

FINANCE AND LONG RANGE BUDGET
PLANNING COMMITTEE MINUTES –
MEETING OF MARCH 23, 2015

IN ATTENDANCE: Committee Chair Steven Adams, members Michael Hartline, Charles Kleinschmidt

BOARD MEMBERS: None

STAFF: Dr. Joyce Mundy, Katie Braun, Raymond Kase

PUBLIC: Michael Lang, Provident Energy

CALL TO ORDER

Mr. Adams called the meeting to order at 7:00 p.m.

MINUTES

2.1 Approval of Minutes from January 20, 2015 and February 23, 2015 (Action)

Approval of Minutes from January 20, 2015

Motion by Charles Kleinschmidt, second by Michael Hartline.

Final Resolution: Motion Carries 2-0-1

Yes: Steven Adams, Charles Kleinschmidt

Abstain: Michael Hartline [Did not attend meeting.]

Approval of Minutes from February 23, 2015

Motion by Charles Kleinschmidt, second by Michael Hartline.

Motion Carries 3-0-0

Yes: Steven Adams, Michael Hartline, Charles Kleinschmidt

PRESENTATION

3.1 Provident Energy - Update on Energy Costs and Usage - Mr. Michael Lang (Information)

Mr. Lang, representative from Provident Energy, gave a presentation on the District's current energy usage, prices for gas component, along with an overall view of energy across our region.

Mr. Hartline inquired if Swan Way could be included in the pricing estimates. Mr. Lang replied that Swan Way would be included.

A motion was made to bring to the full Board the Natural Gas Pricing not to exceed numbers provided by March 30, 2015 to the Business Office.

4.8 Provident Energy - Natural Gas Pricing (Action)

Approve Provident Energy - Natural Gas Pricing

Motion by Michael Hartline, second by Charles Kleinschmidt.

Final Resolution: Motion Carries 3-0-0

Yes: Steven Adams, Michael Hartline, Charles Kleinschmidt

3.2 2015/2016 Proposed Final Budget Update/Options - Ms. Katie Braun (Information)

Ms. Braun gave a presentation on the proposed final budget for 2015-16. She recapped the programs, personnel cuts, and there are no changes from the January 2015 proposed budget.

Ms. Braun review the budget timeline with April 21, 2015 the Board:

- Approves 2015-16 Proposed Final Budget
- Authorizes the display on May 1 of the 2015-16 Proposed Final Budget
- Authorizes advertisement to adopt the 2015-16 Proposed Final Budget for June 9 (30 days required)
- Transfer Dollars to Capital Reserve
- Appropriate 6/30/15 Fund Balance
- June 9 – Adoption of the 2015-16 Final Budget

The 2015-16 proposed final budget (balanced with Act 1 Index of 1.9% real estate tax increase and use of special education and PSERS Exceptions of 1.8%) of \$106,799,542. The millage rate would increase by 3.7%, equating to 126.76 mills (tax increase on \$121.00 on an average homeowner assessment of \$26,400).

Ms. Braun gave an analysis of the District's fund balance.

General fund balance as of 7/1/14	\$12,189,125
Committed to PSERS (Ret. Escrow)	<u>\$ 2,509,519</u>
Total Available	\$ 9,679,607
Assigned to Capital Projects (i.e. Swan Way)	\$ 2,500,000
Contingency in General Fund Budget	
2014-15	\$ 500,000
2015-16	<u>\$ 500,000</u>
Unassigned Fund Balance	\$ 6,197,607

Capital Reserve (Fund 32) Balance (2/28/15): \$2.7 million (has not been assigned to any future projects).

Debt Service (Fund 40) Balance (2/28/15): \$1.1 million (has one more principal and interest payment to make for 2014-15 SY. After this payment is made, this account will be significantly reduced by year end).

Ms. Braun gave three options to reduce the tax increase for 2015-16.

Option #1

Utilize more of Unassigned Fund Balance	
Unassigned Fund Balance as of 6/30/14	\$6,679,606
Unassigned Fund Balance used for 2015-16 SY	<u>\$ 500,000</u>
Balance Available	\$6,179,606

If the Board decides to go with Option #1, the recommended amount to Utilize would be:	<u>\$ 839,628</u>
Balance Available	\$5,339,978

Option #2

Make Additional Cuts to Budget.

Administration has already cut \$1.1 million in staff, supplies, programs and services.

If the Board decided to go with option #2, the District would need to make more cuts to staffing and operations.

Option #3

Currently 2% increase in State Revenues was used.

Budget receipt of more rental subsidy reimbursement (currently \$865,405) in budget.

Receive more federal or state grants.

Mr. Hartline inquired about staffing cuts and additions. Dr. Mundy replied that the District was working on a new organizational chart and would be bringing to the Board in Executive Session with staffing cuts and additions. Mr. Hartline asked that the lists be provided as soon as possible so that the Board would have time to review before the meeting.

FINANCE

4.1 Financial Highlights as of February 28, 2015 (Information)

Ms. Braun reviewed the financial highlights as of February 28, 2015, noting the following:

- Local revenues were down approximately 3% as compared to February 2014
- State revenues were up significantly due to the District receiving: Basic Education Subsidy in the amount of \$1,626,117.00, Social Security Subsidy in the amount of \$158,676.00, and IDEA reimbursement payment of \$1,026,034.00.
- Federal revenues have increased significantly due to the District receiving: Title I, II, and III payments in the amount of \$72,271.16 and Medical Access payment in the amount of \$184,831.66.
- Earned Income Tax collections were down approximately 4% due to the state of the economy.
- Delinquent Real Estate Tax collections were down 9%.
- Real Estate Transfer Taxes were down approximately 5%.

- Expenses are approximately 10% higher. Administration put a freeze on spending for all departments. The only expenditures being approved are those needed for safety, planned projects, and/or emergencies.

4.2 2014/2015 Bid Timeline (Information)

Ms. Braun in an effort to keep the Committee informed regarding upcoming bids, reviewed a list of bids that still needed to go out for bid for the 2014-15 school year. She also stated that the list included yearly bids and multiple year bids.

4.3 48 Swan Way – Real Estate Tax Exemption Application (Action)

Ms. Braun explained that as part of acquiring 48 Swan Way, the District needed to apply for real estate tax exemption on the property through the Bucks County Board of Assessment Appeals. The District solicitor, Eastburn and Gray, would submit the application on behalf of the District upon approval from the Board.

Motion by Michael Hartline, second by Charles Kleinschmidt.

Final Resolution: Motion Carries 3-0-0

Yes: Steven Adams, Michael Hartline, Charles Kleinschmidt

4.4 McDonald Punch List for Certificate of Occupancy (Action)

Approve the McDonald Punch List for Certificate of Occupancy

Ms. Braun stated that Mr. Trzaska, Director of Operations, requested that the Committee approve the escrow amount of \$44,845.00 for the McDonald Punch List for Certificate of Occupancy requested by the Warminster Township Engineer until all work is finished. Vollers has agreed to everything on the list generated by the Township Engineer. The District would be responsible for the replacement of shrubs. The District is holding \$52,535.00 in the construction contract until all work is complete. These monies can be used for the escrow.

Motion by Michael Hartline, second by Charles Kleinschmidt.

Final Resolution: Motion Carries 3-0-0

Yes: Steven Adams, Michael Hartline, Charles Kleinschmidt

4.5 Sports Medicine RFP Results (Action)

Sports Medicine RFP Results

Ms. Braun stated that Administration recommended that the Sports Medicine contract be awarded to NovaCare Rehabilitation for Athletic Trainer and Physician Services per game as follows:

Athletic Services: \$25,000 for 2015-16; \$25,000 for 2016-17; and \$25,000 for 2017-18

Physician Services: \$200 per game for 2015-16, 2016-17, and 2017-18

Motion by Michael Hartline, second by Charles Kleinschmidt.

Final Resolution: Motion Carries 3-0-0

Yes: Steven Adams, Michael Hartline, Charles Kleinschmidt

4.6 Summer Enrichment Camp Registration Fees (Action)

Approve Summer Enrichment Camp Registration Fees

Ms. Braun explained that the Summer Enrichment Camp will run Mondays through Thursday from 9:00 a.m. – 1:00 p.m. from July 6 through August 6, 2015. Transportation and meal services are not provided by the District. The District intend to open this camp to student who reside in Centennial School District, but are not currently enrolled in our schools. Centennial School District students would have priority enrollment and a reduced enrollment fee. Additionally, if enrollment for any session exceeds the maximum number of students, a second session may be added.

Dr. Mundy stated that this was a very successful program.

Motion by Michael Hartline, second by Charles Kleinschmidt.

Final Resolution: Motion Carries 3-0-0

Yes: Steven Adams, Michael Hartline, Charles Kleinschmidt

4.7 Translation Software Proposal (Action)

Approve the purchase of the Translation Software

Dr. Mundy explained that the District would like to purchase a Translation Software program that would translate documents quickly and accurately. The goal of the software would be to save time and money in translation costs and keep our Centennial School District families connected. District families would benefit from having the student handbook, parent handbook, Kindergarten Registration Packet, and other documents translated.

Motion by Michael Hartline, second by Charles Kleinschmidt.

Final Resolution: Motion Carries 3-0-0

Yes: Steven Adams, Michael Hartline, Charles Kleinschmidt

4.9 MBIT 2015/2016 Proposed General Fund Budget and Proposed Subsidiary - Non Major Budgets (Action)

MBIT 2015/2016 Proposed General Fund Budget and Proposed Subsidiary - Non Major Budgets

Mr. Kleinschmidt explained the process that MBIT used in making decisions for the 2015-16 budget. The District's cost for these services would be approximately \$1,875,452.00.

Motion by Charles Kleinschmidt, second by Michael Hartline.

Final Resolution: Motion Carries 3-0-0

Yes: Steven Adams, Michael Hartline, Charles Kleinschmidt

ADJOURNMENT

Mr. Kleinschmidt made a motion to adjourn, Mr. Hartline second.

Motion carried 3-0-0.

Mr. Adams adjourned the meeting at 8:15 p.m

Respectfully submitted,

Katie Braun
Assistant Business Manager

NEXT MEETING – APRIL 20, 2015 at 7:00 p.m.

READ AT HOME

Information: 6.1 Monthly Report - Title I (Information)

Information: 6.2 Monthly Report - Title II (Information)

Information: 6.3 Monthly Report - Title III (Information)

Information: 6.4 Monthly Report IDEA (Information)

Information: 6.5 2015-16 PASBO Priorities (Information)

Information: 6.6 PDE - AFR Changes for 2015-16 (Information)