

**Board Finance and Audit Committee Meeting Notes  
September 22, 2016 - 11:30 a.m. - Meeting Room A  
Panorama Village Building  
240 Villa Crest Drive  
State College, PA 16801**

IV-B

**I. Call to Order**

Mr. Fozard called the meeting of the Board Finance and Audit Committee to order at 11:32 a.m.

Present: Amy Bader, Randy Brown, Marie Caster, Amber Concepcion, Dan Duffy, Scott Fozard, Bob O'Donnell, Donna Watson, Laurel Zydney

A copy of all materials distributed to board members for discussion is included with the official notes, unless otherwise indicated.

**II. 2015-16 Financial Results**

Mr. Brown asked if there were any questions or comments on the General Fund Financial Results for the Year Ended June 30, 2016. The report will be presented to the board at their next meeting on September 26. The Management Discussion and Analysis (MD&A) will be presented at the first meeting in October, with board acceptance at the second meeting in October. The audit statements must be completed by the end of October for timely submission to PDE. Mr. Brown and Ms. Watson reviewed the Financial Results handout, reporting it was a good year, which will allow a higher transfer to capital reserve. Projected transfer was \$8 million, with actual being \$11.8 million. If the board recommends a designation of money for a specific purpose, it can stay in General Fund, but it is recommended to continue transferring excess fund balance to capital reserve. Committee discussed PSERS and final revenue budget.

**III. 2017-18 Budget Development**

Mr. Brown reviewed the budget development handout, reporting the 2017-18 Act 1 Index is 2.5%. An opt out resolution will be presented, which is the board's commitment to stay within the Index. An opt out is limiting because there is no way to know what is going to happen in the next six to nine months. Administration is prepared to go through the steps of preparing a preliminary budget if board desires. Committee discussed adjusting timeline to for approval of referendum exception; going through the motions of a preliminary budget process for transparency and review; review and analysis of continual tax increases; lowest increases since 1990's; side-by-side timeline showing date requirements if opt out, and if not; add asterisks to items like transfer, large variances and bond rebates with a footnote at bottom.

**IV. Multi-Year Budget**

Mr. Brown stated there was nothing new to report but he and Mr. Fozard will be meeting to refine a few items.

**V. DWFMP – District Financing**

Mr. Brown reported that Tom Beckett, Financial Advisor, continues to review the district's financial situation. We should be looking at \$90 to \$95 million borrowing in the next two years. The rates are good right now but will continue to watch the market. Mr. Beckett is working with bond counsel to do a Parameter Resolution which allows administration to go to a specified level without board action. Also, projections assumed \$20 million capital outlay in cash, but that could be included with the borrowing. Mr. Brown explained a larger bond issuance makes more sense than multiple smaller ones because of the additional costs associated with every bond issuance. All agreed it is important to include a local offering again.

**VI. Public Comment**

Ms. Zydney asked the definition of GASB and response was given.

**VII. Future Agenda Planning**

Budget development

Multi-year budget process

DWFMP – Elementary and District Financing

Next meeting will be October 20, 2016

**VIII. Adjournment**

Mr. Fozard adjourned the Finance and Audit Committee meeting at 12:23 pm.

Submitted by,

Marie Caster

Acting Board Secretary