

FINANCE LONG RANGE BUDGET AND PLANNING COMMITTEE

MINUTES

SEPTEMBER 16, 2013

IN ATTENDANCE: Committee Chair Michael Hartline, members Charles Kleinschmidt, David Shafter, Alternate Steve Adams

BOARD MEMBERS: Jane Schrader Lynch

STAFF: Dr. Joyce Mundy (via phone), Christopher M. Berdnik, William Gretton, Dennis Best, Joseph Faust

PUBLIC: Barbara Loftus

CALL TO ORDER

Mr. Hartline called the Finance Committee meeting to order at 7:00 p.m. by asking the members of the Board, staff, and public to introduce themselves.

MINUTES

Mr. Kleinschmidt made a motion to approve the minutes of August 19, 2013, Mr. Shafter seconded. **Motion carried 3-0-0.**

Mr. Hartline requested that item 4d be moved up in the agenda.

D. Tax collector rental of space

Mr. Berdnik explained the request of the local tax collector renting space at the Administration Building. Based on the District's actual cost, less some considerations for adopting electronic deposits, the recommended rate would be \$376.09 per month, escalating each year at the same rate as the pay scales for the District local collectors.

Mr. Shafter inquired about security issues and access to other parts of the building by the public. Mr. Gretton stated that there is a partition in the hallway separating the office from the other rooms further down the hall.

Mr. Shafter stated that he wanted to be assured that the tax collector would hold adequate liability insurance. Administration would verify that the insurance would meet the standard requirement of other rentals in the District.

Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

## ACCOUNTING/ACCOUNTS PAYABLE/BENEFITS/PAYROLL

### A. Risk administration management (gap insurance)

Mr. Berdnik stated that Risk Administration Management, Inc. (RAM) would be the replacement Administrator for the Colonial Reimbursement Program.

Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded.  
**Motion carried 3-0-0.**

### B. Request for waiver of penalty and interest

Mr. Berdnik explained that historically the District has not granted waiver of penalty and interest for nonpayment of taxes. No motion was made to move out forward.

### C. Internal control update

Mr. Berdnik stated that for the 2013-14 school year, the District was exploring the internal controls for personnel/payroll. A discussion followed, reviewing the process and forms in place in the hiring through exit process within the District. Throughout the year the Administration would be working to improve the process through the budget cycle.

Mr. Berdnik also reviewed previous internal controls implemented in the areas of inventory and GPS software products for the Transportation Department.

The District would be continuing to improve the internal controls in the District to provide reasonable assurance regarding the achievement of objective in effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

## PURCHASING/CONTRACTS

### A. BCIU technical support for Microsoft upgrade

Mr. Berdnik reviewed an invoice from the Intermediate Unit for support which allowed for the successful upgrade of the district PCs to Windows7 wherever possible and a new version of Microsoft Office on all District PCs prior to the start of the 2013-2014 school year.

Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded.  
**Motion carried 3-0-0.**

### B. Bridges contract for blended learning

Mr. Berdnik reviewed the Bridges Virtual Education Services models that are working in other Districts and Centennial wanted to develop their own blended model for the Centennial School District. Mr. Berdnik asked Mr. Best to give his overview of the proposed consultation agreement. Mr. Best stated that the agreement would be engaging teachers in a blended-learning model in the District. The articulated mission of this partnership would assist the school district with the implementation or refinement of their own virtual education programs. The purpose of this agreement would be to establish a comprehensive virtual learning program that addresses regular credit acquisition, credit recovery, early intervention, remediation, enrichment, home-bound instruction, summer school, and hard-to-fill courses at William Tennent High School. The students would be taught by Centennial teachers. The agreement would be going to the Education Committee for further discussion on implementation timeline.

Mr. Berdnik stated that the cost would be \$47,500 in year one and \$11,000 in year two and three for a total cost of \$69,550.

After further discussion, a motion was made to move the concept of the bridges model to the Education Committee in the amount of \$69,550 with the notion that as the Education Committee refines the model it would come back to the Finance Committee for approval before moving to the full Board. Mr. Shafter made the motion, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

C. Wordsworth special education contract

Mr. Berdnik stated that the contract was an annual item to be approved. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

REALITY BASED BUDGETING

A. Capital projects and capital reserve fund status updates

Mr. Berdnik reviewed the financial analysis of the position of the capital projects and reserve fund. He stated that the district was projecting a slightly smaller run-out on the capital projects fund, which trims the capital reserve fund backstop needed; the year-end transfer to the capital reserve fund closely approximates this year's one-time Ann's Choice payments; and the net effect is a downward pressure on our projected General Fund deficit for 2014-15, but not nearly enough to close the gap.

B. Review of updated projection

i. Analytical reports return in September after the 60 day accrual period closes for preliminary close of June 30, 2013 and in October for the first 2013-14 report.

Mr. Berdnik reviewed the financial statement highlights as of June 30, 2013. Local revenues ended the year strong, with Ann's Choice making all required payments and earned income tax trending solid like 2012; state revenues are a concern, as we still have construction projects which have not reached final approvals for reimbursement; and Mother Nature and the guaranteed energy savings projects provided downward pressure on utilities and even payroll.

Current and prior year payments on the new PILOT agreement make 2013-14 appear manageable, but in the long term meeting the PSERS crisis and Affordable Care Act head on will likely require a mix of Act 1 increases and staffing adjustments (e.g.).

#### NEXT MEETING

Mr. Hartline pointed out the following read at home material Mr. Berdnik made available to the Committee:

- A. 2014/15 budget development calendar
- B. Affordable Care Act update
- C. Centennial shares
- D. State budget outlook
- E. Tax collection committee projected 2014 budget

Mr. Kleinschmidt made a motion to adjourn the meeting, Mr. Shafter seconded. **Motion carried 3-0-0.** The meeting was adjourned at 8:15 p.m.

Respectfully submitted

Christopher M. Berdnik  
CFO

The next meeting will be held November 18, 2013 at 7:00 pm.