

FINANCE LONG RANGE BUDGET AND PLANNING COMMITTEE

MINUTES

APRIL 15, 2013

IN ATTENDANCE: Committee Chair Michael Hartline, members Charles Kleinschmidt, David Shafter, (absent - alternate Steve Adams)

BOARD MEMBERS: None

STAFF: Dr. Joyce Mundy; Christopher M. Berdnik, Robert Reed, William Gretton, Andrea DiDio, Dennis Best

PUBLIC: None

CALL TO ORDER

Mr. Hartline called the meeting to order at 7:00 p.m. and asked the members to consider a motion to go into Executive Session with the full Board in regards to personnel and legal matters, Mr. Shafter so moved, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

Mr. Hartline reconvened the Finance Committee meeting by asking the members of the Board, staff and public to introduce themselves.

MINUTES

Mr. Shafter made a motion to approve the minutes of March 18, 2013, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

SAFETY/SECURITY

- a. All Hazards Plan update status report – information only
Mr. Hartline stated that the District met the previous week to create an All Hazards Plan. The first meeting was informational only and in the weeks to come the Committee will be meeting to develop the All Hazards Plan for the District.
- b. Centennial shares – 2013-14 PASBO safety committee chair – information only
Mr. Berdnik wanted the Committee to be aware that he was asked to chair the Safety Committee at PASBO for the upcoming 2013-14 school year.
- c. NASRO training for security monitors – action needed
Mr. Berdnik stated that the District would like to send up to ten security staff for training in Allentown from July 29 through August 2, 2013. The

cost to the District would be \$4,500.00. The attendees will gain a solid working knowledge of the School Resource Officer concept and how to establish a lasting partnership with their schools. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

- d. WTHS School Resource officer proposal – action needed
Mr. Berdnik explained the concept of the WTHS School Resource Officer proposal. Within the proposal the District would enter into an arrangement with the Warminster Police Department to procure a School Resource Officer to be stationed at WTHS for the duration of the school year. The concept also offers to assign one of the security monitors to supervise evening activities. In adopting a School Resource Officer model at WTHS would greatly increase both safety and security for our students and staff. Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**

PAYROLL/BENEFITS

- a. PASA'S PSERS letter – information only
Mr. Berdnik shared a letter from PASA on their concerns with the Governor's comprehensive pension reform plan.
- b. April 2013 Employee Assistance Program (EAP) newsletter – information only
Mr. Berdnik shared a newsletter, which EAP provides to the employees of Centennial School District, in regards to assistance and resources for personal, family and work issues.
- c. Life and disability (no rate increase) renewals – action needed
Mr. Berdnik presented the renewals for Life and disability insurance with no rate increases for the 2013-14 school year. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**
- d. Flexible Spending account administrator – action needed
Mr. Berdnik explained that the current account administrator has not been satisfactory. Mr. Hartline asked if there is an obligation to a change in the plan. Mr. Berdnik stated that this would be a change of Administrator only. Mr. Kleinschmidt made a motion to move to the full Board the appointment of Flexible Benefit Administrators effective July 1, 2013, Mr. Shafter seconded. **Motion carried 3-0-0.**

- e. Workers' compensation rate projection 2013-14 – action needed
Mr. Berdnik stated that the rate for workers' compensation would be increasing for the 2013-14. The funding rate would be 0.68% of payroll effective July 1, 2013. Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**
- f. Open enrollment 2013 – information only
Mr. Berdnik informed the Committee that the open enrollment period for District employees would be May 13 through May 24, 2013, for medical, pharmacy, dental, vision, life and disability, and DVHIT. The Benefair will be held on May 22, 2013, from 11:00 a.m. to 5:00 p.m. in the Administration's Board Room.

PURCHASING/CONTRACTS

- a. NIGP purchasing specialist study – information only
Mr. Berdnik provided information on a study which was provided by NIGP on purchasing specialist.
- b. Procurement card program feedback
Mr. Berdnik presented figures from the procurement card program, which the District implemented for certain spending areas within the District. The cards are declining balance cards with a District set spending rate for the year. In July the District will receive a rebate check based on the procurement card spend.
- c. ECA science supplies agreement – action needed
Mr. Berdnik explained that this agreement is a yearly agreement for science kits. Mr. Kleinschmidt made a motion to move to the full Board the agreement with ECA Educational Services for the 2013-2014 school year, payment of approximately \$34,473.99 for renewal of services, Mr. Shafter seconded. **Motion carried 3-0-0.**
- d. GCN training modules – action needed
Mr. Berdnik explained that the modules are online professional development training modules, which would be utilized by staff and community members. The cost to the District would be \$1,500.00. Mr. Shafter made a motion to move to the full Board the implementation of the Global Compliance Network modules for the 2013-14 school year, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**
- e. Sports physicals – action needed
Mr. Kleinschmidt made a motion to move to the full Board the approval of Physical Examination Services RFP No. 2013-22 and approves the same to Abington Health (Hartsville Medical), Mr. Shafter seconded. **Motion carried 3-0-0.**

- f. Point of Sale (POS) transition for Food Service/Technology – action needed

Mr. Berdnik asked Mr. Reed to explain the benefits of switching from the current vendor PayForIT to eFunds for Schools. Mr. Reed explained that the transition to the integrated Food Services POS Module would provide the District with improved service to our students – a student registered in the morning would immediately be in the POS system, photographs in the SIS are available in the POS system and a missing photograph could be quickly added at the POS terminal. Parent would have improved capabilities/connectivity to their child's/children's buying permissions and account balance(s) via the Family Access portal. The recommended provider would provide additional capabilities to parents and at a lower cost to them. The cost to the District would be a one-time \$4,600.00 for new POS keypads (existing touch screen monitors and cash drawers are compatible) and \$3,035.00 for Skyward POS training of the cafeteria staff. Mr. Shafter made a motion to move to the full Board the transition of Food Service's point of sale program to eFund for Schools/Skyward from Pay for It/QSP, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

REALITY BASED BUDGETING

- a. Referendum exceptions correspondence from PDE – information only

Mr. Berdnik related that PDE had reviewed the referendum exceptions submitted by the District pursuant to section 333 (f) of Special Session Act 1 of 2006. This was the official notice that referendum exceptions totaling \$1,125,039 met the requirements of Section 333(f)(2). Using the assessed value and collection percentage reported on the Preliminary General Fund Budget, the real estate tax rate may be increased to 120.1673 mills, comprised of 118.0431 mills based on the index plus 2.1242 mills for the approved referendum exceptions.

- b. Revised 2013-14 capital reserve fund plan of finance – information only

Mr. Berdnik reviewed the revised 2013-14 capital reserve fund. He stated that the projected ending balance for 2012-13 would be \$1,771,250. The beginning balance of \$6,298,250 included a transfer of \$810,000 approved on January 22, 2013 and projected transfer of delinquent payment in lieu of taxes of \$1,431,737 anticipated by 6/30/13 plus \$39,232 transfer from the General Fund interest earnings. Reductions to the fund balance include: \$2,266,323 for three year plan projects, less close out of four consolidations projects of \$1,800,000, and \$500,000 for unforeseen emergencies leaving an ending balance for 2012-13 of \$1,771,250

- c. Draft proposed final 2013-14 general fund budget – action needed

Mr. Berdnik reviewed the proposed final budget for 2013-2014. The total proposed final 2013-14 general fund budget would be \$101,158,698 (millage increase from 116.07 to 118.04 or 1.7%). There is a deficit of \$1,038,066 to solve before the June 2013 adoption. Mr. Kleinschmidt made a motion to move to the full Board the 2013-14 proposed final General Fund Budget as a procedure, Mr. Shafter seconded. **Motion carried 3-0-0.**

i. Brookings study – information only

Mr. Berdnik stated that he had included a study from the Brown Center on Education Policy at Brookings, *Do School Districts Matter*, authored by Grover J “Russ” Whitehurst, Matthew M. Chingos, and Michael R. Gallagher.

d. Review of reports and projection – information only

Mr. Berdnik reviewed the financial statement highlights as of March 31, 2013. Mr. Berdnik stated that both revenues and expenditures lag the adopted budget, with the trend suggesting a close to breakeven year, as budgeted. Local revenues were weak due to the timing of the Ann’s Choice settlement, which has already been Board approved. Current and prior year payments on the new PILOT agreement make 2013-14 appear manageable, depending on the disposition of pension reform at the State level, plus the local willingness to levy a slight Act 1 index (1.7%) real estate millage increase. Meeting the PSERS crisis head on in future fiscal years will likely require a mix of Act 1 increases and staffing adjustments (e.g., middle school model). The Affordable Care Act will have a material impact in 2014-15, the magnitude of which hinges on the final regulations.

i. Centennial shares – 2013 PASBO conference presentation – Creating a Culture of Cost Reduction – information only

Mr. Berdnik shared with the Committee the 2013 PASBO conference presentation he presented with the Superintendent of Indiana School District in March 2013 in Pittsburgh.

ii. Retrospective value of consolidation – information only

Mr. Berdnik presented an analysis of consolidation with a net annual cost/(savings) from consolidation of (\$250,641).

ALTERNATIVE REVENUES

a. Demand response program – information only

Mr. Berdnik stated that we had received a check in the amount of \$281.17 from ClearChoice Energy for the Emergency Demand Response Program for the period of December 1, 2013 through February 28, 2013.

b. Committee structure for bid approval - discussion

Mr. Berdnik provided the Bid numbers for 2012-2013, which Committee they were presented, and the date they went to the Board. Mr. Shafter suggested that if a bid which is being approved does not meet specifications a statement be included explaining why the bid was being approved.

NEXT MEETING

Mr. Hartline reminded everyone that the next Committee meeting will be on Monday, May 20, 2013, 7:00 p.m. in the Board Room.

Mr. Shafter made a motion to adjourn the meeting, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.** The meeting was adjourned at 8:25 p.m.

Respectfully submitted,

Christopher M. Berdnik

CFO