

FINANCE AND LONG RANGE BUDGET PLANNING COMMITTEE
MINUTES – MEETING OF MAY 16, 2011

IN ATTENDANCE: Committee Chair Thomas Reinboth, member Mark B. Miller, Member Michael Hartline

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

PUBLIC: John Ritts, Robert A. Shafer

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 Mr. Hartline to approve the minutes of the April 11, 2011, meeting. Motion carried 3-0.

REVENUE

a. **Homestead Exemption**

Mr. Berdnik explained that the homestead/farmstead exemption for 2011-2012 would be a reduction in assessment of \$1,342 for qualified taxpayers with a total deduction of taxes amount to approximately \$150.00. Mr. Miller made a motion to move the homestead/farmstead deduction to the full board, Mr. Hartline seconded. **Motion Carried 3-0.**

b. **Act 32 training session**

Mr. Reinboth stated that this was on the agenda for information purposes only. A training session for all businesses in the District has been scheduled for Thursday, May 19, in the Board Room at 9:00 a.m. and 1:00 p.m. by Keystone Collection, our EIT and LST collector.

c. **PA Treasurer's INVEST Program**

Mr. Berdnik recommended that this program be recommended to the full board. The INVEST program is administered by the PA Treasury Department on behalf of governmental entities located within the Commonwealth of Pennsylvania. The Fund offers investors a safe and liquid investment alternative without requiring minimum investment periods, minimum account balances or notification prior to Fund redemption. The Fund has a fund rating from Standard and Poor's Corporation ("AAAm") signifying the Fund's extremely strong capacity to maintain principal value and to limit exposure to losses due to credit, market and/or liquidity risks. Mr. Miller made a motion to more the INVEST program to the full board, seconded by Mr. Hartline. **Motion carried 3-0.**

d. **Sterilyfe marketing and sponsorship opportunity**

Mr. Berdnik explained that the Sterilyfe is a hand sanitizing/digital media kiosk, which could be a new revenue source. Mr. Miller indicated that this type of vehicle would be premature for the District. Mr. Hartline's main concern was that the content on moving advertisement not be distracting. Mr. Hartline made a motion to hold for future opportunity, Mr. Miller seconded. Motion carried 3-0.

CONTRACTS

a. **Schoolwires – eCommerce**

Mr. Bernik explained that as part of our upgrade to the new version of Schoolwires the District would like to switch our eCommerce to a Schoolwires module that we can maintain on the CSD site. Schoolwires has incorporated Google checkout in to their software. The Google solution would allow us to accept credit card transactions similar to what we do now with Paypal. The module would cost approximately \$3000.00. In addition to selling of bricks, bringing the eCommerce site in house will enable us to add additional items as we wish. Mr. Miller inquired whether we are selling bricks. Mr. Gretton stated that the site has not been working which Mr. Schader brought to the attention of Mr. Gretton. Mr. Miller asked that the District get a quote to fix the brick issue. Mr. Miller asked if we are doing google checkout or pay schoolwires \$3,000 to do this. What percent does google charge per transaction compared to paypal. Mr. Hartline concern was there any support on schoolwires warranty; is google trying to break-in supportive link on our website we own. Mr. Reinboth stated google under our control, initial fee of \$3,000. Mr. Miller would like to have a side by side comparison of paypal and google. Mr. Miller stated that more work needs to be provided and brought back to committee. Mr. Reinboth suggested that the analysis reflect the following; user friendly, District control, and side-by-side comparison.

b. **Beacon – employee assistance program**

Mr. Berdnik explained that this a comprehensive employee assistance program for all employees at access on a voluntary basis for issues in life situations. The cost would by \$1.81/employee/month. It would be a benefit for all employees and District paid. Mr. Miller made a motion to more the employee assistance program to the full board, Mr. Hartline seconded. **Motion carried 3-0.**

c. **CM Services**

Mr. Berdnik explained that CM Services is an accounts payable auditing service. The Company would conduct an accounts payable audit to determine if the District is owed any credits or monies due. If the company does not find any credit/monies due there would be no fee. If any credits/monies due there would be a contingency fee of 35% on amount recovered. Mr. Miller asked that Administration come back to the committee with reference checks.

PURCHASING

a. **Bids**

Mr. Reinboth indicated that the last two pages of the attached bids were for information purposes only as they were on the agenda for the operations committee meeting May 18, 2011. Mr. Hartline made a motion to move the remaining bids to the full board, Mr. Reinboth seconded. **Motion carried 2-0.**

b. **PSBA – Training**

Mr. Berdnik explained that this is an education program designed for School Board Director and Administrator professional development at a cost of \$799 and \$199. Mr. Miller commented that it does not include everything PSBA covers, but would be beneficial to all. Motion was

made by Mr. Miller to move PSBA's Value Pass to the full board, Mr. Hartline seconded. **Motion carried 3-0.**

BENEFITS

a. Review of CSD health care trends

Mr. Berdnik stated that the trend for health care costs for 18 month period first look was 12.4% increase with a second look was 16.5% with the first look rates going into effect for the 2011 plan year. The 16.5% trend will catch up with the 2012 plan year. Mr. Hartline inquired about a health care consortium. Mr. Gretton stated that the District was looking into a consortium health care trust. Mr. Hartline asked if the consortium was realistic for the next year budget cycle 2012-13. Mr. Gretton indicated that the level of interest in the District was high. Mr. Miller inquired about over lapping period to get out of current plan. Mr. Gretton stated that is would take two or three months before you would pay for any claims. Mr. Hartline stated that the Intermediate Unit has been discussing a consortium for a few months. Mr. Reinboth state that there was no action needed, material was for information only.

b. U.S. Department of Health & Human Services' Early Retiree Reinsurance Program

Mr. Reinboth stated that action was needed on this program (ERRP) as the District has submitted an application. The program guarantees payment of early retirement incentive benefits granted to staff under prior contracts. Mr. Miller made a motion to retroactively approve the application to enact the ERRP, seconded by Mr. Hartline. **Motion Carried 3-0.**

c. Adoption of 2011-12 employee benefit rates

Mr. Berdnik reviewed that Administration, CEA and Support Staff 2011-12 employee benefit rates. Mr. Miller made a motion to move the 2011-12 employee benefit rates to the full board for approval, Mr. Hartline seconded. **Motion carried 3-0.**

Budgeting

a. April 30, 2011 year to date budget reports

Mr. Reinboth thanked the Mr. Berdnik for this budget report and stated that it was much appreciated. Mr. Reinboth asked Mr. Berdnik to give highlights of reports. Mr. Berdnik stated that the trend indicated lower revenue and lower expenses. The trend indicated that wages, salaries and benefits were not much different than in April 2011.

b. Updated multiyear projection

Mr. Miller stated that this continued to be a good tool looking five years into the future and that the District should be continuing this practice. Mr. Berdnik let the committee know that the multiyear projection is located on the website at www.realitybasedbudgeting.com.

c. Capital Projects (30) analysis

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

Respectfully submitted,

Christopher Berdnik
Chief Financial Officer