

FINANCE AND LONG RANGE BUDGET PLANNING COMMITTEE
MINUTES – MEETING OF JANUARY 10, 2011

IN ATTENDANCE: Committee Chair Thomas Reinboth, members Michael Hartline and Mark Miller and Board member Cyndi Mueller.

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

Public: Joseph Faust, Kara Murr, Colleen Mooney, Tim Coughlin, Jacklyn Morrison, Megan Persa, Dan Newman, Alicia Peters, Robert Shaffer, Susan Pearce, Lenore O'Donnell, Kathy Montagino, Molly Naunczek and Jenn Murey.

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 December 7, 2010 and December 15, 2010 meetings. Motion carried 3-0-0.

PSERS OBLIGATION:

Mr. Gretton explained that a 2008 ruling had allowed employees of School Districts to include part-time service as part of their retirement, and if they chose to purchase that service the School District has an obligation to pay the Employer's share. He indicated that Centennial School District had not paid that obligation, and currently the amount was in excess of \$85,000. Mr. Gretton recommended that this be paid prior to the Commonwealth informing the District that the monies would be deducted from the subsidy.

Mr. Reinboth questioned whether this was the "bulk" of the claims and Mr. Gretton indicated that there would be additional claims but this would be the major portion of these claims. Mr. Reinboth asked if the funding was available in the current budget and Mr. Gretton responded that with the higher PSERS rate budgeted in the 2010-11 Budget that the funds would be available within the current budget.

Mr. Miller noted that some individuals were already retired and indicated he did not see this as a concern because they were currently receiving benefits. Mr. Miller also indicated that the District also does not have a "choice" in this matter and in the interest of doing things in a more positive manner, we should pay this obligation.

Mr. Hartline asked whether a procedure was being instituted to pay these obligations as they were presented. Mr. Gretton indicated that the intent of the proposed Board action was to allow the administration to keep current with these payments so the Board did not need to act specifically on these in the future.

Mr. Miller's motion to move this to the full Board for action was seconded by Mr. Hartline. On voice vote, Motion Carried, 3-0-0.

REAL ESTATE TAX PENALTY FORGIVENESS:

Mr. Reinboth outlined that two requests had been received for the forgiveness of penalty. Mr. Miller indicated he had read through them and felt that the first one should be supported because the error in the address had continued for forty-six years and the change in postal personnel had caused the hardship to the taxpayer and felt it was a legitimate request. He also supported the second which had the incorrect name on the tax billing and felt the request should be supported.

Mr. Reinboth disagreed and indicated that having been in his property for a lengthy period of time indicates that you are aware that you should receive a tax bill and that the action by the postal employee merely delayed the correction of the error.

Mr. Hartline agreed that after forty-six years of an error on the address the taxpayer should have taken action to correct the error. Ms. Mueller supported the position that after this lengthy period of time the error should have been corrected by the taxpayer and in the second instance the individual was a new owner and possibly there was some confusion about the tax bill. Ms. Mueller indicated that the Tax Collector had only received the transfer in December and sent the bill to the taxpayer immediately. Mr. Gretton indicated that the settlement probably happened around the time the tax bills were issued and the county did not record the transfer until November and sent to the Tax Collector in December. Mr. Gretton indicated that the Title Company should have escrowed the taxes or informed the individual that a tax bill was due for the property.

Mr. Reinboth indicated that at some time during the long period the first owner should have been pro-active to correct the billing and that an exception should not be granted. Mr. Miller agreed that based upon the specificity of the Tax Code, he would agree that the taxpayers should not be granted relief. Mr. Miller made a motion that these issues would not be forwarded to the Board. The motion was seconded by Mr. Hartline. Motion Carried, 3-0-0.

TRANSPORTATION PROPOSAL:

Mr. Reinboth introduced Mr. Robinson, Supervisor of Transportation, who outlined the proposal to purchase 7-passenger vans versus replacing 24-passenger micro-buses. Mr. Robinson noted that rather than purchase the two micro-buses at a cost of \$110,000 he would recommend the purchase of four (4) smaller vans which would replace two of our own routes along with two BCIU routes. Mr. Reinboth asked about the reduction in capacity and Mr. Robinson indicated that he had at least six routes that could utilize these vans. Mr. Reinboth suggested the downside may be the additional staff required but that the net savings would be greater with this proposal.

Mr. Reinboth asked about pay rates and training for drivers. Mr. Robinson indicated that a separate pay rate would be proposed in line with the current agreement and that the drivers would be put through additional training beyond a standard license procedure.

Mr. Hartline asked about the life-expectancy of the vans versus the micro-buses. Mr. Robinson responded that the micro-buses remain in service about eleven (11) years while the vans had an approximate seven (7) year life. Mr. Hartline asked about the maintenance of the vehicles and whether diesel engines had been considered. Mr. Robinson indicated that our current mechanics could maintain the vans and that diesel will not provide any advantage with this size vehicle. Mr. Hartline asked if there were grants available for alternative fuel or hybrid vehicles for this purpose. Mr. Robinson responded that grants may be available for alternative fuel vehicles. He indicated that these vans would be replacing units with long runs and the efficiency of hybrids is in the local, shorter runs.

Mr. Miller asked whether the insurance would be a problem. Mr. Gretton indicated that the van could not exceed nine (9) passengers and would be covered under our current policy. Mr. Miller asked if we have considered attempting to get these vans for free. Mr. Robinson would need to research the legality of advertising on the school vehicle. Mr. Hartline asked about the bids that were opened and what the timing was to award the bids. Mr. Robinson indicated that the bids are good for sixty days.

Ms. Mueller asked about the availability of 81-passenger buses and if the current staff would be impacted with any reductions but Mr. Robinson was not certain about a specific number. Mr. Hartline asked if the BCIU contracts were annual and Mr. Robinson indicated that these were established each year.

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

Mr. Miller asked if the money deducted for IU transportation from our subsidy payment was our choice or the standard procedure. Mr. Gretton indicated that this was the method established by the Department of Education for payment to the IU.

EXTENSION OF CONTRACT TO AUDITOR:

Mr. Reinboth outlined the proposal to extend the contract of Barbacane Thornton for one year at a cost of \$23,700 to provide some continuity of the process through the transition of Business Managers. Mr. Miller indicated that he would agree with the recommendation but that a change in auditors may provide some different analysis of issues. Mr. Gretton indicated that a one-year continuance would provide some stability and that a proposal should be generated by the new Business Administrator with requirements that he would like to see in the proposal. Mr. Miller asked if the incoming Business Manager would have the right to ask for an audit prior to coming to the District. Mr. Gretton indicated the individual would have the right, but that each of the candidates has reviewed the current audits and because of the positive results, the District has received several quality candidates for the position.

Mr. Reinboth pointed out that a new auditor required additional time and attention to complete the task, and this would be a burden during this transitional year. Mr. Faust suggested that prior Boards had requested that a different partner be assigned to the audit periodically to re-define the focus of the audit.

Mr. Miller made a motion to send this item to the full Board for approval. Mr. Hartline seconded the motion. On voice vote, Motion Carried 3-0-0.

2011-12 BUDGET:

Mr. Gretton explained that the original "Proposed" Budget had been worked on by the Administrative staff and that the current version is within the limits dictated by the index with the debt service exception included. He noted the recommended reductions that have been taken as staff is realigned for next year. Mr. Gretton recommended that the Board approve a Resolution that would indicate that the budget would not exceed the index dictated by the Commonwealth and that further reductions could be reviewed through May, 2011. He noted that the uncertainty of the Commonwealth Budget, this is the recommended action to be taken at this time.

Mr. Reinboth thanked Dr. Foight-Cressman and the Administration for the efforts taken to reduce the budget. He asked if the reductions were realistic and within the program. Dr. Foight-Cressman indicated that she would like to discuss the reductions in executive session of the Board, but there are additional measures that can be taken based upon the survey that had been taken of the staffing needs.

Mr. Miller lauded the Administration's efforts to reduce the budget and asked if the homeowners had been notified of the availability of the Homestead/Farmstead exemption. Mr. Gretton

responded that this was handled by BCIU for all districts throughout the county. Mr. Miller suggested that the information be placed on the District web-site.

Mr. Miller indicated that a line-by-line review of the budget had not been undertaken recently. He indicated that utilization of PASBO's recommendations for "balancing" a budget may be utilized to evaluate the potential for budget reductions.

Mr. Reinboth indicated that the budget is balanced and that the prior Administration had done a significant amount of work to reduce the budget. Ms. Mueller asked about the staff "audit" and if that had been used to reduce the staffing. Dr. Foight-Cressman indicated that the indicated that this has been used for reductions this year and planning for future years. She suggested this be reviewed in executive session and after discussion, determined that should happen prior to the January 25th meeting.

Mr. Hartline praised the Administration and requested the current status of the revenue/expenses for the budget. Mr. Gretton indicated that he would be preparing that information for Board review now that the fiscal year is one half gone.

Mr. Miller made a motion to send the proposed budget Resolution to the full Board with the understanding that the Board would continue to reduce the Budget. Mr. Hartline seconded the motion which was approved 3-0-0.

RESOLUTION ON TUITION TAX CREDITS/VOUCHERS:

Mr. Reinboth praised Mr. Miller's efforts in working with others to formulate a proposed Resolution addressing concerns over proposed hearings and legislation on School Choice and Vouchers. Mr. Miller explained the need for the opposition to the Voucher programs and Senate Bill #1 and read the attached Draft of the Resolution (see attached).

Mr. Miller moved and Mr. Hartline seconded the motion to send the Resolution to the full Board for the meeting on January 11, 2011. All in favor, Motion Carried 3-0-0.

Information

Two items of information included the scheduling of the Audit with Barbacane Thornton and that Mr. Gretton has provided a Banking RFP for the Board Members to review and the goal of receipt of those proposals in early March. The Banking RFP was discussed with Mr. Miller providing information on services that the District should consider including in the proposal.

There being no further discussion, it was moved by Mr. Hartline and seconded by Mr. Miller to adjourn the meeting at 8:02 p.m. Motion carried unanimously.

Respectfully submitted,

William R. Gretton III
Business Administrator