

FINANCE AND LONG RANGE BUDGET
PLANNING COMMITTEE MINUTES – MEETING
OF DECEMBER 15, 2014

IN ATTENDANCE: Committee Chair Steven Adams, members Michael Hartline, Mark B. Miller, alternate Charles Kleinschmidt

BOARD MEMBERS: Jane Schrader Lynch

STAFF: Dr. Joyce Mundy, John Schank, Raymond Kate, Katie Braun

PUBLIC:

CALL TO ORDER

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

MINUTES

2.1 Approval of Minutes from November 24, 2014

Mr. Miller made a motion to approve the minutes of November 24, 2014, Mr. Hartline seconded.

Motion carried 2-0-1 [Mr. Miller abstained since he was not on the Committee in November.]

Yes: Mr. Adams, Mr. Hartline

Abstention: Mr. Miller

FINANCE

3.1 Presentation of 2013-14 Audit - by Maillie (Action)

Mr. Schank introduced Mr. Ed Furman, CPA, Vice-President, of Maillie LLC, the auditing firm for Centennial School District. Mr. Furman reviewed the audit conducted by Maillie for the fiscal year ending June 30, 2014 and the procedures used during the audit.

Mr. Furman reviewed the three year trends, findings related to financials (which have been remedied since the audit), and the share of PSERS unfunded liability which is required to be reported as a liability on the balance sheet as of June 30, 2015. The unfunded liability would be three times the annual salary, which would be a \$160 million deficit.

Mr. Miller stated that he was going to ask PSBA to inquire to PASBO in regards to the PSERS liability being reported.

After further discussion of the financial audit, a motion was made to move to the full Board.

Motion by Mr. Miller, second Mr. Hartline

Motion carried: 3-0-0

Yes: Mr. Adams, Mr. Miller, Mr. Hartline

3.2 Demand Response Contract Renewal (Action)

Mr. Schank explained that ECS (Energy Curtailment Specialists) was requesting that the district execute a renewal contract to extend the terms of our current agreement for an additional three years. The terms of the agreement would remain the same with one adjustment, the emergency notification period would change from two hours to 30 minutes unless the facility falls into an exception for reasons of safety or unavoidable damage.

Mr. Hartline inquired if the District could meet the 30 minute requirement. Dr. Mundy responded that the District should be able to do so without incident.

Mr. Miller inquired as to the compensation the District would expect. Mr. Schank replied that they estimated for 2015-16 \$12,800.

Motion made by Mr. Miller, second by Mr. Hartline

Motion carried: 3-0-0

Yes: Mr. Adams, Mr. Miller, Mr. Hartline

3.3 Provident Energy - Constellation Electricity Supply Agreement (Action)

Mr. Schank stated that the Agreement was signed on December 3, 2014, with the permission of the Superintendent of Schools, in order to lock in our low energy rates for 2015-2016 and 2016-2017 school years, which are set at \$.05107 per kWh.

After a short discussion, a motion was made to move to the full Board to retroactively approve the Provident Energy – Constellation Electricity Supply Agreement.

Motion made by Mr. Miller, second by Mr. Hartline

Motion carried: 3-0-0

Yes: Mr. Adams, Mr. Miller, Mr. Hartline

3.4 Christ's Home PILOT Agreement (Discussion)

Mr. Hartline asked Mrs. Lynch if a similar agreement for Ann's Choice was discussed in Executive session before being brought to committee. Mrs. Lynch agreed that it was.

Mr. Hartline's concern was that the agreement may involve the County and Township before a decision could be voted on.

After a short discussion, it was decided that the Christ's Home PILOT Agreement should be discussed in Executive session in January after receiving an opinion from the District's attorney.

Mr. Kleinschmidt suggested that we respond that the District was working proactively on the issue.

3.5 Financial Highlights as of November 30, 2014 (Information)

Mr. Schank reviewed that financial highlights as of November 30, 2014.

- Real Estate Tax Collection, Delinquent Tax Collection and Earned Income Tax Collections are up over last year.
- State Transportation Subsidy received, but state revenues are flat compared to last year.

- Increased IDEA revenues from the Federal Government.
- Expenditure are higher because of increased labor costs, particularly retirement costs.

3.6 Preliminary 2015-16 Budget - Preparation Update (Discussion)

Mr. Schank requested that the January Finance Committee meeting be rescheduled from Monday, January 26 to Tuesday, January 20, 2015 to comply with the requirement of posting the Proposed Preliminary 2015-16 budget with the guidelines set by the State on the timeline to approve the Proposed Preliminary budget. After a discussion, Administration was directed to advertise the Education Committee Meeting and the Finance Committee Meeting be rescheduled to Tuesday, January 20, 2015, 6:00 p.m. and 7:00 p.m. respectively.

TECHNOLOGY

4.1 Server Maintenance (Action)

Mr. Kase stated that the service agreement was on our current file server and disk arrays. All critical equipment such as this must have a current maintenance agreement in case of failure. The cost for these services would be \$3,171.61 which would cover the District until June 30, 2015.

Mr. Hartline inquired if the price would be lower since the covered period started as of November 1, 2014. Mr. Kase said that he would make that inquiry when the service agreement was approved.

Mr. Miller agreed with Mr. Hartline and made a motion to move to the full Board the Server Maintenance Agreement not to exceed \$3,171.61.

Motion by Mr. Miller, second by Mr. Hartline

Motion Carried: 3-0-0

Yes: Mr. Adams, Mr. Miller, Mr. Hartline

Action: 4.2 Technology Infrastructure Purchases (Action)

Mr. Kase stated that the items listed are needed technology infrastructure purchases for this school year. These are all predicated on budget transfers currently being handled by the Business Office. Administration recommends the purchase of the SAN and Servers via the PA State Contract, total purchase of \$121,895.00.

Mr. Hartline stated that he would recommend competitive bidding for these items.

Mr. Miller suggested that the District buy off the State Contract.

Mr. Miller made a motion to move to the full Board, Mr. Adams second.

Motion by Mr. Miller, second by Mr. Adams

Motion carried: 2-1-0

Yes: Mr. Miller, Mr. Adams

No: Mr. Hartline

ADJOURNMENT

5. Adjournment

Mr. Miller made a motion to adjourn the meeting. Mr. Hartline second.

Motion by Mr. Miller, second by Mr. Hartline

Motion carried: 3-0-0

Yes: Mr. Adams, Mr. Miller, Mr. Hartline

Mr. Adams adjourned the meeting at 7:59 p.m.

NEXT MEETING

Mr. Adams reminded everyone that the next Committee meeting would be on Tuesday, January 20, 2015 at 7:00 p.m.

Respectfully submitted:

John Schank
Interim Business Administrator