

FINANCE AND LONG RANGE BUDGET PLANNING COMMITTEE
MINUTES – MEETING OF FEBRUARY 21, 2012

IN ATTENDANCE: Committee Chair Michael Hartline, member David Shafter, alternate Steve Adams, Charles Kleinschmidt arrived at 7:40 p.m.

STAFF: Dr. Jenny Cressman, Christopher M. Berdnik, William Gretton,

BOARD MEMBERS: Mark B. Miller

COMMUNITY: Bob Shaffer, Kirsten Findell DeCorte, parent; Steven Fallon, IBC; Anna Linn, DVHIT

CALL TO ORDER:

Mr. Hartline called the meeting to order at 7:00 p.m. and asked the members of the Board and public to introduce themselves.

MINUTES:

It was moved by Mr. Adams and seconded by Mr. Shafter to approve the minutes of the January 17, 2012, meeting. **Motion carried 2-0-1.** (Mr. Shafter abstained - absent at the January 17, meeting.)

SINGLE AUDIT 2011/12

Mr. Berdnik explained the single audit documents prepared by Barbacane, Thornton & Company LLP. After a short discussion, Mr. Shafter made a motion to move to the full board the Single Audit for the school year ending June 30, 2011, Mr. Adams seconded. **Motion carried 3-0-0.**

BENEFITS/PAYROLL:

a. **Preliminary dental renewal projection – information only**

Mr. Berdnik explained that the information provided was the preliminary projection of the dental renewal for the upcoming 2012-13 school year reflecting a 1% increase.

b. **Preliminary pharmacy renewal projection – information only**

Mr. Berdnik explained that the information provided was the preliminary projection of the pharmacy renewal for the upcoming 2012-13 school year reflecting an 8.26% increase.

c. **Bucks and Montgomery County Schools Health Care Consortium – information only**

Mr. Berdnik presented the Consortium participation agreement. Centennial will not be affected by this agreement since we are in contract with DVHIT.

d. **HIPAA and HITECH compliance**

Mr. Berdnik presented a proposal from Levin Legal Group to provide HIPAA and HITECH services at a rate not to exceed \$5,000. Services would include full and complete assessment of District's operations to determine whether the District is covered by HIPAA and HITECH; preparation of all policies, resolutions and forms to bring the District into compliance if any of its operations are covered by HIPAA and HITECH; and training of staff, not to exceed 4 hours. Mr. Hartline recommended due to self-insurance of several plans. Mr. Shafter made a motion to move to the full board, Mr. Adams seconded. **Motion carried 3-0-0.**

e. **403b substitution**

Mr. Berdnik explained that the business office was notified by Mass Mutual, out plan's 403b record keeper, the their Board of Trustees approved the dissolution and liquidation of the Select Core Opportunities Fund due to the fund's failure to attract sufficient investor assets. Henderson Brothers Retirement Plan Services, our retirement plan consultant, evaluated and determined that the Select Blue Chip Growth managed by T. Rowe Price is a prudent replacement. Centennial School District is required to direct a replacement fund to Mass Mutual by 2/27/2012. Affected plan participants will be notified by mail. Mr. Adams made a motion to move to the full board, Mr. Shafter seconded. **Motion carried 3-0-0.**

f. **Dependent Eligibility Audit Status**

Mr. Berdnik stated that 71% of the District employees have not verified their dependents, 3% have been asked for additional information and 26% have verified their dependents.

PURCHASING:

a. **The Peace Center**

Mr. Berdnik explained that the County Commissioners are willing to fund a three-year effort to address bullying/cyber-bullying in Bucks County by creating a 'Call Center' housed at The Peace Center. The Call Center would be the primary resource for school districts in the county seeking help with prevention and/or intervention. Experienced staff, along with a full-time Bullying Prevention Specialist, will provide guidance and education to assist school districts, law enforcement and parents deal with victims, perpetrators and students who are affected. The commitment to this effort as financial support would be \$1,000. Mr. Shafter made a motion to move to the full board, Mr. Adams seconded. **Motion carried 3-0-0.**

b. **Spy Glass**

Mr. Berdnik explained that SpyGlass is an independent contractor to analyze primary telecommunications service accounts to seek cost recovery, service elimination and cost reduction recommendations. Mr. Shafter made a motion to move to the full board to approve a contingency contract with SpyGlass Group, Inc., to audit the District's telecommunications services contracts, Mr. Adams seconded. **Motion carried 3-0-0.**

c. **Tot Time**

The Tot Time School Age Child Care Services Agreement is a before and after child care service at the School District's elementary schools. The Agreement is for the period on July 1, 2012 and ending June 30, 2014. Mr. Adams made a motion to move to the full board to approve the rental agreement, Mr. Shafter seconded. **Motion carried 3-0-0.**

(Mr. Kleinschmidt arrived at 7:40 p.m.)

d. **Furniture Bid**

After a short discussion of the furniture bid results, Mr. Shafter made a motion to move to the full board to approve the furniture bid and award same to the vendors as indicated, Mr. Adams seconded. **Motion carried 3-0-0.**

REVENUES

a. **Real Estate Universal Installment Plan**

Mr. Berdnik stated that the business office invited the local tax collectors to participate in a webinar presented by PASBO on Real Estate Tax Installment Payments/Small Business Mandate. Many school districts across the state participated in the webinar and a large majority decided to offer the option to universal installment plan to all taxpayers. The time to verify and audit which businesses fell into the small business criteria would be time consuming, not cost productive. The District does not anticipate that a large number of businesses will participate since most taxpayers take advantage of paying by discount. Mr. Kleinschmidt made a motion to move to the full board, Mr. Shafter seconded. **Motion carried 3-0-0.**

b. **Bucks County Tax Collection Committee alternate delegates**

Mr. Berdnik explained that he was the alternate delegate for the Bucks County Tax Collection Committee. In the event that he cannot attend a meeting the District was requesting to have another alternate delegate appointed. Mr. Kleinschmidt made a motion to move to the full board, Mr. Shafter seconded. **Motion carried 3-0-0.**

REALITY BASED BUDGETING

a. **Federal budget outlook – information only**

Mr. Berdnik gave an overview of the Federal budget and economic outlook for fiscal years 2012 to 2022.

b. **State Budget proposal – information only**

Mr. Berdnik gave an overview of the State budget and economic outlook for fiscal years 2013 to 2017.

c. **Intermediate Unit budget 2012/13**

Mr. Hartline explained the BCIU 22 2012-13 Programs & Services and Instructional Materials & Research Services Budget. The budget, which is funded by state subsidies, district contributions and other local revenues, includes a decrease of 3.70% in expenditures. Mr. Shafter made a motion to move to the full board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

d. **Review of analytical statements/updated projection – information only**

Mr. Berdnik presented the Financial Statement Highlights as of January 31, 2012. He stated that the District would be well served to focus on the bottom line each of the next five years and implement further cost reduction strategies. With the changes in projected elementary (consolidation) and high school (program of studies) staffing loaded, the 2012-13 gap appears more manageable at \$2.5 million, although 2013-14 sits at nearly \$7.2 million. Additional cuts are needed. This would be an appropriate time to invite the Association to discuss possible concessions in lieu of further full-time equivalent reductions in force.

e. **2012/13 budget development update – information only**

i. **Class size**

After a lengthy discussion, Mr. Hartline summarized the committee position on the budget:

- Elimination of positions
- Consolidation of elementary schools
- Change of Middle School to Junior High School
- Eliminate high school courses as recommended
- Reduction of 10-15 support staff
- Reorganize Principal/Vice Principal set-up
- Longer term solution addressing increases in salary and pensions increases
- Pension increases will continue and recommends input from CEA

The next Finance Committee meeting will be Monday, March 19, 2012 at 7:00 p.m.

Mr. Kleinschmidt made a motion to adjourn the Finance Committee meeting at 9:27 p.m., Mr. Shafter seconded. **Motion carried 3-0-0.**

Respectfully submitted,

Christopher M. Berdnik
CFO

DRAFT