

FINANCE AND LONG RANGE BUDGET PLANNING COMMITTEE  
MINUTES – MEETING OF APRIL 6, 2009

In attendance:

Committee: Thomas Reinboth; Andrew Pollock; Cynthia Mueller

Board: Jane Schrader Lynch; Mark Miller; Thomas Hezel; Betty Huf

Staff: Timothy Vail; Sandy Homel; Jennifer Foight-Cressman; Susan Klyman

Public: Barbara Patrick; Bob Shaffer; Janet Richard

Press: None

Call to Order:

Mr. Reinboth called the meeting to order at 8:20 p.m.

Approval of Minutes

Motion to approve the minutes of the March 16, 2009 meetings as submitted by Dr. Pollock. Second by Mrs. Mueller. Motion Carried 3-0.

Five Year Budget Projection Analysis

Mr. Vail indicated that this evening's agenda includes the following items associated with the 5-Year Budget Projection recently completed by Administration:

- Status Quo Budget – assumes last year of WTHS Project debt hits in 2010-2011 and debt service remains constant in all subsequent years. All assumptions used in this analysis are included as “notes” on pages 2 and 3 of the legal size spreadsheets.
- Power Point Slides that show a recap of the above Status Quo Budget as well as the potential impacts of an additional \$65 million in debt for an elementary project beginning in 2012-13 with a new elementary school or renovated buildings completed by September, 2013. The analysis for 2013-14 represents the upper limit of savings that could be anticipated if one or more buildings are closed in comparison to the Status Quo Budget still being in place at that time.

Mr. Vail then went through the process of itemizing the assumptions that were made in formulating this analysis. He noted that the analysis clearly shows that the amount of revenue necessary to maintain the current configuration of staffing and services will fall short of the anticipated expenses if the Act 1 index level is at 3.9%. The projected shortfall in revenues could be 15 mills or higher by 2013-14. Board questions focused on the assumptions that were made and the concern that the projected costs could be higher than anticipated depending on the outcome of upcoming contract negotiations with the teachers and the large spike in the retirement rate anticipated by PSERS. Mrs. Mueller also expressed concern that some of the revenue projections might fall short of expectations if the current economic downturn continues. She added that this analysis is very conservative but even so clearly shows that the Board needs to plan for major modifications to programs and facilities in the near future in order to address these shortfalls. Mrs. Lynch requested that the cost per student be added to the analysis. Mr. Miller requested that the impact on the taxpayer be added as well. Mr. Vail indicated that he would revise the charts accordingly. Mr. Reinboth indicated that this item is strictly informational and that no Committee recommendation is necessary at this time.

Adjournment

Meeting was adjourned at 9:15 p.m.

Respectfully submitted,

Timothy E. Vail

