

FINANCE COMMITTEE MINUTES – MEETING OF MARCH 14, 2011

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

STAFF: Dr. Jenny Foight-Cressman, William R Gretton III, Christopher M. Berdnik

PUBLIC: Mary Ellen Gilbert, John Goral, Donna Harkins, Anthony Scoles, Julie Goodling, Robert A. Shaffer, Steve Adams, Cindy Henry and Michelle Haufler

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 February 7, 2011 meeting. Motion carried 3-0.

2011-2012 MIDDLE BUCKS INSTITUTE OF TECHNOLOGY PROPOSED BUDGET

Mr. Reinboth asked Mr. Berdnik to give his view of the proposed MBIT budget. Mr. Berdnik stated the budget was consistent with what was anticipated. Once Centennial passed it budget the proposal was \$50,000 better than estimated. Centennial had anticipated a \$1.7 million local contribution and the proposed budget contains a \$1.6 million local share. Once the budget is passed we will need to make the adjustment in Centennial's proposed budget. It was moved by Mr. Miller and seconded by Mr. Hartline to move the Middle Bucks Institute of Technology Proposed Budget to the full board. Motion carried 3-0. Mr. Reinboth asked that the proposal be included on the next Board meeting scheduled for March 15, 2011.

REPRESENTATION AT TAX ASSESSMENT APPEALS

Mr. Reinboth stated that the District should be aggressive with attending hearings regarding tax appeals. Mr. Miller made a motion that Administration authorize Mr. Garton to attend Tax Assessment hearings based upon the recommendation from the Finance Committee to the full Board, seconded by Mr. Hartline. Motion carried 3-0.

Contracts

a. Cellular Telephone/MAN

Mr. Gretton explained that for e-rate purposes the District had to let them know which vendor we will be using for cellular services. Administration had received three quotes from vendors and tested the phones inside of buildings, which was the biggest challenge with cellular phones within the District. Administration is recommending that we accept the highest bid based on the percentage of calls that were not lost when inside a block structure building. Verizon was 95% efficient; AT&T 50% and Sprint was less. Mr. Gretton stated that safety was one of the main reasons for going with the highest bidder. Mr. Miller agreed with Mr. Gretton that safety was paramount. Mr. Miller asked what the cost was for going over monthly limit. Mr. Gretton stated that it was .40 per minute, but we have 3600

minutes per month and that limit would be more than enough. Mr. Hartline asked if new phone would be included. Mr. Gretton stated that we would have new phones and that the contract is month to month. Mr. Miller made a motion that the appointment of Verizon as our cellular carrier be moved to the full board, Mr. Hartline seconded. Motion carried 3-0.

- 1 MAN – The Metropolitan Area Network had been bid to provide connectivity between buildings and to be considered for e-rate discounts. Comcast and Sunesys had responded with proposals. Sunesys provided a lower cost for the 1G system which was being recommended because of future growth and use of the system. Currently the District is limited to 100mg and at times the limits are reached. The Administration recommends the 5-year contract with Sunesys at a cost of \$6,000 per month gross, or \$3,600 net of e-rate discounts. In response to Mr. Hartline’s question, Mr. Gretton indicated that the contract provided adjustments for school closings and that the e-rate discount will follow any reductions. Mr. Hartline made a motion to recommend Sunesys to be Metropolitan Area Network Service provider for the District, Mr. Miller seconded. Motion carried 3-0.

- 2 Mailing System lease

Mr. Gretton explained that the lease was due on the current mailing machine system and that we were going from two mailing machine to one machine for the District. This machine is an upgrade to the current mailing machine being used. Cost is \$425 paid quarterly. Mr. Miller made a motion to accept the lease agreement and Mr. Hartline seconded. Motion carried 3-0.

- 3 Yearbook Printing

Mr. Gretton explained that he had conferred with the Middle Schools and the High School regarding the printing of the yearbook and they were pleased with Josten’s service. He indicated that he had approached the representative, received a proposal, and rejected the original proposal. The revised proposal before the Board for recommendation included one year with no increase and two years with 1.8% increases. Dr. Foight-Cressman stated that there were concerns in the collection of monies in the past, and this year the schools will be sending the monies to the Administration building and payments will be deposited in the clearing fund. Mr. Miller indicated that he thought this was an excellent idea. Mr. Miller made a motion to move this to full board for approval at the March 22, meeting. Mr. Hartline seconded. Motion carried 3-0.

PURCHASING AGENT/BANK DOCUMENTS

Mr. Reinboth read the items to approve Mr. Berdnik as the purchasing agent for the District in accordance with school code and to authorize Mr. Berdnik to execute bank forms and documents necessary to update the District’s approved staff to initiate and approve wire transfers and access electronic reports as are necessary to conduct the day to day banking business of the District. Mr. Miller made a motion to move the approval of Mr. Berdnik as purchasing agent and authorize Mr. Berdnik to

execute necessary banking forms and documents to the Board for approval, Mr. Hartline seconded.
Motion carried 3-0.

INFORMATION

A. Banking RFP – Mr. Reinboth stated that Mr. Gretton had prepared the original RFP and Mr. Berdnik had received and reviewed the RFP's with personnel within the District. Mr. Reinboth asked Mr. Berdnik to explained his analysis of the banking RFP's. Mr. Berdnik stated that we had received seven proposals and that they had been rated on a one hundred point scale. Mr. Berdnik recommended that PSDLAF/PNC be awarded the banking contract based on their proposal submitted. PSDLAF is triple A rated with S&P and has an A2 rating with Moody's. They also provide a check scanner where a person can sit at their desk and process checks and there are no underlying fees. The referenced check out with other school districts that they provide banking services to. Mr. Berdnik also clarified that the second banking candidate was First Niagara and the differentiating factors were the proposal was thin and did not clearly clarify their pricing and he had to reach out to them to get that clarification and they did not include five references and the RFP requesting, they only provided three. Three people within the District independently rated the RFP. In term to handling public moneys you look at safety first. We would also recommend that we consider the locals banks for investments purposes in the future. Mr. Miller asked if PNC would pick up deposits. We would have to revisit this at a later date after we evaluate the need. Mr. Miller made a recommendation PSDLAF/PNC to be our banking institute for a four year period with an option to renew for three additional years, Mr. Hartline seconded.
Motion carried 3-0.

B. Year to date budget analysis – Mr. Hartline indicated that Mr. Berdnik had created in his short time with the district an analysis for the budget. Mr. Berdnik explained the model that he will be providing with the future finance agendas. It will take a while to get the reports set up the way it will be helpful to predict the year to date to actual. It will be a tool to predict multi-year budgeting.

C. Proposed State Budget Impact

Mr. Reinboth praised Mr. Berdnik for his timeliness in presenting budget information. Mr. Berdnik reported that there would be a reduction in Special Education Funding, no monies for ABG Grants, no monies for reimbursement for Charter School Expenditures, and a reduction in the reimbursement for Social Security based upon the district's aid ratio. The overall impact is greater than \$2 million directly to the Centennial School District. This does not include the impact of the BCIU receiving less subsidy which will impact the District.

Mr. Reinboth thanked Mr. Berdnik and indicated that the current proposal was not final but the impact of \$2 million is significant and we will now need to refine the budget estimations.

He charged the Administration with formulating a plan to propose how we can make these reductions without an impact on the program. Mr. Miller indicated he had met with other educational officials and he indicated that the program would be affected unless we can also raise revenues. He cited the Charter School Act did not contemplate the creation of cyber charter schools, and the local public school districts are working to maintain these low cost operations. Mr. Miller noted that the Centennial School District has an operation which utilizes cyber school practices and encouraged the District to utilize it for the expansion of services to increase revenue by marketing these services to other providers.

Dr. Foight-Cressman thanked the Board for their confidence in the Administration and she outlined ways in which she will be addressing the short-fall and asked that the Board wait until the Administration is able to report back to them in April. Mr. Miller continued to encourage the generation of revenues in a different manner. Mr. Hartline reported that the BCIU is reviewing their budgets to provide the Districts with updated contribution levels. The Committee discussed the impact on different Districts throughout the region.

It was moved by Mr. Hartline and seconded by Mr. Miller to adjourn the meeting . Mr. Reinboth reminded the public that the next Finance Committee Meeting was scheduled for Monday, April 11, 2011 at 7:00 p.m. The meeting was adjourned by Mr. Reinboth at 8:12 p.m.

Respectfully submitted,

Christopher Berdnik
Chief Financial Officer