectation is that principals will budget to meet the educational needs for their building. The review completed by the Assistant Superintendents and then Finance/Superintendent helps ensure the budget stays in line.

Preparation for the December 4th Preliminary Budget Presentation:

Mr. Matyas gave a preview of the preliminary budget presentation that will be given to the full board on December 4th. Initial slides include information geared to getting the new board members up to speed on the budget process, including information on Act 1. A general overview of the budget timeline is provided. Details are presented on the district's major source of revenue, which is local revenue including real estate taxes, real estate transfer taxes, interim real estate taxes, earned income taxes and investment income. Eighty percent of district revenue comes from local sources, nineteen percent from the state and one percent from the Federal government. Mr. Matyas noted that the district does not have to rely on state support since most of our money is received through local sources. Details were presented on the 2016-2017 budget, the 2017-2018 budget and the proposed 2018-2019 budget. The full board will be asked on December 4th to approve the resolution to publicly post the 2018-2019 budget.

Long Term Investment Rates and Potential Investment Amounts:

Mrs. Vincent presented a preliminary interest earning analysis for long term investments. She noted that if long term investments were placed, the total funds that would be liquid/available were \$31,000,944 (not counting the \$15 million unassigned fund balance). Details were presented for the various investment options for either 18 or 24 months. The Committee determined that there would be sufficient liquid funding available to allow for a long term investment of 24 months. Mrs. Vincent noted that there will be a Ratification of Investments presented to the full board in January.

Transportation Study Update:

Transportation Advisory Services were in the district October 24-25, discussing district needs with Mr. Matyas, Mrs. Speese (Special Ed), Mrs. Turner (Athletics) and the entire Transportation staff including administrators, support staff and drivers. Mr. Matyas is expecting a draft report to be submitted next month. Mr. Matyas noted that the district is reviewing the possibility of getting tighter scheduling for JV

and Varsity games, allowing the teams to travel together and decreasing the number of busses required for transport. The feasibility of purchasing six 90-passenger busses (two for each high school) equipped with storage compartments is being considered. Sixty high school students would fit on those busses, enabling teams to travel in one bus instead of two. Mrs. Collopy asked for an update on the Transportation Department's progress reviewing our current routes to create more efficient and consolidated transport. Mr. Matyas reported that the Transportation Department is considering focusing on routes in smaller cluster areas rather than making changes across the entire district.

CPower Contract for Demand Response Rebate from PJM Grid:

Mr. Matyas noted that the district signs a no-cost contract with CPower, who is contracted by PJM (Pennsylvania, New Jersey, Maryland Grid) to find companies that will agree to shed electrical load should there be a need. The contract identifies the district as a customer that could shed electrical load in the summer when there is a danger of a brown/black out. CPower would contact the district and request that we shed electrical load (as an example, the district would turn off the air conditioners at 2:30 on an August afternoon)– the request has only been made a few times. Even if there is no requirement for the district to shed load, we receive a check from the PJM grid for participating in the program. The last check was for \$180,000. The Committee agrees to place the yearly contract with CPower on the full Board agenda for approval.

Association of School Business Officials – Budget Award 2017-2018:

Mr. Matyas informed the Committee that the district has received an award from the Association of School Business Officials for the 2017-2018 budget presentation. This is the third year in a row the district has received the award. The Committee decided that the award should be displayed in the Board Room, ensuring that the public is aware of the achievement. Mr. Kopicki noted that credit goes to the Finance Department for their hard work.

Operations (FEMO) Auction of Equipment on December 9th:

Mr. Matyas noted that the Operations Department will be renamed the Facilities Energy Management Operation. FEMO would like to hold an auction of obsolete items. Those items are currently taking up valuable storage space in the district warehouse. The district would hire an auctioneer to help sell the items at auction. The auctioneer currently being considered would take 30% of gross sales as a commission. Mr. Birster has asked each building to send an inventory of obsolete items. Those items will be collected and brought to the warehouse. Mr. Birster has also completed an inventory of the warehouse. He is in negotiation with several other auctioneers to try and get the best pricing. The initial date for the auction was anticipated to be December 9th, but may be postponed due to the logistics of gathering the long list of materials from the buildings.

Miscellaneous:

Mr. Matyas presented the RFP for Audit Services to the Committee for their review.

Mr. Matyas presented a report by the State Independent Fiscal Office on Tax Reform to the Committee for their review.

ADJOURNMENT:

The meeting was adjourned at 7:40 p.m.

NEXT MEETING:

The next meeting of the Finance Committee will be January 17, 2018.

The Law Office of Joshua F. Laff, LLC
By: Joshua F. Laff, Esquire
Attorney Identification No. 82686
3883 Nanlyn Farm Circle
Doylestown, PA 18902
(215) 350-5323

Attorney for Appellant
RAVID LAHASKA LLC

RAVID LAHASKA LLC
c/o Cohen Equities NY LLC
675 3rd Avenue, Suite 2120
New York, NY 10017

Appellant

vs.

BUCKS COUNTY BOARD OF
ASSESSMENT APPEALS
55 East Court Street
Doylestown, PA 18901

Appellee

COURT OF COMMON PLEAS
BUCKS COUNTY, PA

CIVIL DIVISION – LAW

No. 2014-08915

TAX ASSESSMENT APPEAL

Tax Parcel: 06-016-015

Municipality: Buckingham Township

ORDER

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

IT IS FURTHER Ordered and Decreed that: (i) the Bucks County Board of Assessment Appeals shall make the appropriate change in assessment as agreed to in the attached Stipulation; (ii) the County of Bucks, the Township of Buckingham and the Central Bucks School District shall refund the overpayments referenced in the attached Stipulation to the Appellant as provided in the Stipulation; and (iii) the Prothonotary shall mark the above-captioned action "Settled, Discontinued and Ended."

BY THE COURT:

By: _____ J.

The Law Office of Joshua F. Laff, LLC
By: Joshua F. Laff, Esquire
Attorney Identification No. 82686
3883 Nanlyn Farm Circle
Doylestown, PA 18902
(215) 350-5323

Attorney for Appellant
RAVID LAHASKA LLC

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BUCKS COUNTY, PA

CIVIL DIVISION – LAW

No. 2014-08915

TAX ASSESSMENT APPEAL

Tax Parcel: 06-016-015

Municipality: Buckingham Township

STIPULATION

It is hereby stipulated by and between Joshua F. Laff, Esquire, attorney for RAVID Lahaska LLC, Appellant; Edward Rudolph, Esquire, Solicitor for the Bucks County Board of Assessment Appeals, Appellee; Donald E. Williams, Esquire, Solicitor for Bucks County, Intervenor; and Douglas C. Maloney, Esquire, Solicitor for Central Bucks School District, Intervenor, that the above-captioned assessment appeal is settled based upon the following agreements (Note: The Township of Buckingham elected not to intervene in this matter):

1. **Effective January 1, 2015 for County and Township tax purposes and effective July 1, 2015 for School District tax purposes**, the assessment on parcel number 06-016-015, being 5861 Route 202, Lahaska, Buckingham Township, Bucks County, Pennsylvania (hereinafter the "Property") shall be decreased from One Million Five Hundred Thirty-Nine Thousand Four Hundred Fifty (1,539,450), which results in a fair market value of Fourteen Million Two Hundred Fifty-Four Thousand One Hundred Sixty-Seven Dollars (\$14,254,167.00), to **Six Hundred Forty-Eight Thousand (648,000)**, which results in a fair market value of Six Million Dollars (\$6,000,000.00). This will be a decrease in assessment of Eight Hundred Ninety-One Thousand Four Hundred Fifty (891,450).

2. **Effective January 1, 2016 for County and Township tax purposes and effective July 1, 2016 for School District tax purposes**, the assessment on the Property shall be decreased from One Million Four Hundred Forty-Four Thousand Seventy (1,444,070), which results in a fair market value of Twelve Million Seven Hundred Seventy-Nine Thousand Three Hundred Eighty-One Dollars (\$12,779,381.00), to **Five Hundred Ninety-Three Thousand Two Hundred Fifty (593,250)**, which results in a fair market value of Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000.00). This will be a decrease in assessment of Eight Hundred Fifty Thousand Eight Hundred Twenty (850,820).

3. **Effective January 1, 2017 for County and Township tax purposes and effective July 1, 2017 for School District tax purposes**, the assessment on the Property shall be decreased from One Million Four Hundred Forty-Four Thousand Seventy (1,444,070), which results in a fair market value of Thirteen Million Nine Thousand Six Hundred Forty Dollars (\$13,009,640.00), to **Five Hundred Fifty-Five Thousand (555,000)**, which results in a fair market value of Five Million Dollars (\$5,000,000.00). This will be a decrease in assessment of Eight Hundred Eighty-Nine Thousand Seventy (889,070).

4. Based upon the assessments established by this Stipulation, the taxing authorities have received overpayments as follows:

Central Bucks School District

<u>Tax Year</u>	<u>Old Assessment</u>	<u>New Assessment</u>	<u>Difference</u>	<u>Millage</u>	<u>Overpayment</u>
2015-2016	1,539,450	648,000	891,450	124.10	\$110,628.95
2016-2017	1,444,070	593,250	850,820	124.10	\$105,586.76
2017-2018	1,444,070	555,000	889,070	124.10	\$110,333.59

Township of Buckingham

<u>Tax Year</u>	<u>Old Assessment</u>	<u>New Assessment</u>	<u>Difference</u>	<u>Millage</u>	<u>Overpayment</u>
2015	1,539,450	648,000	891,450	5.50	\$4,902.98
2016	1,444,070	593,250	850,820	5.50	\$4,679.51
2017	1,444,070	555,000	889,070	4.00	\$3,556.28

County of Bucks

<u>Tax Year</u>	<u>Old Assessment</u>	<u>New Assessment</u>	<u>Difference</u>	<u>Millage</u>	<u>Overpayment</u>
2015	1,539,450	648,000	891,450	23.20	\$20,681.64
2016	1,444,070	593,250	850,820	23.20	\$19,739.02
2017	1,444,070	555,000	889,070	23.20	\$20,626.42

5. The parties acknowledge that the above calculations are subject to verification by the Tax Collector and/or Business Manager of each respective taxing authority.

6. If the Appellant paid taxes within the discount period, the amount of overpayments and refunds due will be two percent (2%) less than the amounts set forth above; if the Appellant paid taxes within the penalty period, the amount of overpayments and refunds due will be ten percent (10%) more than the amounts set forth above.

7. Upon approval of this Stipulation by the Court, the Tax Collector and/or Business Manager for the Central Bucks School District shall, within thirty (30) days of the Court's approval, issue refunds directly to the Appellant in the amounts of **\$110,628.95** for the 2015-2016 fiscal/tax year, **\$105,586.76** for the 2016-2017 fiscal/tax year and **\$110,333.59** for the 2017-2018 fiscal/tax year.

8. Upon approval of this Stipulation by the Court, the Tax Collector and/or Business Manager for the Township of Buckingham shall, within thirty (30) days of the Court's approval, issue refunds directly to the Appellant in the amounts of **\$4,902.98** for 2015, **\$4,679.51** for 2016 and **\$3,556.28** for 2017.

9. Upon approval of this Stipulation by the Court, the Tax Collector and/or Treasurer for the County of Bucks shall, within thirty (30) days of the Court's approval, issue refunds directly to the Appellant in the amounts of **\$20,681.64** for 2015, **\$19,739.02** for 2016 and **\$20,626.42** for 2017.

10. The parties are agreeing to the new assessment above for settlement purposes only and are not agreeing to a value or an assessment for any year other than the years covered by this Stipulation.

11. In the event that an interim assessment is issued subsequent to the filing of this Stipulation, all appeal rights from the interim assessment only are reserved.

12. The parties acknowledge that this Stipulation does not in any way impair or restrict the Bucks County Board of Assessment Appeals' statutory authority to revise the assessment of the subject Property as a result of a countywide reassessment, material physical change to the subject Property, or otherwise as provided by applicable law.

13. The parties acknowledge that this Stipulation is a compromise of an existing matter.

14. The parties acknowledge that each participant in this appeal shall bear their own costs and attorneys' fees.

15. The parties acknowledge and request that this appeal be marked settled, discontinued and ended upon Court approval of this Stipulation.

16. The undersigned agree that they have received the appropriate authorization from their clients to execute this Stipulation.

17. All refunds due and payable to Appellant shall be made payable to "The Law Office of Joshua F. Laff, LLC" and shall be delivered to Appellant's counsel at: The Law Office of Joshua F. Laff, LLC, 3883 Nanlyn Farm Circle, Doylestown, PA 18902.

600 Object: Supplies

Subtotals from Sheet 1 (can expand sheet 1 for transaction detail)

173,185.74 VERITIV Total
5,077.60 THE BAASE COMPANY Total
29,486.03 BEARINGS & DRIVES UNLIMITED Total
7,765.78 BERGEY'S INC Total
334.17 AIR GAS EAST Total
60.00 COMMONWEALTH OF PENNSYLVANIA Total
280.00 COUNTY OF BUCKS Total
10,047.03 COYNE CHEMICAL Total
1,880.00 DEGLER WHITING Total
3,254.56 TAGUE LUMBER Total
(57.98) GENERAL AIRE SYSTEMS, INC. Total
17,151.36 HILLYARD - DELAWARE VALLEY Total
4,260.00 GENERAL SUPPLY COMPANY Total
29,749.63 GRAINGER INC Total
161.84 HANCE RADIATOR INC Total
15,480.79 HOME DEPOT Total
10,919.02 BUILDING SPECIALTIES Total
9,806.98 MICHEL CO INC, R.E. Total
10,067.89 PAUL B MOYER & SONS, INC. Total
1,208.25 MT. LAKE POOL & PATIO Total
2,330.44 OFFICE BASICS Total
1,113.16 BSN SPORTS/US GAMES Total
270.26 RADIO SHACK Total
725.14 SEARS HARDWARE Total
84.00 SHAW & SON, NICHOLAS A. Total
40,402.98 SHERWIN WILLIAMS CO Total
45.75 CORTINEO CREATIVE Total
554.33 TILLEY FIRE EQUIPMENT COMPANY Total
15,293.84 UNITED REFRIGERATION INC. Total
328.00 VISUAL SOUND, INC. Total
370.51 WEHRUNG'S FAMILY HOME CTR. INC Total
10,873.08 WELLS TECHNOLOGY, INC. Total
3,761.73 YOUNGS INC. Total

69.00 ZEO BROTHERS PRODUCTIONS, INC. Total
 185.00 E. M. GRANT Total
 42,152.17 JOHNSTONE SUPPLY Total
 9,641.58 SCHOOLDUDE.COM Total
 5,331.84 PHILADELPHIA EXTRACT COMPANY Total
 4,695.39 IF IT'S WATER, INC. Total
 (75.00) DO NOT USE Total
 4,755.00 K & H WINDOW WORLD, INC. Total
 307.47 TJ EQUIPMENT COMPANY Total
 75.00 TOWNSHIP OF ABINGTON Total
 1,305.30 TYNDALE Total
 925.00 WAREHOUSE BATTERY OUTLET Total
 98.12 ESTABLISHED TRAFFIC CONTROL Total
 354.00 TREATMENT SPCLTY/ MER-MADE FILTER Total
 760.00 iSIGN Total
 5,443.96 PLASTERER EQUIPMENT CO., INC. Total
 207.82 O'NEILL & SONS Total
 86.50 LVR INC Total
 2,978.45 PIPERSVILLE GARDEN CENTER Total
 1,669.00 SEE OUR SOUND Total
 47.78 FULL COMPASS SYSTEMS, LTD Total
 1,500.00 IRIS LTD Total
 1,500.00 SMITH PRINTS Total
 7,580.30 THE COPE COMPANY SALT Total
 833.88 SAGE TECHNOLOGY SOLUTIONS, INC Total
 4,023.32 TRENDWAY CORPORATION Total
 4,871.00 NORTH AMERICAN FILTRATION COMPANY Total
 2,711.35 PCA CORRUGATED AND DISPLAY, LLC Total
 200.00 NEWWA Total
 52,815.32 FSI INDUSTRIES Total
 724.90 NYCO CORPORATION Total
 240.00 FIRST STATE DISTRIBUTORS Total
 1,860.00 MORRIS BLACK & SONS, INC Total
 195.00 GLAZING CONCEPTS Total
 195.76 NATIONAL TIME & SIGNAL Total

16,850.24 INDUSTRIAL CONTROLS DISTRIBUTORS LLC Total
489.76 HARRINGTON INDUSTRIAL PLASTICS, LLC Total
8,969.50 PREMIER DOOR, FRAME & HARDWARE Total
10.00 CENTRAL BUCKS REGIONAL POLICE DEPARTMENT Total
726.22 WILLIAM FOSTER & SONS Total
1,250.00 CENTREPOINT CONTRACTING, INC. Total
127.01 SHIFFLER EQUIPMENT SALES, INC Total
32,786.59 LOWE'S COMPANIES, INC. Total
990.17 G & H SERVICE COMPANY Total
362.19 CENTURY LIGHTING SERVICE, INC. Total
1,733.00 S & G WATER CONDITIONING Total
1,399.99 ALL PRO SOUND Total
7,718.96 HILTI, INC. Total
1,552.00 ELITE AIR SYSTEMS Total
2,271.00 MANCINO MFG. CO. Total
3,734.55 BARCO PRODUCTS COMPANY Total
2,735.00 MAR-VAN INDUSTRIES, INC. Total
8,562.00 WELD-RITE SERVICES, INC. Total
10,180.33 MOBILE LIFTS, INC. Total
668,984.63 Total

Property Tax Projections

- Airgas is seeking a 5-year, 100% property tax abatement to help support the business case for its proposed investment in the Plumsteadville facility.

Assumptions

- 2017 Tax Rates:** Bucks County (2.320%), Central Bucks School District (12.410%), Plumstead Township (1.394%)
- Fair Market Values:** Existing Facility (\$5,665,960), Proposed Facility (Est. at \$11,000,000)
- Assessed Values:** Existing Facility (\$617,880), Proposed Facility (\$1,119,564) [using 2017 assessment ratio of 10.9%]



Current Facility

Proposed Facility

Totals

	Current County Tax	Current School District Tax	Current Township Tax	Est. County Tax	Est. School District Tax	Est. Township Tax	Current Facility (No Abatement)	Proposed Facility (No Abatement)	Requested Abatement	Est. Net Tax (w/ Abatement)
Year 1	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$193,418	\$99,627
Year 2	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$193,418	\$99,627
Year 3	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$193,418	\$99,627
Year 4	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$193,418	\$99,627
Year 5	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$193,418	\$99,627
Year 6	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$-0-	\$293,045
Year 7	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$-0-	\$293,045
Year 8	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$-0-	\$293,045
Year 9	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$-0-	\$293,045
Year 10	\$14,335	\$76,679	\$8,613	\$27,830	\$148,866	\$16,722	\$99,627	\$193,418	\$-0-	\$293,045
TOTAL	\$143,348	\$766,789	\$86,132	\$278,299	\$1,488,659	\$167,219	\$996,270	\$1,934,177	\$967,088	\$1,963,358



CENTRAL BUCKS
SCHOOL DISTRICT

To: Sharon Reiner
From: Brett Haskin
Date: January 2, 2018

Board Agenda Information:

General Fund Disbursements, December 2017

Checks	\$2,720,448.62
Electronic Payments	\$15,804,775.75
Transfers to Payroll	\$8,187,343.29
TOTAL	<u>\$26,712,567.66</u>

Other Disbursements, December 2017

Capital Fund Checks & Electronic Payments	\$1,348,164.35
Food Service Checks & Electronic Payments	\$15,758.56
TOTAL	<u>\$1,363,922.91</u>

Grand total of all Funds \$28,076,490.57

**The Central Bucks School District
General Fund
Treasurer's Report
12/31/2017**

Beginning Cash Balance		\$12,513,381.19
Receipts		
Local General Funds Receipts		
Local Collectors	2,079,635.66	
County of Bucks	419,668.42	
EIT	1,741,032.44	
Interest Earnings	10,325.06	
Facility Use Fees	12,830.42	
Tuition, Community School	294,905.32	
Contributions	16,635.60	
Miscellaneous	3,465.86	
Total Local General Funds Receipts	\$4,578,498.78	
State General Fund Receipts		
Basic Ed Subsidy	2,439,396.56	
Soc Sec & Retirement	2,909,343.09	
State Subsidy- Other	1,023,919.00	
Total State General Fund Receipts	\$6,372,658.65	
Federal General Fund Receipts		
Title 2	25,953.62	
IDEA	1,071,769.12	
Other Federal Subsidies	56,314.77	
Total Federal General Fund Receipts	\$1,154,037.51	
Other Receipts		
Investments Matured	23,540,000.00	
Offsets to Expenditures	136,197.01	
Total Other Receipts	\$23,676,197.01	
Total Receipts		\$35,781,391.95
Total Beginning Cash Balance and Receipts(carried to next page)		\$48,294,773.14

**The Central Bucks School District
General Fund
Treasurer's Report Continued
12/31/2017**

Total Beginning Cash Balance and Receipts(from previous page) **\$48,294,773.14**

Disbursements

* Checks (see detail below)		\$2,720,448.62	
Electronic Payments:			
Employee Payroll Taxes/WH	4,120,593.14		
Employer Payroll Taxes	1,453,140.64		
PSERS Retire	6,680,337.46		
403B/457PMT	565,485.28		
Health Benefit Payments	2,733,819.23		
** Transfer to PSDLAF Account	250,000.00		
Transfer to Other Funds	1,400.00		
Electronic Payments Total:		\$15,804,775.75	
Transfer to Payroll		\$8,187,343.29	
Total Disbursements			\$26,712,567.66
Ending Cash Balance	12/31/2017		\$21,582,205.48

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

12/12/2017 Check Run- Board to Approve 01/09/2018		\$717,777.17	
12/15/2017 Check Run- Board to Approve 01/09/2018		\$92,390.30	
12/31/2017 Check Run- Board to Approve 01/09/2018		\$92,264.17	
Total Check Runs-		\$902,431.64	
Less Voided Checks		(\$17,564.39)	
December Check Disbursements		\$884,867.25	
Add Prior Month A/P Funded This Month		\$2,204,988.31	
Less This Month A/P To Be Funded Next Month		\$369,406.94	
Checks Funded This Month		\$2,720,448.62	

**PSDLAF account is funded to cover credit card purchases.

**The Central Bucks School District
Capital Fund-Checking Account
Treasurer's Report Continued
12/31/2017**

Beginning Cash Balance		\$23,549.29
Receipts		
Interest Earnings	\$237.36	
Cash Transfers from Fund 3 Reserve Accounts	\$1,403,853.52	
Total Receipts		\$1,404,090.88
Disbursements		
* Checks (see detail below)	\$1,348,164.35	
Electronic Payment	\$0.00	
Total Disbursements		\$1,348,164.35
Ending Cash Balance		\$79,475.82

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

12/05/17 Check Run	Board to Approve 1/09/18	\$1,069,443.20
12/07/17 Check Run	Board to Approve 1/09/18	\$14,382.00
12/14/17 Check Run	Board to Approve 1/09/18	\$120,007.57
12/21/17 Check Run	Board to Approve 1/09/18	\$199,062.46
Total Check Runs		\$1,402,895.23
Less Voided Checks		\$0.00
December Check Disbursements		\$1,402,895.23
Add Prior Month A/P Funded This Month		\$11,854.67
Less This Month A/P To Be Funded Next Month		\$66,585.55
Checks Funded This Month		\$1,348,164.35

**The Central Bucks School District
Food Service
Treasurer's Report Continued
12/31/2017**

Beginning Cash Balance		\$878,339.65
Receipts		
Interest Earnings	\$169.63	
Student Lunch Account Deposits	\$339,266.64	
Subsidies	\$70,156.87	
Total Receipts		\$409,593.14
Disbursements		
* Checks (see detail below)	\$15,758.56	
Electronic Payments	\$0.00	
Total Disbursements		\$15,758.56
Ending Cash Balance		\$1,272,174.23

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

12/07/17 Check Run-	Board to Approve 1/09/18	<u>\$15,724.66</u>
Total Check Runs		<u>\$15,724.66</u>
Voided Checks		<u>\$0.00</u>
December Check Disbursements		<u>\$15,724.66</u>
Add Prior Month A/P Funded This Month		\$252.70
Less This Month A/P To Be Funded Next Month		<u>\$218.80</u>
Checks Funded This Month		<u><u>\$15,758.56</u></u>

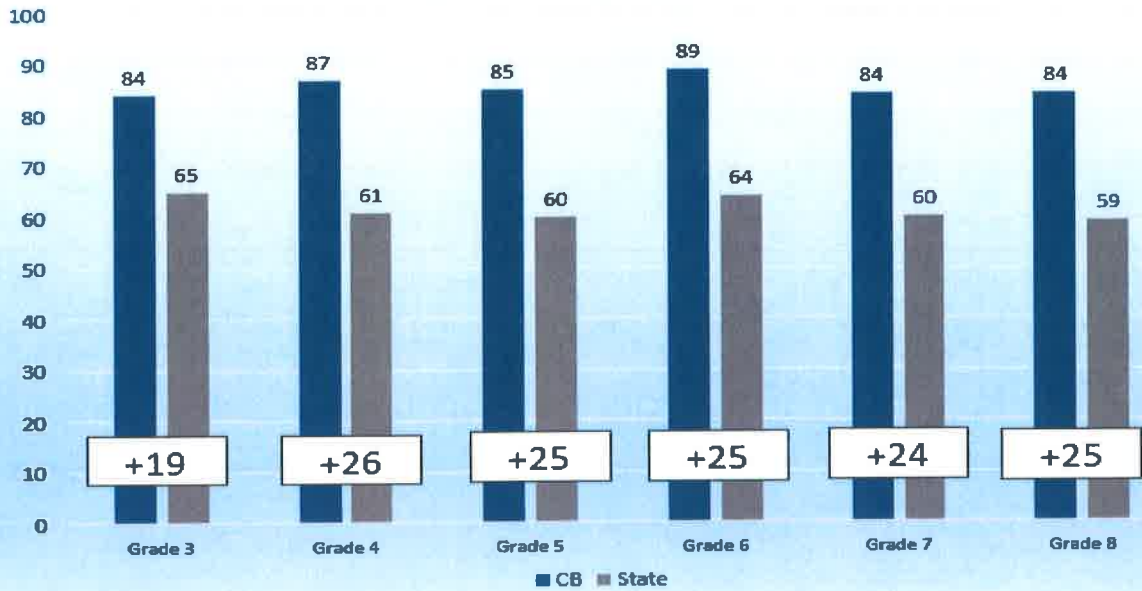
Class Profile of Graduating Students

	Class of 2010	Class of 2011	Class of 2012	Class of 2013	Class of 2014	Class of 2015	Class of 2016	Class of 2017
4 Year Colleges	75%	75%	76%	77.4%	76.6%	78.2%	76.8%	76.5%
2 Year Colleges	16%	15%	16%	13.5%	13.4%	13.6%	12.8%	14.6%
Employment	3%	3%	3%	3%	4%	3.7%	3.2%	4.2%
Armed Forces	1%	1%	1%	1%	2%	<1%	1.2%	1.1%
Other	4%	5%	3%	4%	3%	2.6%	6%	3.6%

Class	# of Graduates	Avg. GPA	Total Submitted College Applications
2007	1,501	3.137	5,474
2008	1,491	3.219	6,152
2009	1,517	3.22	6,350
2010	1,524	3.25	6,862
2011	1,673	3.29	7,802
2012	1,558	3.37	7,215
2013	1,630	3.41	7,170
2014	1,699	3.41	7,852
2015	1,606	3.41	7,470
2016	1,628	3.47	7,697
2017	1,691	3.50	7,421

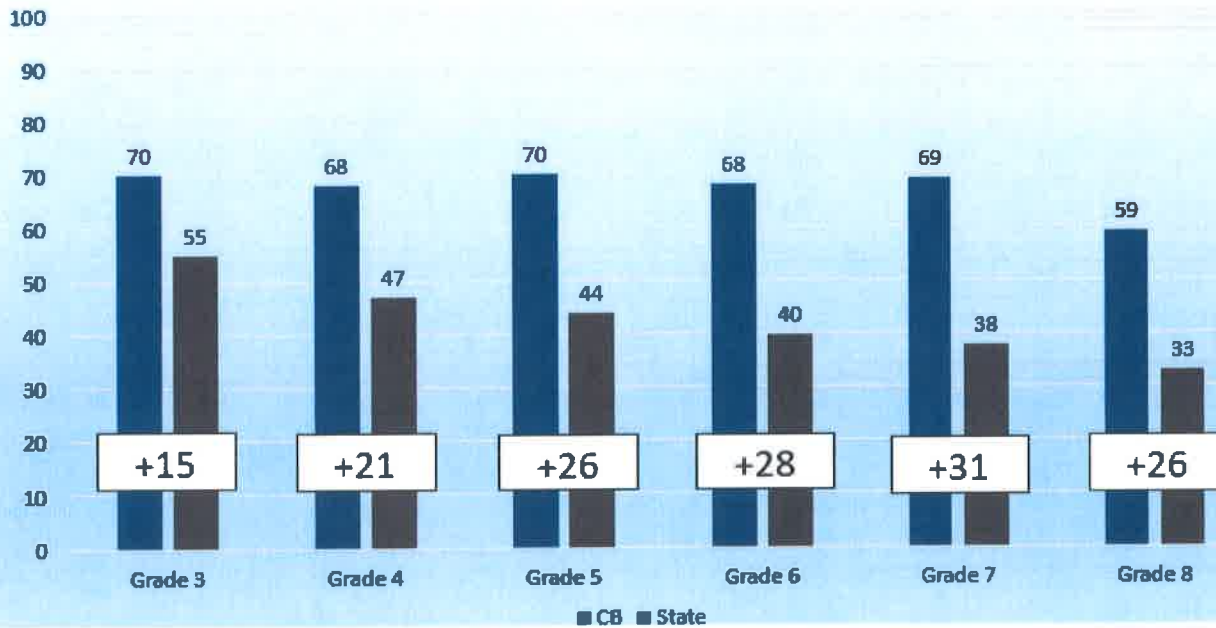
PSSA Scores: English Language Arts

CB & State English Language Arts PSSA Scores



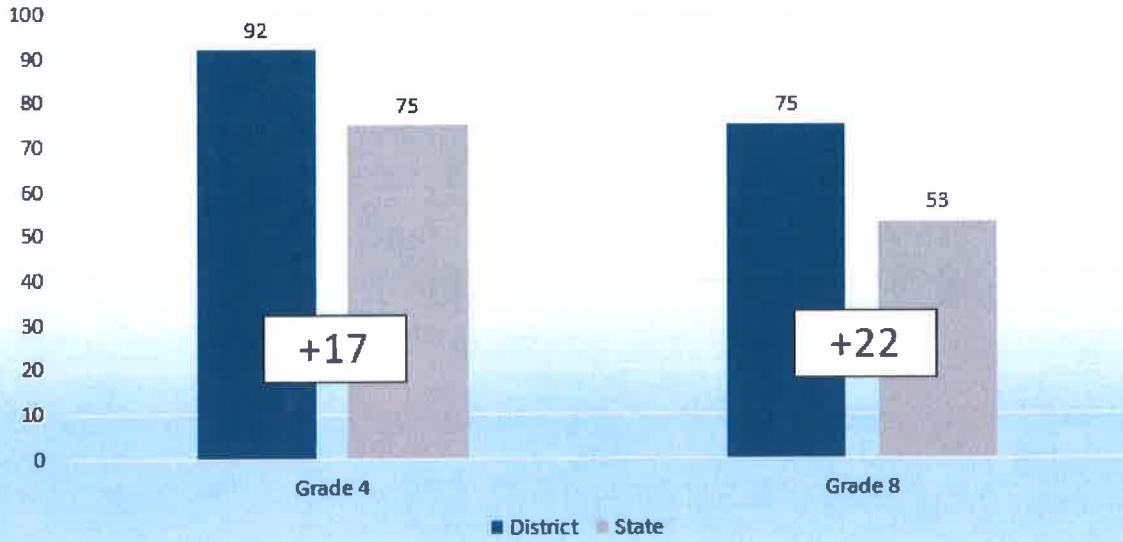
PSSA Scores: Mathematics

CB & State Math PSSA Scores



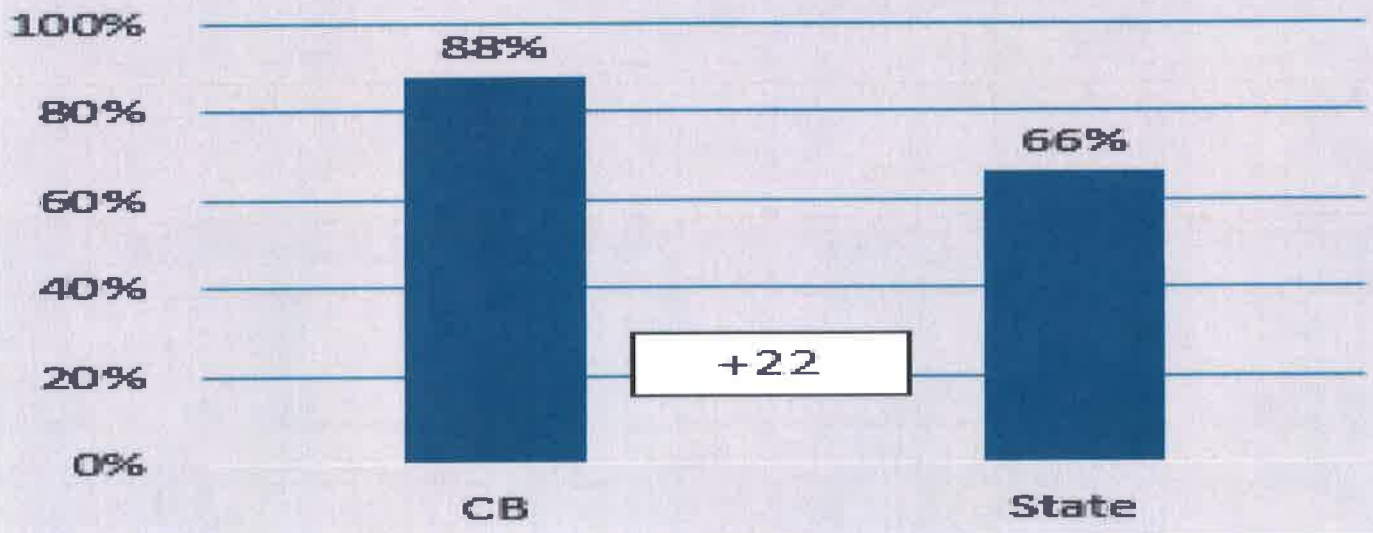
PSSA Scores: Science

CB & State Science PSSA Scores

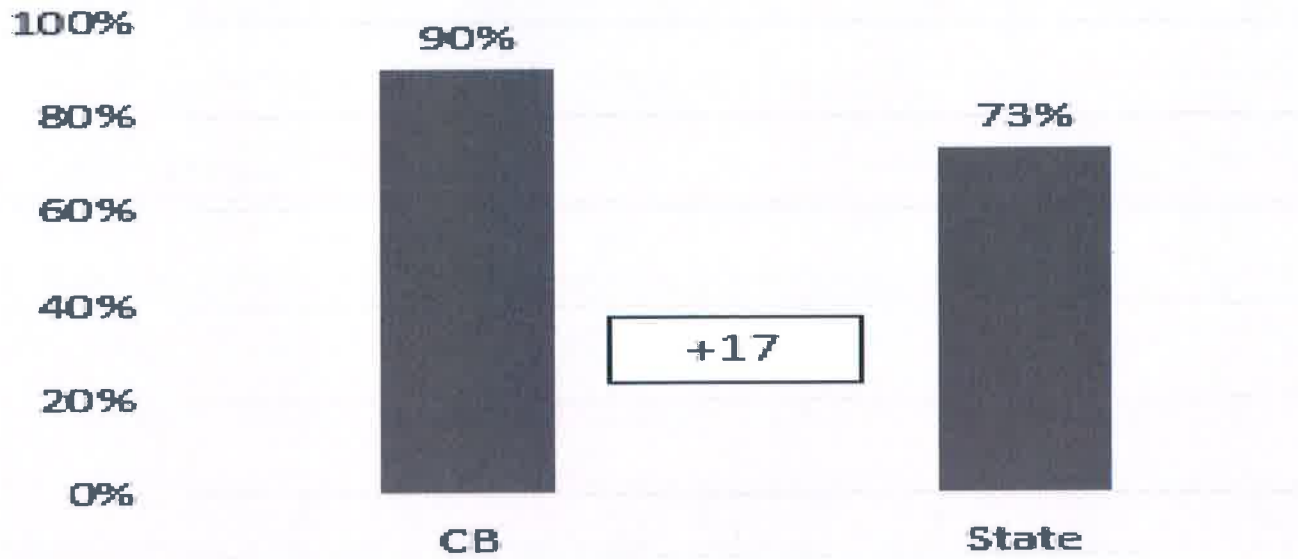


Keystone Exam Scores

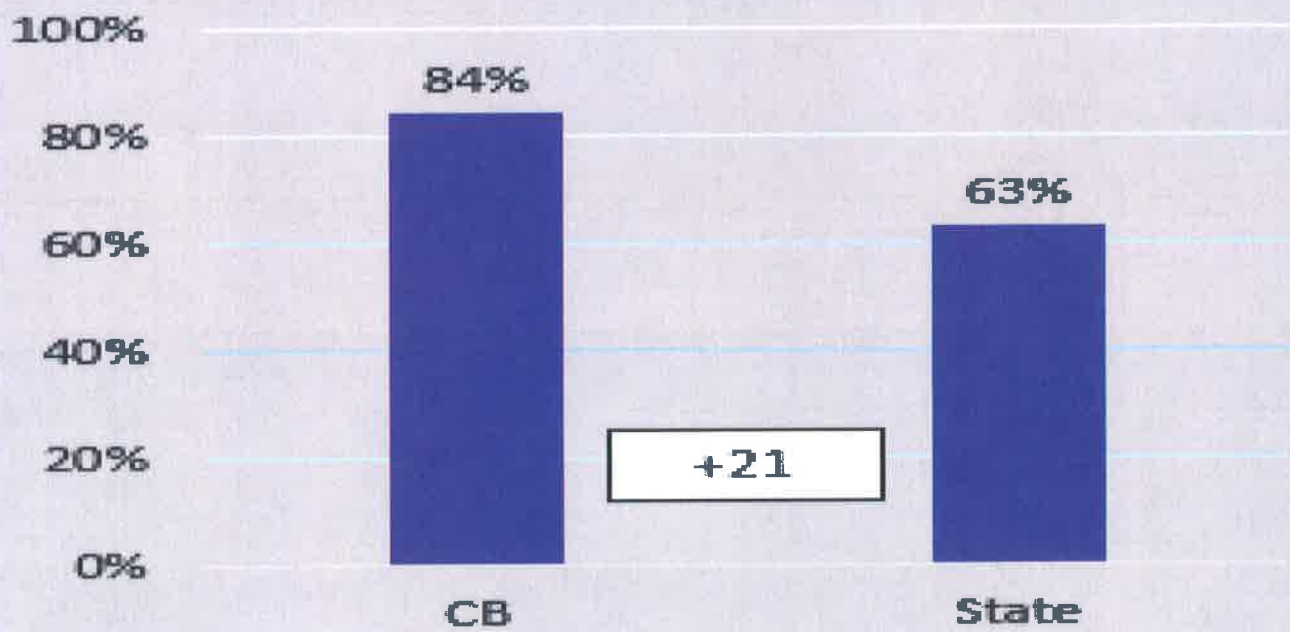
Algebra I 2017 Accountability Data



Literature 2017 Accountability Data



Biology 2017 Accountability Data



SAT Scores

SAT: CLASS of 2017

2017 Scores	Critical Reading/Writing	Math	TOTAL	# of Test Takers
CB East	597	604	1201	439
CB South	585	582	1167	521
CB West	591	594	1185	373
District	591	592	1183	1333
PA	540	533	1073	81,989
National	538	533	1071	1,837,256

Longitudinal CB SAT Scores

Class Of	Cr. Rd.	Math	Wrt	Total
2010	537	562	542	1641
2011	541	561	545	1647
2012	537	560	543	1640
2013	538	563	546	1647
2014	539	558	545	1642
2015	541	557	540	1638
2016	544	568	548	1660
2017	591	592	*	1183
CB to State	+51	+59		+110
CB to Nation	+53	+59		+113

*Beginning in March 2017 Writing scores are now combined with Reading scores

ACT Scores

ACT Profile: Class of 2017

Average Scores for 2017 Graduates

	Eng.	Math	Reading (Soc St)	Science	Composite
CB East	25.5	25.5	25.3	24.7	25.4
CB South	24.1	24.8	24.8	24.3	24.6
CB West	25.4	25.9	25.9	25.0	25.7
District	25.0	25.4	25.3	24.6	25.2
PA	23.4	23.4	24.2	23.3	23.7
National	20.3	20.7	21.4	21.0	21.0

ACT Profile: Class of 2017

Percent of ACT-Tested Students Ready for College-Level Coursework

	College Eng. Comp.	College Algebra	College Reading in Soc. St	College Biology	Meeting all Four Benchmarks
CB East	92%	82%	72%	66%	56%
CB South	88%	75%	73%	61%	50%
CB West	88%	77%	78%	69%	58%
District	89%	78%	74%	65%	55%
PA	80%	62%	66%	55%	45%
National	61%	41%	47%	37%	27%

13 Central Bucks Elementary Schools Among Top 100 In Pennsylvania, New Ranking Says

Titus Elementary School was the top-ranked Central Bucks elementary school, and the highest ranked in all of Bucks County.

Doylestown Patch By Kara Seymour 8/31/17

Central Bucks School District had an impressive showing in a new ranking of the best elementary schools in Pennsylvania.

The ranking, done by information analysts Niche.com, was based on "rigorous analysis" of key statistics from the U.S. Department of Education, as well as reviews from students and parents, the website said.

Thirteen Central Bucks elementary schools were included in the list's top 100 across the state. Titus Elementary School was the top-ranked Central Bucks elementary school, and the highest-ranking elementary school in all of Bucks County.

The Central Bucks schools included in the top 100 are:

- Titus Elementary School (32)
- Kutz Elementary School (36)
- Mill Creek Elementary School (40)
- Warwick Elementary School (41)
- Buckingham Elementary School (43)
- Bridge Valley Elementary School (46)
- Gayman Elementary School (53)
- Doyle Elementary School, (55)
- Linden Elementary School (67)
- Cold Spring Elementary School (70)
- Jamison Elementary School (72)
- Pine Run Elementary School (78)
- Butler Elementary School (87)

Ranking factors include state test scores, student-teacher ratio, student diversity, teacher quality, grade school ratings, and the overall quality of the school district, according to Niche.com. According to Niche, the best elementary school in Pennsylvania is Ithan Elementary School in the Radnor Township School District, which also finished in 16th place nationwide.

According to Niche, these are the 100 best elementary schools in Pennsylvania. ([Click here to see the full ranking](#)).

1. Ithan Elementary School, Radnor Township
2. Penn Wynne School, Lower Merion
3. Merion Elementary School, Lower Merion
4. Cynwyd Elementary School, Lower Merion
5. Radnor Elementary School, Radnor Township
6. Franklin Elementary School, North Allegheny
7. Hoover Elementary School, Mt. Lebanon
8. Wayne Elementary School, Radnor Township
9. Gladwyne Elementary School, Lower Merion
10. Fairview Elementary School, Fox Chapel Area
11. Hillside Elementary School, Tredyffrin-Easttown
12. Beaumont Elementary School, Tredyffrin-Easttown
13. Belmont Hills Elementary School, Lower Merion
14. Bradford Woods Elementary School, North Allegheny
15. Foster Elementary School, Mt. Lebanon
16. Peebles Elementary School, North Allegheny
17. Penn Valley School, Lower Merion
18. Markham Elementary School, Mt. Lebanon
19. Marshall Elementary School, North Allegheny
20. O'Hara Elementary School, Fox Chapel Area
21. Chadds Ford Elementary School, Unionville-Chadds Ford
22. Valley Forge Elementary School, Tredyffrin-Easttown
23. Lower Gwynedd Elementary School, Wissahickon
24. Streams Elementary School, Upper St. Clair
25. Kathryn D. Markley Elementary School, Great Valley
26. Corl Street Elementary School, State College Area
27. Lincoln Elementary School, Mt. Lebanon
28. Howe Elementary School, Mt. Lebanon
29. The Souderton Charter School Collaborative
30. Stony Creek Elementary School, Wissahickon
31. Pocopson Elementary School, Unionville-Chadds Ford
32. [Titus Elementary School, Central Bucks 1](#)
33. Baker Elementary School, Upper St. Clair
34. Washington Elementary School, Washington Elementary School
35. Radio Park Elementary School, State College Area
36. [Kutz Elementary School, Central Bucks 2](#)
37. Hosack Elementary School, North Allegheny
38. Devon Elementary School, Tredyffrin-Easttown
39. New Eagle Elementary School, Tredyffrin-Easttown
40. [Mill Creek Elementary School, Central Bucks 3](#)
41. [Warwick Elementary School, Central Bucks 4](#)
42. Hillendale Elementary School, Unionville-Chadds Ford
43. [Buckingham Elementary School, Central Bucks 5](#)
44. Parkway Manor School, Parkland
45. Ingomar Elementary School, North Allegheny
46. [Bridge Valley Elementary School, Central Bucks 6](#)
47. Eisenhower Elementary School, Upper St. Clair
48. Montgomery Elementary School, North Penn
49. Infinity Charter School, Penbrook
50. Coopertown Elementary School, of Haverford Township
51. South Fayette Township Elementary School, South Fayette Township
52. Wallingford Elementary School, Wallingford-Swarthmore
53. [Gayman Elementary School, Central Bucks 7](#)
54. Walton Farm Elementary School, North Penn
55. [Doyle Elementary School, Central Bucks 8](#)
56. Swarthmore-Rutledge School, Wallingford-Swarthmore
57. Whitmarsh Elementary School, Colonial
58. McKnight Elementary School, North Allegheny
59. Kernsville Elementary School, Parkland
60. Unionville Elementary School, Unionville-Chadds Ford
61. Worcester Elementary School, Methacton
62. Jefferson Elementary School, Mt. Lebanon
63. Fred J. Jandl Elementary School, Parkland
64. Plymouth Elementary School, Colonial
65. Chatham Park Elementary School, of Haverford Township
66. Gwynedd Square Elementary School, North Penn
67. [Linden Elementary School, Central Bucks 9](#)
68. Indian Lane Elementary School, Rose Tree Media
69. South Fayette Intermediate School, South Fayette Township
70. [Cold Spring Elementary School, Central Bucks 10](#)
71. Conshohocken Elementary School, Colonial
72. [Jamison Elementary School, Central Bucks 11](#)
73. Audubon Elementary School, Methacton
74. East Bradford Elementary School, West Chester Area
75. Sol Feinstone Elementary School, Council Rock
76. Evergreen Elementary School, Perkiomen Valley
77. Blue Bell Elementary School, Wissahickon
78. [Pine Run Elementary School, Central Bucks 12](#)
79. Ridge Park Elementary School, Colonial
80. Fern Hill Elementary School, West Chester Area
81. Mary C. Howse Elementary School, West Chester Area
82. Rose Tree Elementary School, Rose Tree Media
83. Charlestown Elementary School, Great Valley
84. Houserville/Lemont Elementary School, State College Area
85. Shaul Elementary School, Cumberland Valley
86. Hartwood Elementary School, Fox Chapel Area
87. [Butler Elementary School, Central Bucks 13](#)
88. Nether Providence Elementary School, Wallingford-Swarthmore
89. Pine Road Elementary School, Lower Moreland Township
90. Spring Ridge Elementary School, Wilson
91. Leaders Heights Elementary School, Dallastown Area
92. Westtown-Thornbury Elementary School, West Chester Area
93. Kulp Elementary School, North Penn
94. Chestnutwold Elementary School, of Haverford Township
95. Rydal East Elementary School, Abington
96. Maple Glen Elementary School, Upper Dublin
97. Wyland Elementary School, Hampton Township
98. Ferguson Township Elementary School, State College Area
99. Wrightstown Elementary School, Council Rock
100. Exton Elementary School, West Chester Area

**Central Bucks School District
Investment Portfolio
Summary Totals by Bank
December 31, 2017**

Bank Name	Principal Amount
Centric Bank	5,000,000
Citibank	25,810,285
Firsttrust Bank	49,198,418
MBS	2,450,000
PLGIT	262,092
PSDLAF	49,919,190
Quakertown National Bank	23,153,503
Santander	3,415
TD Bank	33,463,862
Univest Bank & Trust	49,024,687
William Penn Bank	246,000
Total	238,531,453

**Central Bucks School District
Investment Portfolio
General Fund- Bank Balances
December 31, 2017**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>GENERAL FUND BANK ACCOUNTS</u>				
12/31/17	TD Bank	1/1/18	1.07%	21,582,205
12/31/17	PLGIT	1/1/18	1.01%	6,303
12/31/17	PSDLAF MAX Acct-Healthcare	1/1/18	1.02%	9,087
12/31/17	PSDLAF MAX Acct	1/1/18	1.02%	390,254
Total General Fund Bank Accounts				21,987,850
<u>GENERAL FUND CDs</u>				
Individual Bank CDs:				
8/9/17	Univest Bank & Trust	2/7/18	1.35%	15,000,000
8/15/17	Univest Bank & Trust	2/13/18	1.35%	15,000,000
8/16/17	Univest Bank & Trust	2/14/18	1.35%	15,000,000
7/18/17	Centric Bank	4/18/18	1.20%	5,000,000
8/18/17	William Penn Bank	8/17/18	1.15%	246,000
PLGIT CDs :				
8/23/17	Bank of China, NY	8/23/18	1.50%	245,000
PSDLAF CD's:				
2/7/17	Tristate Capital Bank-Healthcare	2/7/18	1.00%	245,000
Multi Bank Securities CDs:				
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
8/31/17	Bank of Baroda	5/31/18	1.40%	245,000
7/19/17	Barclays Bank	7/19/18	1.40%	245,000
8/30/17	First Technology Federal Credit Union	8/30/18	1.60%	245,000
9/6/17	Goldman Sachs Bank USA	9/6/18	1.45%	245,000
12/21/17	Community West Bank	9/21/18	1.50%	245,000
12/14/17	CBC Federal Credit Union	12/13/18	1.70%	245,000
Total General Fund CDs				53,186,000
<u>GENERAL FUND MONEY MARKET ACCOUNTS</u>				
12/31/17	Santander	1/1/18	0.94%	3,415
12/31/17	PLGIT I-Class	1/1/18	1.14%	10,789
12/31/17	PSDLAF Full Flex-Healthcare	1/1/18	1.10%	696,000
12/31/17	PSDLAF Full Flex	1/1/18	1.10%	18,000,000
12/31/17	Univest Bank & Trust	1/1/18	1.00%	4,024,687
12/31/17	Firsttrust Bank	1/1/18	1.05%	49,198,418
12/31/17	Quakertown National Bank	1/1/18	1.00%	19,573,731
12/31/17	Quakertown National Bank-Post Employment	1/1/18	1.00%	3,579,772
12/31/17	Citibank	1/1/18	1.00%	24,473
12/31/17	Citibank- Post Employment	1/1/18	1.00%	5,862,784
12/31/17	TD Bank- Healthcare	1/1/18	1.07%	1,594,305
Total General Fund Money Market Accounts				102,568,375
Total General Fund				177,742,224

**Central Bucks School District
Investment Portfolio
Capital Fund- Bank Balances
December 31, 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 Checking Account</u>				
12/31/17	TD Bank Fund 3 Checking Acct	1/1/18	1.07%	79,476
		Total Fund 3 Operations Account		79,476
<u>Short Term Capital Reserve</u>				
12/31/17	TD Bank	1/1/18	1.07%	5,081,028
		Total Short Term Capital Reserve		5,081,028
<u>Capital Café Equip Reserve</u>				
12/31/17	TD Bank Capital Proj- Bldg Cafeteria/Equip	1/1/18	1.07%	543,585
		Capital Café Equip Reserve		543,585
<u>Technology Capital Reserve</u>				
12/31/17	TD Bank	1/1/18	1.07%	3,070,718
		Total Technology Reserve		3,070,718
<u>Transportation Capital Reserve</u>				
12/31/17	TD Bank	1/1/18	1.07%	240,371
		Total Transportation Reserve		240,371
<u>Long Term Capital Reserve</u>				
12/31/17	PSDLAF MAX Acct	1/1/18	1.02%	139,849
12/31/17	PSDLAF Full Flex	1/1/18	1.20%	2,000,000
12/31/17	PSDLAF Full Flex	1/1/18	1.10%	12,365,000
12/31/17	PSDLAF Full Flex	1/1/18	1.15%	16,074,000
		Total Long Term Capital Reserve		30,578,849
		Total Capital Fund		39,594,026

**Central Bucks School District
Investment Portfolio
Debt Service Fund- Bank Balances
December 31, 2017**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>Debt Service Reserve</u>				
12/31/17	Citibank	1/1/18	1.00%	19,923,028
			Total Debt Service Reserve	19,923,028

**Central Bucks School District
Investment Portfolio
Food Service Fund- Bank Balances
December 31, 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>				
12/31/17	TD Bank Fund 5 Operations Acct	1/1/18	1.07%	1,272,174
			Total Food Service Fund	1,272,174
			Grand Total- All Funds	238,531,453
			Weighted Average Rate of Return	1.12%

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

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

General Fund-Term Investments						
Category	Purchase Date	Principal	Maturity Date	Rate	Term Yield	Bank Name
MBS	12/14/2017	\$245,000.00	12/13/2018	1.70%	\$4,153.59	CBC Federal Credit Union
MBS	12/21/2017	\$245,000.00	9/21/2018	1.50%	\$2,758.77	Community West Bank
TOTALS		\$490,000.00			\$6,912.36	

Summary of Capital Reserve Account Activity & Fund Balance Status

Fund 3 - Summary of Capital Reserve Account Commitments & Balances

	Beginning Balance 7/1/2017	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 12/31/2017	Target Amount	% of Target	Comments
Short term Capital	\$471,765.01	\$12,150,000.00	\$20,310.79	\$7,561,047.72	\$5,107,424.78	-\$26,396.70			* 557,289.05 of commitments will be paid in year 2018-19
Café Equipment Capital	\$649,943.67		\$1,717.27	\$108,075.94	\$112,963.96	\$430,621.04			
Technology	-\$1,473,167.71	\$7,450,000.00	\$4,113.70	\$2,910,227.63	\$136,710.00	\$2,934,008.36			
Transportation	\$333,353.00	\$1,400,000.00	\$2,269.24	\$1,495,251.24		\$240,371.00			
Long Term Capital	\$29,790,639.00	*\$643,201.46	\$145,008.54			\$30,578,849.00	\$42,000,000.00	73%	*transfer is the Proceeds from the sale of the Silo Hill property.
Totals	\$29,772,532.97	\$21,000,000.00	\$173,419.54	\$12,074,602.53	\$5,357,098.74	\$34,157,452.70	\$42,000,000.00	73%	

Capital Reserve Account Expenditure Detail:		Comments	
<u>Short Term Capital</u>			
Jamison	\$314,878.50	CBE	\$496,035.05
Kutz	\$195,691.50	CBS Track	\$320,863.27
CBW Fields/track/auditorium	\$ 2,897,301.46	Other projects-see next page	\$1,087,267.99
Operations salt shed	\$ 16,275.00	Grounds/custodial	\$118,807.57
Hollcong	\$2,113,927.38	Total Short Term Capital	\$7,561,047.72

Fund 4 - Debt Service Fund Balance Projections

	Beginning Balance 7/1/2017	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance	Target Amount	% of Target	Comments
Debt Service	\$19,823,826.00		\$99,202.00			\$19,923,028.00	\$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 6/30/2017	Updated to reflect 1617 operations - subject to audit adjustments
Unassigned:	\$ 21,218,831.00	6.4% of 17-18 Budget, becomes \$15,218,831 = 4.5% of 1718 Budget after transfers to Fund 3 as noted below
Assigned:		
Budgetary Reserve	\$ 4,639,065.00	15-16 Budget surplus set aside for future budget years
Post Employment Reserve	\$ 9,395,566.00	as noted above - could use for debt defeasance
Health Care Reserve	\$ 2,536,350.00	
Total Assigned:	\$ 16,570,981.00	
Non-spendable	\$ 4,114,299.00	Prepaid Healthcare exp with Bucks Montco consortium
TOTAL FUND BALANCE 6/30/17	\$ 41,804,111.00	Note: 6/30/18 F.B was \$35,023,119

Fund Balance Food Service - Fund 5

	Fund Balance 6/30/2017
Unassigned:	\$ 891,280.00

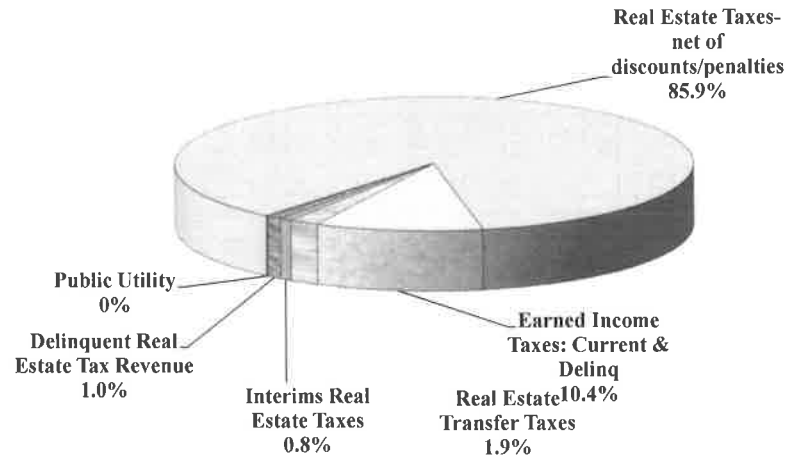
Less trans to Fund 3 - from Unassigned
Fund Balance @ 10/31/2017 \$ 35,904,111.00

Summary of Capital Reserve Account Activity & Fund Balance Status
Fund 3 - Summary of Capital Reserve Account Commitments & Balances

Other Project Listing	
Kutz Bathroom	\$3,098.32
Tohickon Shed & storage	\$2,030.90
Paving	\$28,930.25
Camera Upgrades	\$279,055.00
CBW Auditorium	\$252,103.83
Gayman	\$64,456.46
CBE Pool Repair	\$396,906.00
Facilities Assessment Project	\$53,480.01
Unami	\$6,899.72
Groveland HVAC	\$507.50
Total	\$1,087,267.99

Central Bucks School District
Projected Tax Collections

31-Dec-17



Revenues	2017-2018			% Projected Actual to Budget	2016-2017	2018-2019	% change in 1819 over 1718 projected
	Budget	Projected Actual	Variance Positive/(Negative)		Actual	Preliminary Budget	
1 Real Estate Taxes-net of discounts/penalties	214,932,568	214,810,452	(122,116)	-0.1%	\$213,127,212	216,915,700	0.98%
2 Earned Income Taxes: Current & Delinq	26,035,100	26,237,273	202,173	0.8%	\$25,849,530	26,762,018	2.00%
3 Real Estate Transfer Taxes	5,807,500	5,300,000	(507,500)	-8.7%	4,681,252	5,807,500	9.58%
4 Interims Real Estate Taxes	1,850,000	1,875,000	25,000	1.4%	1,876,806	1,877,750	0.15%
5 Delinquent Real Estate Tax Revenue	2,583,664	2,575,000	(8,664)	-0.3%	2,422,170	2,557,827	-0.67%
6 Public Utility	277,855	251,606	(26,249)	-9.4%	269,762	260,000	3.34%
Total	\$251,486,687	\$251,049,331	(\$437,356)	-0.17%	248,226,732	254,180,795	1.25%

- 1 Expect collections to be in line with prior years, at a rate of about 97.5% to 97.3%. The projection above reflects a 97.3% collection rate. May hit budget, but may come in slightly under. Total revenue collected as of October 31 is up, but does show a slower collection rate
- 2 In 2016-17 the EIT budget was increased by 6.7% to bump it up to the continued higher revenue levels since 11-12; but, in 1617 EIT revenue had another spike, increasing by almost 10% over the 1516 revenues, so budget was exceeded by \$1.9 million. Historical increases have been: 11% in 13-14, 1.5% in 14-15, 5% in 15-16 and then up 9.9% in 1617. Expect 1718 increase to level off to about 1.5% and 1718 to be about the same. To date collections are relatively flat compared to last year.
- 3 Since 2011-2012 transfer tax revenues have been increasing on average \$800,000 a year, until 1617 where revenues decreased by \$216,000. Based on historical trends, expect an increase over 1617 actual of about \$700,000, which will result in 1718 revenues coming in under budget by about \$500,000. As of the end of October collections are strong, so may be closer to budget than expected, but is still early.
- 4 Too early to see any trends with regard to Interim taxes. Will update projections in coming months once additional data is available.
- 5 With current tax collections continuing to be strong, it is likely that the delinquent tax revenue will be relatively flat.
- 6 Final - 100% collected - revenues have been varying from year to year. Based on current year, decreased projection for 1819.

**Payroll,
FICA, Medicare
and Retirement Projection
December 31, 2017**

	Adjusted Budget	Projected Expense	<i>Positive (Negative) Variance</i>	
PAYROLL	157,637,210	156,390,000	1,247,210	0.79%
FICA_MED	11,700,913	11,586,450	114,463	0.98%
RETIREMENT	<u>51,050,283</u>	<u>50,928,750</u>	<u>121,533</u>	0.24%
TOTAL	220,388,406	218,905,200	1,483,206	0.67%

Above projections based on data through December 31, 2017. While this is the midpoint of the fiscal year, it only covers 69 student days and 74 teacher days, so it is still early and subject to change.

**Central Bucks School District - Fringe Benefits Report
31-Dec-17**

	2018-19 Proposed Budget	2017-18 Budget	Encumbered	Spent (Net of Payments less copays)	Balance	% Committed	2016-17 Actuals	2017-18 Budget Increase over 16-17 Actual	% Increase 2017-18 Budget to 16- 17 Actual
271 Health care	23,100,000	22,217,295	11,312,040	11,312,041	(406,786)	102%	21,552,477	664,818	3.08%
1819 Projected Budget - increase of 4% based on trend of increasing healthcare costs	3.97%	Projection is based on cash payments to Aon less employee cost share							
272 Dental coverage	1,306,395	1,305,386	708,169	514,093	83,124	94%	1,226,662	78,724	6.42%
Self Insured: Curr Yr = 99,000 per month w/qtrly reconciliations	6.88%								
213 Life insurance	185,395	181,760	90,364	86,474	4,922	97%	210,472	(28,712)	-13.64%
First year with new vendor. Expect modest increase for 1819	4.84%	Budget amt based on lower premium from new vendor							
274 Disability coverage	235,000	220,011	150,000	180,043	(110,032)	150%	208,211	11,800	5.67%
1617 cost for disability, was down. Current to date trend looks to be up from 1617, so may exceed budget; based on early assumption increased 1819 budget	-28.80%	claims to date continue to exceed last year at this time by approx. 220%							
276 Prescription drugs	7,386,255	7,185,073	3,545,000	3,569,089	70,984	99%	6,193,602	991,471	16.01%
Self Insured: Spent based on submitted claims; encumbered = expected claims based on experience & trends	3.83%	claims to date remain higher than last year at this time by approx 15% but beginning to trend downward							
250 Unemployment comp	45,985	45,985	18,746	14,560	12,679	72%	40,604	5,381	13.25%
Self Insured: Spent based on submitted claims; encumbered = expected claims based on experience & trends	38.07%								
260 Workers comp	1,620,000	1,619,912	617,930	880,350	121,632	92%	1,490,624	129,288	8.67%
Self Insured: Based on estimated premium provided by SDIC and adjusted based on prior yr experience	8.12%								
240 / 290 Miscellaneous/Tuition	575,000	572,499	382,082	198,406	(7,989)	101%	529,588	42,911	8.10%
	-0.95%								
Totals	34,454,031	33,347,921	16,824,331	16,755,056	(231,466)	100.69%	31,452,240	1,895,681	6.0% *
	\$ 874,843	2.60%	33,579,387		-0.69%		Note: 1617 exps up 20.2 % over 1516 due to health exps		
	1819 budget increase over 1718 projected								
	Variance								

33268123
181760 life
10000 pauc
33450883

1819 Budgeted amounts are based off of projected actual expenses for 1718, and adjusted for any expected changes in trends.
1718 Budget is only increasing over 1617 by 7% because the projected health expense for 1617 far exceeded expectations.
It is expected to level off for 1718, so the cost may remain relatively flat; if not it will be a deficit
All other fringe lines should overall be in line with expected expenses.