

Finance Committee Minutes
October 6, 2015
Main Office Large Conference Room
4:30 pm

Present: Mrs. Kelly Unger via telephone, Mr. Mark Byelich via telephone, Mr. Robert Vining, and Mrs. Kathryn Strouse

An agenda was distributed to members prior to the meeting.

2016-17 Budget Preparation: The Business Manager reviewed the activity occurring regarding gathering of data internally, assumptions and recommendation from outside consultants regarding cost trends. Medical plans 10%, PSERS 29.69%, teacher salaries based on matrix placement, administrators per Act 93 agreement and all others using 3%. The committee members present requested that information concerning support staff increases be obtained from member districts. The General fund has a committed fund balance of \$145,000 with \$70,000 being used to mitigate increasing cost of retirement. The Production fund has a fund balance of \$330,000 with planned transfer of \$78,000 to General Fund. Adult Ed fund has a fund balance of \$241,000 with planned transfer of \$52,000 to the General Fund. The transfers are to mitigate the increased PSERS employer cost in 2015-16 (25.84%) over 2014-15 (21.40%). The first presentation of the proposed General fund budget will be made at the November Executive Council meeting.

Bond Refinancing: The Business Administrator informed the committee members that the consenting resolution for the Series of 2015 bonds was passed by all four member School Boards. The resolution included in the finance committee package is to accomplish several things: authorize execution of third lease rental agreement with the MBAVTS Authority in order to provide lease rental payments; to authorize the refunding of 2006 and 2003 bonds to extent required savings are achieved; to fund capital projects; authorize continuing disclosure in compliance with SEC regulations; authorizing closing certifications and other documentation to carry out refunding; and authorizing appropriate officers of MBIT to execute any and all necessary documentation. Discussion occurred regarding the timing of transaction and alternative financing to consider in the future.

Sale of Excess, Surplus and Obsolete Equipment: The Business Manager shared that one year ago the finance committee discussed disposing of excess, surplus and obsolete equipment. In May, the Executive Council authorized using Public Surplus to post items for sale in on-line auction format. A summer intern was charged with creating list of items, taking pictures of items, researching values, and creating posting on Public Surplus's website. Auctions were opened for 14 days with closings between August 3 and August 18th. Net proceeds of \$9,520 have been received from 31 different buyers. The auctions were successful.

Fixed Asset Report: The Business Manager shared the accounting reports of the physical inventory completed by Asset Control Solutions for fiscal year ended June 30, 2015. The report includes assets with unit cost of \$2,500 or greater. The Business Manager gave a brief explanation of asset accounting at MBIT and use of internal reports, which include assets below the capitalization threshold. The Business Manager advised that there will be an adjustment of

approximately \$550,000 for removing assets under the capitalization threshold, changes in depreciable lives, and recalculation of accumulated depreciation. The Asset Control Solutions report will be used for financial reporting purposes in the entity wide statements.

The Business Manager shared the monthly and year-to-date results for Li'l Bucks Preschool and Adult Education.

Before adjourning, it was asked if there will be a discussion regarding the farmhouse at the Executive Council meeting and it was answered in the affirmative.

The meeting adjourned at 4:55 PM.