

Finance Committee Minutes

June 20, 2011

Attendees: Thomas Reinboth, Chair; Mark B. Miller, Board Member, Michael Hartline, Board Member, Christopher Berdnik, CFO; William Gretton, Assistant Superintendent; Dr. Jennifer E. Cressman, Superintendent

Andy Meehan, IBC; Susan Larkin, IBC; Arthur Taylor, BAS; Charles Bradley, BAS; Anthony Scoles; Robert A. Shaffer, Community Member; Anna Linn, DVHIT; Steve Fallon, DVHIT

1. Approval of May 16, 2011 Committee Minutes

Mr. Miller made a motion to approve the minutes of May 16, 2011, Mr. Hartline seconded, motion passed 3-0.

2. Accounting

- a. Mr. Miller made a motion to move a resolution to the full board authorizing administration to close the 2010-11 Centennial School District books as of June 30, 2011, incorporating all accruals therein; pay the bills that are due by June 30, 2011; transfer the budget amounts necessary for processing there expenditures subject to review and ratification by the Board in September 2011; and direct the administration to proceed with conducting the necessary audit for the Fiscal Year 2010-11.

Further directs the Business Office to record commitments of fund balance in any or all the following categories:

- . Educational initiative
 - . Technology initiative
 - . Future Capital Projects
 - . Other post employment benefits
 - . Retirement contributions
- b. Review of draft GASB 45 study as of April 2010 and authorization to make District's second deposit, this payment covering the period ending June 20, 2011
Mr. Reinboth asked Mr. Berdnik to explain. Mr. Berdnik explained that the District had paid a first payment of \$55,000, by making an additional payment of \$64,610 (estimated employer contributions to OPEB Trust) for period July 1, 2010 to June 30, 2011 and a payment of \$53,233 (estimated employer contributions to OPEB Trust) for period July 1, 2011 to June 30, 2012 the District has met its PSERS obligations for retirees and it get liability off the books. Mr. Miller made a move the resolution to the full Board, Mr. Hartline seconded. Motion passed 3-0.

3. Reality-based budgeting

- a. Receipt of analysis statements as of May 31, 2011
Mr. Reinboth asked Mr. Berdnik to explain the financial highlights as of May 31, 2011. Mr. Berdnik stated that May remained consistent with prior months' analysis. Local revenues lag the adopted budget due primarily to interest earnings and delinquent real estate taxes, while state and federal resources reflect declining categorical resources. He suggested 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.

b. Presentation of health care administrative cost containment strategies

- i. Do nothing (IBC first look, as adopted)
- ii. Third-look (if provided by IBC)
- iii. Potential PSEA consortium (in the formative stages)
- iv. Bucks County IU 22 self-insurance (effective perhaps as soon as 9/1/11)
- v. Delaware Valley Health Insurance Trust (effective perhaps as soon as 10/1/11)

Representative from IBC explained the first look which was a 12.5% increase in premium costs, the second look was 16.5% increase. They explained that if second look is worse than first look you keep the first look increase.

Mr. Berdnik explained that the PSEA is a health care consortium in the early stages of conception. They are in the next step of securing financial commitments from parties who are committed to moving forward. Estimated \$150,000 is needed in startup costs. To offset these costs consortium would have interested school entity contribute a flat rate of \$5,000 per entity, plus a \$5.00 assessment per eligible employee, with a maximum contribution limit of \$10,000. Mr. Reinboth asked if other school district have joined. Mr. Gretton stated that interest varied. Smaller districts would want to join a bigger group to reduce costs. Mr. Gretton stated that Cheltenham had declined. Mr. Miller stated that other districts were waiting to see what we are doing. If we joined where would we sit on committee seats at the table until a Board is appointed? Mr. Gretton indicated that it would depend upon participation. A board of trustees of twenty representatives that would include: ten appointed by PSEA membership; four appointees of District Superintendents; two Business Administration selected by the Superintendents; two appointed by the Executive Directors of the Bucks and Montgomery County IU and two School Board Members.

Mr. Berdnik stated that the District reached out to the BCIU #22 of their interest in potential membership with the Bucks County Public School Limited Healthcare Affiliation. Mr. Hartline indicated that at this time they are light on details.

Representative Steve Fallon explained what DVHIT was all about. He explained that DVHIT was a self-insured risk pool serving public entities in southeastern PA. They cover 83 public entities and over 4800 employee lives (over 13,000 member lives). DVHIT contracts with Aetna. Mr. Fallon stated that the average increase over the six years has been single digit, 5.8% average increase 2010, 7.8 average increase for 2011. Inception of plans could be October 1 and November 1, 2011.

Mr. Berdnik stated that there would be a 6.5% district/employee savings with the DVHIT plan. Administration would like authorization to refer to CEA which would require a MOU from CEA.

Mr. Miller made a motion to approve to move a resolution related to health care administrative cost containment strategies for our administrative/support employees to the June 28th Board meeting. Mr. Hartline seconded. Motion passed 3-0

Mr. Miller made a motion to refer the matter of health care administrative cost containment strategies for our CEA employees and retirees to the negotiation committee, Mr. Hartline seconded. Motion passed 3-0.

4. Food Service

- a. Authorization to accept and execute a grant from the Mid-Atlantic Dairy Association
Mr. Berdnik explained that the grant in the amount of \$12,270 was to support the School District's activities in continually promoting 8-ounce bottled milk on the main meal line and ala carte for a period of five years. Funding to be used toward the purchase of new milk cooler equipment, Point of Service programs, signage packages, or other pre-approved investments.

Mr. Miller made a motion to move to the full Board, Mr. Hartline seconded. Motion passed 3-0.

5. Payroll/Accounts Payable

- a. Approval of auxiliary pay schedule for 2011-12
- b. Approval of game worker fees for 2011-12
- c. Approval of officials fees schedule for 2011-12

Mr. Miller made a motion to move the approval of the auxiliary pay schedule, game worker fees and official fees schedule for 2011-12 to the full Board, Mr. Hartline seconded. Motion passed 3-0.

6. Purchasing

- a. Approval of bids

Mr. Reinboth asked Mr. Berdnik to give a summary of the bids being presented for approval. Mr. Berdnik replied that there are calculators, reprographic paper and MacBook Learning Labs, the calculators are for the math program curriculum through the general fund, the copy paper was bid as group thru BCIU #22 cooperative bid through the general fund, district wide elementary/secondary and the MacBook-Learning through the construction capital projects program. Mr. Hartline asked if Administration had a breakdown as to how many calculators, etc. there would be since it is a lot of money. Mr. Berdnik replied that the \$18,986 bid represented 150 TI 08 teacher kits representing 10 in each kit; 150 TI 15 teacher kits representing 10 in each kit. Mr. Reed replied that the MacBook represents 11 Mac mini and 30 in carts for students to use for an amount \$55,572.15.

Mr. Gretton inquired about the Tri-caster bid which wasn't awarded previously and asked if it could be put on the Board agenda for June 28 as the equipment will be needed in the TV studio at the high school.

Mr. Miller made a motion to move the calculators, reprographic paper, MacBook learning labs, class ring to the full board. Mr. Hartline seconded. Motion passed 3-0.

The proposal for the class rings, the class officers made the selection.

b. Authorization to issue a request for proposals for a benefit eligibility audit

The committee directed Administration to create an RFP for dependent audit and stipulate that there will be no charge for anything not found. The directive was not necessarily to be accomplished within the next month, but during open enrollment. It was moved by Mr.

Miller and seconded by Mr. Hartline to create an RFP for these services. Motion carried 3-0.

7. Revenues

Mr. Reinboth indicated the recommendation from the Administration was to not pursue the sale of tax liens for the 2011-12 fiscal year. Mr. Berdnik indicated that should there be a critical need, this type of transaction would be recommended, but the District was not currently in that position. Mr. Miller asked that if the current system of collecting taxes has ended and thought we would let this alone without any further action. Mr. Berdnik indicated that he had communicated this to the purchaser but would like official action to take place. Mr. Miller made a motion to accept the Finance Committee's recommendation not pursue the sale of the 2011-12 tax liens to be presented to the full Board. Motion carried 3-0.

8. Technology

Mr. Reed indicated that the Committee had requested additional information and he had provided a comparison of information on PayPal and Google in order to sell items from the website. He provided information on both programs. The PayPal accounts were more flexible but the Google had been suggested because of the association with School Wires. School Wires has agreed to provide access to PayPal with a one-time set-up charge of \$3,000.

Mr. Miller indicated that this is not about the buyer but about what the seller chooses to utilize. He indicated that there was flexibility and could use Google check-out and indicated that School Wires wanted to charge us \$3,000 for something that is free. He noted that School Wires advantage was that they ran "Scripts" and was not willing to pay them for this service. He asked if the District was able to insert an HTML code in the current format. Mr. Reed indicated we cannot insert that but was not certain. Mr. Miller suggested inserting this into a "dream-weaver" software. Mr. Hartline suggested we contact MBIT and ask if the proposals received by the District and MBIT are comparable. He indicated it may be prudent to spend the money to provide the service. Mr. Miller knows that School Wires runs Scripts and could demonstrate the system that would create access to the transactions. Mr. Reed indicated that such a set-up would not provide adequate tracking for the transactions. Mr. Hartline asked if this included the billing for the on-line store and maintain the records. Mr. Miller emphasized that these were services we had paid for in the past. Mr. Hartline suggested that the Administration provide the information for the Board Meeting in order that the system can be utilized. Mr. Hartline made a motion to place PayPal recommendation on the Board Agenda at a cost of \$3,000 to School Wires with additional information from the Administration. Motion carried 2-1 with Mr. Miller voting no.

Mr. Reinboth noted that the final item on the agenda was a Table Top Exercise which was a discussion on the choice between pay-for-play programs or other choices in the future budget

that may require reductions. Mr. Miller suggested that the meeting be adjourned, and although the Board was not considering these measures, it was the intent to discuss.

Mr. Reinboth called for a motion to adjourn the meeting at 8:35 p.m. Motion carried 3-0.

Respectfully submitted,

Christopher M. Berdnik

CFO