

FINANCE LONG RANGE BUDGET AND PLANNING COMMITTEE

MINUTES

MAY 20, 2013

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

BOARD MEMBERS: None

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

PUBLIC: Paul Rokuskie; Robert D. Shaffer

CALL TO ORDER

Mr. Hartline called the Finance Committee meeting to order at 7:00 p.m. by asking the members of the Board, staff and public to introduce themselves.

MINUTES

Mr. Shafter made a motion to approve the minutes of April 15, 2013, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

SAFETY/SECURITY

- a. Peace Center training on restorative justice – action needed
Mr. Berdnik stated that in the District's continued efforts to foster a culture of acceptance, respect and diversity the Peace Center is offering a one-week training for up to 20 people to attend at a cost of \$450.00 per person to provide staff with professional development in the areas of:
 - Conflict resolution
 - Peer mediation
 - Empowering students
 - Cultural awarenessMr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

ACCOUNTS PAYABLE

- a. 2013-14 Game worker fee schedule – action needed
Mr. Berdnik explained that this is the first increase in more than a decade. Employees are paid through payroll and non-employees are paid through accounts payable. Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**

- b. 2013-14 Membership requests – action needed
Mr. Berdnik explained that the membership request was compiled as part of the District’s budget process. It has been past practice for the Board to review and approve the list as a whole prior to budget adoption. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

- c. 2013-14 Overnight conference requests – action needed
Mr. Berdnik explained that the overnight conference request was compiled as part of the District’s budget process. It has been past practice for the Board to review and approve the list as a whole prior to budget adoption. Bulk approval in advance of the school year captures many items which are annual in nature. Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**

- d. MBIT bond restructuring – action needed
Mr. Berdnik reviewed the information provided by MBIT in regards to the restructuring of the Authority’s 2006 Bonds. The purpose of the transaction is to raise funds to replace nine transformers original to the building from 1969, to replace HVAC units not addressed in the 2006/2008 renovations, to replace environmental controls and upgrade environmental control software. What is proposed is issuance of new bonds–Series of 2013-which will be bank qualified having five year call and slightly lower interest rates. The transaction provides the funds to do the work needed at MBIT without new money from member school districts. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

PAYROLL/BENEFITS

- a. Appointment of 2013-14 Treasurer – action needed
Mr. Berdnik stated that Mr. Joseph Faust offered to continue to serve as Board Secretary for the coming school year. Mr. Berdnik explained that the Treasurer serves as a counter signature on district payments, with a specific responsibility to review the bills lists submitted to the Board. Mr. Kleinschmidt made a motion to renew Mr. Faust’s appointment as Treasurer to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**

PURCHASING/CONTRACTS

- a. RFP for Student Services – action needed
 - i. Ombudsman contract for Student Services – action needed

Mr. Berdnik reviewed the results of the RFP for student services. He stated that in reviewing the therapy services, Bucks County IU #22,

Therapy Source and Pediatric Therapeutic Services (PTS) had the highest scores. The reviewing team is recommending to the Board of School Directors that both Therapy Source and PTS remain as the providers for Speech and Language Services. This allows the district to be assured that these services remain consistent to students. Contracts are fulfilled on an as needed basis for services utilized. Administration is recommending that we change our IU contract in order to contract with PTS for OT and PT services for students within the District. Administration is recommending that the IU maintain provision of required therapy services for students in IU programs. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

In a separate motion, Mr. Shafter made a motion to move to the full Board the Ombudsman contract for Student Services, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

- b. Bid approvals – action needed
 - i. Art Supplies
 - ii. Athletic Equipment and Supplies
 - iii. Bread and Rolls
 - iv. Floor Cleaning Equipment
 - v. Football Equipment Reconditioning and Replacement
 - vi. Furniture
 - vii. Musical Instrument Rental

Mr. Berdnik asked if the Committee would like to approve the bids as a group. The Committee agreed.

Mr. Hartline stated that he would be abstaining to the Bread and Roll bid as one of the bidders was a client of his.

Mr. Shafter asked if the same brands were bid for the Musical Instrument Rental bid? Mr. Berdnik stated that this would be clarified for the general meeting.

Mr. Kleinschmidt made a motion to move the bid approvals to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0 and 2-0-1 for the Bread and Roll Bid** [Mr. Hartline abstained due to one of the bidders was a client of his.]

- c. Joint purchasing contracts 2013-14 – action needed

Mr. Berdnik explained that these cooperative bids are used as a way to obtain better pricing by aggregating quantities to be purchased with other area districts and also as a quick way to locate vendors and get bid pricing for smaller purchases. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

- d. Annual software maintenance renewals – action needed
Mr. Berdnik stated the software maintenance renewal for Prosoft (financial/human resources) and Skyward (student information management system) are annual items and neither system is scheduled for replacement during the 2013-14 school year. Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**
- e. Microsoft licensing – action needed
Mr. Berdnik explained that Administration was recommending that Centennial adopt the Microsoft Campus and School Agreement (CSA) licensing model. Moving to this model will:
- Save the District thousands of dollars over the next five+ years
 - Standardize all District PCs/MACs on the same Microsoft software
 - Allow the District to move to the latest version of Microsoft as we need to, versus when we can afford to.
- Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**

REALITY BASED BUDGETING

- a. 2013-2014 Homestead/Farmstead Act 1 exclusion – action needed
Mr. Berdnik stated that the Department of Education informed the Centennial School District that the property tax reduction allocation under Act 1 was \$1,867,964.29 relating to a reduction of \$1,287 for the Homestead and Farmstead exclusion for 2013 for school tax bills issued on July 1, 2013. The exclusion will decrease taxpayer school tax bills by \$151.92 for qualifying Homestead/Farmsteads. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**
- b. Revised 2013-14 capital reserve fund plan of finance – action needed
Mr. Berdnik reviewed the 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 \$39,323 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 consolidation projects of \$1,800,000, and \$500,000 for unforeseen emergencies (such as the demolition of a surplus building or like kind event) leaving an ending balance for 2012-13 of \$1,771,250. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

- c. 2013-14 debt service fund plan of finance – action needed
Mr. Berdnik stated that there were no changes since the last review of the debt service fund. Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0**

- d. Revised 2013-14 food service fund plan of finance – action needed
Mr. Berdnik stated that the food service fund plan included the first meal price increase in four years. Mr. Shafter made a motion to move to the full Board, Mr. Kleinschmidt seconded. **Motion carried 3-0-0.**

- e. Draft final 2013-14 general fund budget – action needed
Mr. Berdnik stated that the increase in expenditures was solely attributable to the increase in pension costs (PSERS) and a 1.7% Act 1 index real estate tax increase is necessary to balance the budget. Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**
 - i. IDEA pass-through – information only
Mr. Berdnik stated that this item was presented for information only and context to the General Fund budget’s working file. The budget file reflects this detail and the assumptions around decreased funding of 6.5% were very close to this.

 - ii. Autistic classroom proposal – information only
Mr. Berdnik explained that Administration was proposing to form a new Centennial operated autistic support class. Without this class, the service would be continued through the IU.

- f. Review of reports and projection – information only
Mr. Berdnik reviewed the reports and projection of the District’s fund as of April 30, 2013. The Financial Statement Highlights as of April 30, 2013 included 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 willingness to levy a slight Act 1 index (1.7) real estate millage increase. Meeting the PSERS crisis head on in future 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 financial impact in 2014-15, the magnitude of which hinges on the final regulations, including, for instance, discrimination testing.

ALTERNATIVE REVENUES

- a. Shop Rite partnership – action needed

Mr. Berdnik explained the educational partnership proposed by Wakefern/ShopRite and William Tennent High School. ShopRite would sponsor a functional school-based supermarket to be utilized as a teaching tool. ShopRite would pay all expenses and provide the equipment necessary to establish this working supermarket in the high school. Students would gain “real-life” job-related skills as part of their in-school schedule. Mr. Kleinschmidt made a motion to move to the full Board, Mr. Shafter seconded. **Motion carried 3-0-0.**

b. WTHS astronomy donation – information only

Mr. Berdnik stated that the District received a donation to the William Tennent High School Planetarium and Special Experience room by Mrs. Eileen Corbett of a Meade 12in Lx400 ACF telescope and Skyshed POD, from the estate of her cousin, Joe Franz.

c. WTHS as a competition site for National Catholic Forensic League (NCFL) debate nationals – information only

Mr. Berdnik stated that the preliminary rounds for NCFL 2013 policy debate nationals were being held at William Tennent High School on Saturday, May 25, 2013. Two Tennent students would be competing in policy debate, with another student competing at the Lincoln-Douglas competition site.

NEXT MEETING

Mr. Hartline reminded everyone that the next Committee meeting will be on Monday, June 17, 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 8:01 p.m.

Respectfully submitted,

Christopher M. Berdnik

CFO

