

**FINANCE AND LONG RANGE BUDGET PLANNING COMMITTEE**  
**MINUTES – MEETING OF APRIL 11, 2011**

**IN ATTENDANCE:** Committee Chair Thomas Reinboth, Member Mark B. Miller, alternate Jane Schrader Lynch

**STAFF:** Dr. Jenny Foight-Cressman, Christopher M. Berdnik

**PUBLIC:** Mary Ellen Gilbert, Courtney Miles, Anne Romanick, Davis Reeser, Ana E. Brown, Jennifer Mohan, Bernie Miller, Joe Faust, Cindy Dale Miller, Paul Rokuskie, Shannon Martin, Woody Martin, Rose McKeivitt, Alison McGarey, Dolores McAdams, Jeff Markowski and Robert A. Shaffer

**CALL TO ORDER:**

Mr. Reinboth 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. Miller and seconded by Thomas Reinboth to approve the minutes of the March 14, 2011, meeting. **Motion carried 2-0-1.**

**ADMINISTRATIVE MATTERS:**

a. **Appointment of Treasurer for fiscal year 2011/12.**

Mr. Reinboth stated that incumbent Mr. Joseph Faust expressed continued interest in being appointed Treasurer of the School Board for the 2011-12 fiscal school year. The Committee thanked Mr. Faust for his input and execution of that position. Jane Schrader Lynch made a motion to retain Mr. Faust as Treasurer of the School Board, seconded by Mr. Miller. **Motion carried 3-0.**

b. **Appointment of second alternate voting delegate to the Bucks County Tax Collection Committee**

Mr. Reinboth stated the next item is the appointment of a second alternate voting delegate to the Bucks County Tax Collection Committee who would be Mr. Christopher Berdnik, CFO of Centennial School. Mr. Miller commented that he would look forward to Mr. Berdnik fulfilling that capacity when Mrs. Lynch was not available to attend. Mr. Miller made a motion to move the appointment of Mr. Berdnik as a second alternate voting delegate to the full board, seconded by Mrs. Lynch. **Motion carried 3-0.**

c. **Pennsylvania Treasury Department Voluntary Compliance Program for Reporting Unclaimed Property**

Mr. Reinboth asked Mr. Berdnik to give a brief synopsis of the program. Mr. Berdnik explained that all “holders” are required to file an unclaimed property report each year by April 15<sup>th</sup>. Unclaimed property is any financial asset that has been left with a holder, without activity or contact for at least one year or longer. To be admitted for admittance into the Voluntary Compliance Program, a holder must meet the following criteria, voluntarily coming forward, not currently under audit for past due unclaimed property reporting and has not been granted voluntary compliance in the past 10 years. By doing so, we will be in compliance with the reporting requirements and avoiding any penalties and protecting us from liability. Mrs. Lynch

made a motion to authorize the Business Administrator to apply to Pennsylvania Treasury Department's Voluntary Compliance program for Reporting Unclaimed Property, seconded by Mr. Miller. **Motion carried 3-0.**

#### REVENUE ENHANCEMENT:

- a. **23 Pa C.S.A. § 4348: 2% Administrative Fee for the costs of processing a court-ordered support withholding.**

Mr. Reinboth asked Mr. Berdnik to give a brief explanation. Mr. Berdnik stated that State Law allows employees to recover from the payor 2% fee to offset the cost managing the court order. The 2% helps to defray the cost of administrating. Mrs. Lynch made a motion to authorize the Business Office to implement Pennsylvania's 2% of amount withheld employer's fee for child support garnishment, seconded by Mr. Miller. **Motion carried 3-0**

- b. **Auction services (see below).**

- c. **Sale of used textbooks.**

Mr. Reinboth asked Mr. Berdnik to explained item b and c. Mr. Berdnik stated that the two resolutions would be another tool which Administration could use to dispose of surplus items consistent with Board Policy 4.8; use of an auction and use of textball and library buybacks shall be optional and not mandatory. Mr. Miller made a motion to move the full board a resolution to approve a 36 month non-exclusive appointment of Macarro Auction Company for services to dispose of surplus materials (piggybacking on the request for proposals issued by Pennsylvania Local Education Agency AUN 101027451), with an option to renew for an additional 36 months. The commission on fixtures, furniture and equipment is a flat 10% of gross proceeds with a \$3,000 minimum per auction site, plus out of pocket expenses. The commission on real estate is a flat 10% of the high bid with a \$10,000 minimum per property, plus out of pocket expenses. The specific intent of this resolution is to simply provide the administration with another tool to efficiently dispose of surplus items consistent with Board policy 4.8; use of an auction shall be optional and not mandatory. Mr. Miller concurrently made a motion to move to the full board a resolution to approve a 36-month non-exclusive appointment of Budgetext for services to buyback out of date textbooks and library books (piggybacking on the requests for proposals issued by Pennsylvania Local Education Agency AUN 102027451), with an option to renew for an additional 36 months. The specific intent of this resolution is to simply provide the administration with another tool to efficiently dispose of surplus items consistent with Board Policy 4.8; use of textbook and library buybacks shall be optional and not mandatory, seconded by Mrs. Lynch. **Motion carried 3-0**

#### CONTRACTS/SERVICES

- a. **Pennsylvania OPEB Trust Participation Agreement and proposed initial deposit - \$55,154**

Mr. Reinboth asked Mr. Berdnik to explain. Under GASB 43 and 45 employer must account for other post employee benefits and District is requires to measure liability every two years. Centennial liability is \$55,154. By putting the liability in an irrevocable trust the benefit would have a wider array of investments allowed and get a better rate of return, while removing the liability from our books. Mr. Miller commented that he appreciated Mr. Berdnik's strategy of

taking these relatively small amounts collectively. Mr. Berdnik commented that it is a means to funding our obligations. Mrs. Lynch made a motion to authorize execution of the Participation Agreement under Pennsylvania OPEB (Other Post Employment Benefits) Trust and directs the Chief Financial Officer to conduct such actions as are necessary to carry out the District's participation, including making an initial deposit equal to the outstanding liability as of June 20, 2010 of \$55,154 as reported in the audited financial statements. Subsequent deposits shall require additional Board authority, seconded by Mr. Miller. **Motion carried 3-0.**

b. **Arbitrage Rebate Management – Public Financial Management/PLGIT**

Mr. Reinboth asked Mr. Berdnik to explain. Mr. Berdnik stated that this program is designed to track the District 2009 and 2010 bond proceeds investments and we have an obligation to make sure the District is spending the proceeds as intended when borrowed and tracking investments and expenditures. We want to do our due diligence to report back to the Federal Government that we are on track with spend down requirements. It is prudent to have a program in place in the event that we are audited. Mr. Reinboth asked what this program would cost. Mr. Berdnik indicated upfront cost of \$7,500 looking backward, none going forward. Mr. Miller stated that the whole basis of this is that we still hold the money the money which still belongs to investors and it is our responsibility to take care of the money until it is invested. He indicated that we can only invest as per prospectus and if we would do anything other than what was in the prospectus we would have to go back to the investors for approval. Ms. Lynch made a motion bring to the full board a resolution to approve a proposal from PFM Asset Management LLC to provide Centennial School District investment advisory and arbitrage rebate compliance services for the district's Series 2009 and Series 2010 bonds and further directs the Chief Financial Officer to complete necessary forms and other such actions as are necessary to develop sound rebate compliance and investment programs for the bonds. The motion was seconded by Mr. Miller. Mr. Reeser, of PFM, LLC and representative of PGLIT program wanted to make a point of clarification that there is an option to invest proceeds in an individual aid program there is a fee which is approximately 9 bases points. Mr. Reinboth thanked Mr. Reeser for that clarification, seconded by Mrs. Lynch. **Motion carried 3-0.**

c. **Renewal of Prosoft Software Maintenance Agreement**

Mr. Reinboth asked if there were any changes in the existing agreement. Mr. Berdnik asked the Board to approve an accounts receivable module to be used primarily by the Food Service Department. Mr. Reinboth asked if the \$2,000 was a yearly cost. Mr. Berdnik stated that the \$2,000 was to buy the license and it would be a monthly cost of \$33 thereafter. Indicated that may change financial in the future. Mr. Miller asked if Mr. Berdnik had more time if he would change packages sooner. Mr. Berdnik indicated that the project would be an 18 month process so that all stakeholders (users) would have a chance to examine multiple systems and would be very costly and would be implemented at the start of a fiscal year. Mrs. Mueller suggested that we look at the Skyward accounting system due to the many limitations of ProSoft. Mr. Reinboth stated that we should look at a number of packages, Skyward etc. Mrs. Mueller indicated that she would like to see Administration move forward so that it may be budgeted for in the future. Dr. Cressman indicated that the system chosen should converse across the board with the other modules. Mr. Miller asked if the accounts receivable package could be used for tracking food

service perpetual inventory and linked to the inventory system. Mr. Berdnik indicated that the accounts receivable package could not do that. Mr. Miller made a motion to move the resolution to the full board that authorizes renewal of the ProSoft software maintenance agreement for the period starting July 1, 2011 through June 30, 2012, including the implementation of the accounts receivable module, seconded by Mrs. Lynch. **Motion carried 3-0.**

d. **School Based Financial Institution Branch – RFP results**

Mr. Reinboth indicated that two organization submitted proposals for the William Tennent Commerce Center; Bucks First Federal Credit Union and Trumark Financial Credit Union. Committee was also provided with a recommendation from Dr. Mumin and the committee to award the contract to TruMark Financial® Credit Union. Mr. Reinboth asked Mr. Berdnik if he had anything to add. Mr. Berdnik wanted the Board to know that the selection process included representatives from the school, partnership office, operations and finance team. Each office thought that TruMark was a better proposal. The decision was made on how TruMark would approach the students as potential employees, customers and partners. Both proposals were good but TruMark's was focused on what the Board's vision was for a Commerce Center. Mr. Reinboth stated that this is great for the students and District in general on many levels educationally, financially and in many other ways and gratifying for him that this is moving forward. Mr. Miller commented that in all situations it is the Board's responsible to the public to do its due diligence with any request for proposal that come to the Board and that in the future when proposals are presented to the Board for approval that Administration gives to the Board all the candidates before the meeting so they can do their due diligence of supporting the Administration's recommendation. Mrs. Mueller asked Mr. Berdnik to sell her on what tipped Administration to choose TruMark over Bucks First. Mr. Berdnik indicated that the educational services offered were more in-line with the curriculum at the high school along with the financial support sign within the school store. Dr. Cressman indicated that it was the educational opportunity being offered for students that was the deciding factor. Mrs. Lynch made a motion to move a resolution to the full board to award the school based financial institution contract to TruMark Financial® Credit Union for a three-year period beginning on or about September 2, 2011, with an option to renew for an additional three-year period, seconded by Mr. Miller. **Motion carried 3-0.**

**PURCHASING**

a. **Joint Purchasing Grid**

Mr. Reinboth asked Mr. Berdnik to provide some more information. Mr. Berdnik indicated that the Pennsylvania school code requires that any purchase over \$10,000 should be bid except for a short list of educational materials. There are mechanisms in place to piggyback on or become part of a cooperative purchasing group. No matter what mechanism you used there should be a level of Board authority to use either mechanism in place. This list would be an approved vendor list where school personnel can go to get their three competitive prices and make your buying decision. This approval would be granted for the remainder of this year and the next fiscal year. Mr. Miller made a motion to move the resolution to the full board that authorizes participation in and accepts the awards of the following joint purchasing programs for the fiscal years ending

June 30, 2011 and June 30, 2012; BCIU Cooperative Purchasing Group, BCIU Internet Group, COSTARS, Eastern Pennsylvania Regional Buying Group, PEPPM, Suburban Schools Cooperative, Suburban Schools Food Service Purchasing Co-op, The Cooperative Purchasing Network, Tri-County Purchasing Cooperative, U.S. General Services Administration Cooperative Purchasing Program and US Communities, seconded by Mrs. Lynch. **Motion carried 3-0.**

**b. EasyProcure Purchasing Card**

- i. Draft procurement card policy
- ii. Authorization to join EasyProcure

Mr. Berdnik explained that the policy was modeled after PSBA policy. EasyProcure is a purchasing card like a credit card. It can be used for specific transaction limits and types of items bought. This would replace existing District credit cards with PNC cards. You get a rebate based on your spend. Also, this could be used in accounts payable instead of writing a check to a vendor, vendor would accept card as payment. Administration would like to pilot the program at the High School in the Family Consumer Services Department and the Art Department. Cards can be designed with CSD logo, name of user, tax ID #. Spending limits can be set on the card, increase or decrease as deemed necessary by Administration. Mr. Reinboth asked what the amount would be for the Pilot program and Mr. Berdnik that it would be relatively small at a total of approximately \$9700 for a year of expenses. Mr. Miller asked if Administration is notified when card is used. Melissa Nowaczyk from EasyProcure indicated that there is no notification, but you can view online real time transactions. There are many controls that can be used when you set up the cards. Mr. Berdnik indicated that the advantage of ACH deposits to vendors would be additional day float and save on postage. Ms. Mueller indicated that this was awesome and questioned if use of by staff will be looked at on a monthly basis. Mr. Berdnik indicated that a statement would be sent to the user and the District and would be reconciled like current credit card statements are reconciled. Administration can shut off at any time if not using appropriately. Ms. Nowaczyk (PNC) indicated that the support aspect by PNC is a corporate liability protection up to \$100,000 for misuse. If there are any fraudulent charges not authorized, District will fill out paperwork and purchase will be removed from bill. Mrs. Lynch made a motion to move to the full board a resolution that adopts a procurement card policy, approves a resolution authorizing issuance of individual procurement cards through Easy Procure and directs the Chief Financial Officer to develop a limited program for fiscal year 2011-12 consisting of 1) replacement of the TD corporate cards for the Superintendent and Business Manager, 2) a pilot program for art and consumer sciences at William Tennent, and 3) ActivePay for account payable based payments, seconded by Mr. Miller. **Motion carried 3-1.**

**c. Tricaster**

Mr. Berdnik indicated there had been difficulties with the Tri-Caster and a new unit has been recommended as part of the new studio and refurbishing the current equipment. The unit is available through cooperative purchasing if the Board approves. Mr. Miller questioned the need for the unit requested, and Dr. Foight-Cressman indicated that this met the needs of the High School. Mr. Miller asked about options, and Mr. Berdnik replied that if the cooperative purchasing process was used, this was the only option. Mr. Miller suggested that the district should engineer the solution based upon the need and the level of equipment necessary for the

Board or High School use. He recommended further research on the need and the quality of the equipment, and requested that the item be tabled.

Dr. Foight-Cressman expressed her concern about the condition of the current equipment and requested that if the information was provided, that the item be sent to the full Board at the next meeting. Mrs. Lynch promoted purchase of the equipment in order to maintain the communication with the public. Mr. Miller indicated that he would like to see the options and the educational value or rebates offered on the equipment. He questioned the need to purchase from a company not located in the area, but did acknowledge that the price was relatively “fixed” if this unit was the choice.

Ms. Mueller had reviewed the specifications and noted all of the requirements that would provide additional conveniences to convey information to the public. Dr. Foight-Cressman emphasized that any unit purchased would have the technology available for the purpose intended. Mr. Miller indicated that there were other options, including different configurations that should be considered.

Mr. Reinboth supported the need for better equipment and software at the WTHS location for the broadcasting by the students. The Board recommended continuance of the discussion until the full Board could consider the purchase. Mr. Miller made a motion that the Committee move the purchase of a suitable broadcast studio equipment to the full board without coming back to Committee with a provision this it is provided with greater detail and back-up as to its operation and capabilities, seconded by Mrs. Lynch. **Motion carried 3-0.**

#### 2011-2012 BUDGET APPROVALS

##### **a. Memberships**

##### **b. Overnight Conferences**

Mr. Reinboth asked how the lists were put together and how these costs compare to last year. Dr. Foight Cressman state putting the list in this format was an attempt to streamline the agenda also to give the Board a comprehensive list as opposed to having smaller amount at individual meetings. After a short discussion regarding employees under contract and if everything was included in the membership and overnight conferences list as to what they were entitled, Mr. Miller made a motion that the membership list in the amount of \$39,487 and overnight conferences in the amount of \$53,655 be moved to the full board for consideration, seconded by Mrs. Lynch. **Motion carried 3-0.**

#### INFORMATION/DISCUSSION

##### **a. Act 32 employer training**

- i. Save the date – 9:00 AM or 1:00 PM in the Board room on May 19<sup>th</sup>

Mr. Berdnik explained that Keystone Collection new EIT tax collector selected by Bucks County Tax Commission will be holding two training sessions for business in the School District on May 19, 2011 in the Administration Boardroom. Keystone is doing the primary

advertising. Mr. Mueller suggested that maybe we could use Patch as a means to get the word out.

**b. Accounting bulletins**

i. Draft GASB 54-compliant fund balance policy

Mr. Reinboth stated is this policy was a change in accounting for non-profit and governmental entities. Mr. Berdnik explained that it provides greater clarity of fund balances. Mr. Miller made a motion to move this policy to the Board on April 26, 2011. Mrs. Mueller suggested that it go as initial distribution on April 12 following with our policy on policies. Mr. Miller amended his motion to move this to the full Board for initial distribution on April 12, 2011, seconded by Mrs. Lynch. Motion carried 3-0. Dr. Foight-Cressman stated that there was a policy for procurement card and asked if Committee would like the policy to go for initial distribution on April 12, 2011. Mr. Reinboth indicated that would be in staying with our policy.

**c. Year to date budget analysis**

Mr. Berdnik explained that the year to date budget analysis will be a tool that the Board will be able to measure where we are in regards to revenues and expenditures over the previous year with a year to date analysis on a monthly basis.

**d. PDE budget deadlines**

Mr. Reinboth stated that Mr. Berdnik provided for the Board information on where we are with the PDE timeline for 2010-11. During April 2011, the annual deadline for the Secretary of the Budget certifies the amount of revenue in the Property Tax Relief Fund is April 15, 2011. On April 23, 2011 he Secretary of the Budget notifies PDE whether it is authorized to provide school districts with property tax reduction allocations. On April 23, 2011, PDE submits a report to the General Assembly enumerating the school districts that sought exception. During May is the deadline by which PDE will notify districts of the amount of their state allocation of property tax funding. If a school district is placing a referendum before the voters must be done prior to the primary. Mr. Reinboth stated that Centennial will not be placing a referendum before the voters. Mr. Reinboth went on to say that the annual deadline by which a school district must adopt a resolution implementing the homestead and farmstead exclusion is June 30, 2011. Then the process starts over for the next school year.

**e. Summary of budget changes since approval of the preliminary budget**

Mr. Berdnik explained that this was a summary of changes since the preliminary budget was approved in February and the Governor's Proposed Budget. In summary the impact on the income statement is a shortfall of 1,752,508.

**f. Multiyear strategies to close the 2011-12 structural gap**

- i. Health care example
- ii. PSERS example
- iii. Tax lien advance example

Mr. Berdnik explained that he tried to provide projections for up coming years for health care, PSERS and tax lien advance.

**g. PASBO's "500 Cost Reduction Strategies for Local Education Agencies"**

Mr. Reinboth indicated that at the April 25, 2011 Finance Committee meeting many of the strategies will be discussed and referred to.

**h. Budget Task Force**

Mr. Reinboth explained that this a task force that Mr. Berdnik would like to establish for the District to directly engage the community. Concept is still in the planning stages.

**i. Stadium debt back to committee**

Mr. Reinboth suggested the Board revisit this as a source of revenue. Mr. Miller suggested that a committee be reestablished.

Mr. Reinboth stated that there is a special meeting of the Finance Committee on Monday, April 25, 2011, to discuss strategies on cost reduction for the District.

Finance meeting was adjourned by Mr. Reinboth at 10:00 p.m.

Respectfully submitted,

Christopher Berdnik  
Chief Financial Officer