

Finance Committee Minutes
August 5, 2014
Main Office Large Conference Room
6:00 pm

Present: Mrs. Jane Schrader Lynch, Mr. Charles Kleinschmidt, Mr. Robert Vining, and Mrs. Kathryn Strouse

Budget Calendar and Discussion: The Business Manager reviewed the budget calendar with all present outlining when presentations will be made, the process employed to prepare the budget and goal to be at or below the Act 1 index. A major challenge is the increasing employer cost for retirement.

GASB 67 & 68: The Business Manager informed the Committee of two GASB pronouncements that will effect presentation of the Entity Wide financial statements as early as June 30, 2015. GASB 67 & 68 will require the disclosure of MBIT's unfunded liability for retirement costs. All local governments, school districts and CTC's that conform to generally accepted accounting practices will be making the same kinds of disclosures regarding unfunded liability for retirement costs. Early guidance to calculating the liability is to use three times current payroll. The result for MBIT will be to go from a healthy looking Net Position to a significant deficit.

Equipment Grant: The Business Manager provided an update on the Automotive Technology renovation, which creates two separate automotive classroom/lab areas. The new classroom, locker room and lab are almost complete. The OAC committee identified four pieces of equipment needed for the new lab that Administration is working to acquire. There are two brake lathes being refurbished for the new lab and the Director submitted a supplemental equipment grant to PDE in August that would be used to purchase a 2-pole rotary lift, a tire change and a tire balancer. If Middle Bucks receives supplemental equipment grant funds, we would be able to purchase these three pieces of equipment without using Capital Reserve Funds.

Transformer Installation Update: The Business Manager reported that three of the nine transformers have been replaced using proceeds from the recent bond restructuring to finance the project. There was an issue with the installation of one of the transformers. The polarity was reversed, which resulted in a power surge that blew out a number of lights, ballasts, and the Lutron lighting sensors throughout the first floor of the school. The company hired to install the transformers, Carr-Duff Inc., accepted full responsibility for the error and covered the cost to replace the lights, ballasts and motion sensors.

Van Purchase: The Business Manager shared the quotations received from three different dealers for an 8 passenger GMC Savanna van. The request is to obtain two vans and to lease them over a 60 month period. The lead time from order to delivery is approximately 8 to 12 weeks. The van will have warranties of 3 years/36,000 miles as basic with drivetrain being 5years/100,000 miles and will have 2 years/24,000 miles maintenance. The two vans will replace the present 1994 and 1997 Dodge Ram vans and would be acquired via the General Fund.

Updates: The Business Manager reviewed results of operation of Li'l Bucks and Adult Ed with those present.

The meeting adjourned at 6:45 PM.