

FINANCE AND LONG RANGE BUDGET PLANNING COMMITTEE
MINUTES – MEETING OF FEBRUARY 7, 2011

IN ATTENDANCE: Committee Chair Thomas Reinboth, member Michael Hartline and alternate Jane Schrader Lynch. Mark Miller was linked via telephone, and Board members Betty Huf and Cyndi Mueller were present.

Staff: Dr. Jenny Foight-Cressman, William R. Gretton III.

Public: Joseph Faust, Michelle Weiss, Lauren Aurelia, Cincy Wiegand, Denise Altieri, Christi Ward, Stephanie Badulak, Sue Bednarik, Kathy Waddington, Merry Young, Kate Amate, Margaret Abbot, Kelly Kohler, Robert Shaffer, Sherri Barrett, Joe Corcoran, Edward Mullin, Debbi Zweitzig, Marnie Wolk, Angela Beecher, Amy Venner, Lisa Zinman, Jessica White, Julie Williams, Theresa Waldinger, Patti Hartline, Lori Warren.

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. Hartline and seconded by Mr. Reinboth to approve the minutes of the January 10, 2011 meeting. Motion carried 2-0-1. Ms. Schrader Lynch abstained because she was not present at the meeting.

AUDIT REPORT:

Mr. Reinboth explained that due to some late adjustment the Auditors felt that they needed to make the corrections to present the final report to the Board. He indicated that he would like to have this placed on the agenda for the February 22nd Board Meeting.

TAXPAYER COMPLAINT:

Mr. Reinboth recognized Mr. Mullin and Mr. Corcoran to speak about a tax bill that he had not received due to an address error on the tax bill. Mr. Corcoran indicated that this error had occurred for the past four decades and asked that the Board re-consider the decision not to send the issue to the full Board and forgive the tax penalty.

Ms. Mueller pointed out that this issue should go to the full Board because it had not been voted out of the Committee in the prior month. She noted that the next step is not to state the case before this Committee, but in front of the full Board. Ms. Schrader Lynch indicated that the Committee should listen to Mr. Mullin because he had attended this meeting. Mr. Reinboth indicated that he had only heard of the issue today and Mr. Garton had indicated to Mr. Corcoran to come before the Finance Committee.

Mr. Mullin indicated he had written on the tax bill and talked to the Tax Collector but no changes had been made to the address. The tax bill had been returned to the Tax Collector this year and the bill sat in the office for four months. When Mr. Mullin attempted to pay the bill in December at the discount rate, the Tax Collector would not accept the check. He objected to payment of the penalty and interest.

Mr. Reinboth asked to whom Mr. Mullin had spoken and outlined the issue. Mr. Reinboth noted that despite not receiving the bill, Mr. Mullin should have realized that a bill was due after 40+ years of paying that bill in July or August. Ms. Lynch questioned Mr. Mullin about his tax bills and indicated that having received those bills throughout the years, he should have expected the tax bill and followed up when one was not received.

Mr. Reinboth indicated that Mr. Mullin has the right to attend the meeting on Tuesday to present his case to the full Board, but there was no recommendation from the Committee members to further this issue to the full Board.

BUCKS COUNT IU BUDGET:

Mr. Reinboth requested that Mr. Gretton outline the IU Budget. Mr. Gretton indicated that this was a very small piece of the overall IU Budget and represented a portion of the Administration that is paid through the Districts and does not pay for the services utilized by the Districts. The contribution from Centennial is less than \$40,000 and has actually been reduced from the prior years.

Mr. Hartline commented that this is the third year that this portion of the budget had been reduced but indicated that in future years there may be increases because the current budget includes grants that are expiring. He also indicated that this funded the Safari Montage software and that Centennial was one of the largest users of this application in the county.

Mr. Hartline made a motion to recommend this proposal for full Board action. On voice vote, all in favor, Motion Carried 3-0-0.

PLANETARIUM EXPENSE:

Mr. Reinboth indicated this item had been placed on the agenda at the request of a Board Member. He suggested that this expenditure would be part of the construction cost of the High School and that there had been objections to utilizing the contingency budget for this part of the project. The Board Member recommended that monies from the Capital Reserve be utilized to fund the Planetarium. Mr. Reinboth suggested that this was a construction cost and the construction fund should be used for all related expenditures such as the Planetarium. He objected to taking it out of the operating budget through transfer from the budget to the Capital Reserve.

Ms. Lynch asked about the balance of the Capital Reserve (\$3.1 Million) and what the advantage of moving the expenditure to this account? Mr. Gretton indicated he could not think of an advantage and that the high school project should be paid for through construction funds versus the transfer of funds originating from the operating budget. He suggested leaving the project as it stands and transfer monies into the "contingency" fund if needed. Ms. Lynch asked if someone could give a reason to utilize the Capital Reserve monies. No one responded.

Mr. Miller stated that the Board knew the risk of the purchase of the Planetarium and the funding available, and that the funds should remain in their current designation until the end of the project. In the event further funding is needed for some portion of the project, the Board would make a decision at that time based upon a proposal by the Administration.

Mr. Hartline supported not moving money out of the Contingency Fund but was concerned about items being taken from the current budget into the Capital Reserve and funding portions of the construction when these costs should have been included in the original construction budget. If this was a mistake made when formulating the high school construction budget, then the Board should address the mistake and make certain it does not happen when estimating the costs of the two elementary school projects. Discussion was held concerning the transfer of the monies from the 2011-12 Operating Budget to the Capital Reserve which would fund portions of the construction. Dr. Foight-Cressman indicated she is arranging a meeting of the Architect, Construction Manager and the Administration (including Board Members) to determine how the

construction budget was determined and how that should go forth. The meeting should take place during the week of February 14th.

Mr. Reinboth indicated that there was no support to further this to the full Board. Mr. Miller made a comment concerning the Technology costs and if they were considered a capital cost. Mr. Reinboth responded that this was well within the definition of the capital costs and related to the high school project only.

HEALTH INSURANCE CONSORTIUM:

Mr. Reinboth asked Mr. Gretton to explain the proposal. Mr. Gretton indicated that he and Dr. Foight-Cressman along with three members of CEA had attended a meeting with other Districts to discuss formulating a consortium to address health care costs. He explained the advantages of becoming part of a larger group in establishing premium experience, and the 20+ school entities represented at this meeting would provide that opportunity. Mr. Gretton explained that Centennial had transitioned the Worker's Compensation program of the District to such a plan a few years ago and has realized significant savings based upon the leveling of premiums and the significant reserves accumulated by this consortium.

Mr. Gretton indicated this was the first indication of interest in this concept and recommended that Centennial become part of the group at this point. This interest will not commit funds at this time, but the next phase of hiring legal counsel and actuaries will require some commitment to funding. The Administration will need to report to the Board and return for the permission to commit the funding (estimated at \$5,000-10,000) to be a part of the next phase of this program. He recommended that Centennial become part of the "steering" group of this organization and indicated that the CEA members present were interested in "teaming" with the Administration to

Mr. Hartline asked if the intent was to form an Insurance Trust and if there had been any discussion as to the level of representation by the Districts. Mr. Gretton indicated this was the goal and that the representation would be determined by the participants. He noted that the representatives from the Allegheny County Consortium were present and their organization has a Board of 24 representatives, twelve from the Administration (Boards, Superintendents, Business Administrators) and twelve from the Union (PSEA, PFT, Support Personnel). The Board works in concert to assure the best medical coverage at a reasonable cost, and often the decisions were not always voted along the above group lines.

Mr. Hartline indicated that the BCIU has also looked at a consortium with the MCIU and Mr. Gretton indicated that the Board should keep both in mind, but the IU consortiums are merely based upon Administrative input and don't include the cooperation of all parties involved.

Ms. Mueller asked about the timing of this proposal. Mr. Gretton indicated that the next meeting would gather the Districts interested and determine the total costs, and following that meeting in about three to four weeks, the Administration would return to the Board to ask for a commitment of monies (estimated at \$10,000) to go to the next step. Mr. Gretton responded to Mr. Reinboth's question on timing and indicated that "ideally" some School Districts would be able to begin operating under this in July, 2012 but that gathering the groups and then coordinating the coverage with current contracts would determine when some districts were able to take advantage of the consortium opportunities. Dr. Foight-Cressman indicated that the joint-effort with PSEA was commendable and that the organization has committed \$20,000 in support of this effort. She noted the spirit between labor and management was encouraging and that individuals against the state-wide plan showed great support for this program.

Ms. Schrader Lynch and Ms. Mueller supported this proposal being presented to the full Board. The motion by Ms. Schrader Lynch to move this to the full Board was seconded by Mr. Hartline. On voice vote, Motion Carried 3-0-0.

LIABILITY INSURANCE:

Mr. Reinboth called upon Mr. Gretton to explain the issue. Mr. Gretton indicated that he had received a letter suggesting the Board re-bid this process. He suggested that the Board had made a three-year commitment to secure a level of premium last year, and he wanted to get direction from the Board. Mr. Gretton indicated that although the market remained “soft” in many areas, Centennial does not have good experience with the use of the School Board Legal Liability, and any savings in other Commercial lines would be off-set by significant increases in this other policy. After discussion, the Board agreed to maintain their commitment of the three-year premium.

WARMINSTER HOSPITAL ASSESSMENT APPEAL:

Mr. Reinboth asked Mr. Gretton to review the Assessment Appeal process. He indicated that the District has been involved in the litigation and had received additional opinions from the appraisers indicating that the acceptance of the offer at the \$10 million level would be beneficial to the District. The District would be losing revenues by this approval, but the potential for at least this much loss along with the legal costs is much greater.

Mr. Hartline moved and Ms. Schrader Lynch seconded the approval of the resolution to the full Board for the meeting on February 22, 2011. All in favor, Motion Carried 3-0-0.

Information

Two items of information included the Banking RFP for District services and the Banking RFP for the High School which are out for responses. Mr. Gretton also indicated that the latest financial reports were available and will be presented for approval at the Board meeting. He praised the Business Office staff for their significant effort in getting the reports done in a timely manner.

Mr. Reinboth thanked Mr. Gretton for his efforts in filling in during this “interim” period and indicated he had not heard any negative comments. Ms. Schrader Lynch indicated that the Board was not filling the position “again” and that this was an “interim” position. Mr. Hartline praised Mr. Gretton’s efforts and Ms. Mueller indicated that he had responded with information and thanked him for the effort.

Mr. Reinboth indicated that the next meeting of the Finance Committee would be held on March 14, 2011.

There being no further discussion, it was moved by Mr. Hartline and seconded by Ms. Schrader Lynch to adjourn the meeting at 8:05 p.m. Motion carried unanimously.

Respectfully submitted,

William R. Gretton III
Business Administrator