

FINANCE COMMITTEE

MINUTES

May 26, 2015

WARREN COUNTY CENTRAL OFFICE, SCHOOL BOARD CONFERENCE ROOM

**COMMITTEE MEMBERS PRESENT:**

Mr. Paul Mangione, Chairperson  
Ms. Mary Anne Paris  
Mr. Arthur Stewart

**COMMITTEE MEMBERS ABSENT:**

None

**OTHERS PRESENT:**

Dr. Norbert Kennerknecht	Ms. Donna Zariczny	Ms. Melissa McLean
Mr. Tom Knapp	Ms. Ruth Nelson	Dr. William Clark
Ms. Amy Stewart	Ms. Ruth Huck	Mr. Matt Jones
Mr. Michael Zamborik	Mr. Gary Weber	Mr. Mike Kiehl
Ms. Marcy Morgan	Mr. Jim Grosch	Mr. Brian Ferry (Times Observer)
Mr. John Werner	Approx. 2 Public	Mr. Scott Johnson ( Nutrition)
		Ms. Melissa Kingen (Nutrition)

**1. Opening Activities**

**1.1 Call to Order**

Meeting called to order at 7:34 p.m. by Mr. Paul Mangione, Chairperson.

**1.2 Public Comment**

None

**2. Old Business**

None

**3. New Business**

**3.1 Student and Athletic Accident Insurance Renewal – Bollinger, Inc.**

**Discussion:** Annual renewal of Student and Athletic Insurance for the football season. The cost of this insurance is \$5,782.00 which is an increase of \$196.00 over the 2014-2015 school year premium of \$5,586.00.

**Motion:** That the Board of School Directors approves the Student and Athletic Insurance coverage for the 2015-2016 school year.

**Action:** Forward motion to June Board Meeting under Consent Agenda

**3.2 Delta Dental Renewal**

**Discussion:** The deposit agreement is a renewal contract between Delta Dental and the Warren County School District. The monthly deposit requirement will decrease from \$31,200.00 to \$30,000.00. The estimated decrease is a result projected claims reduction. The administrative rate will remain at \$4.20 per contract per month. There is no policy change.

**Motion:** That the Board of School Directors approve the attached agreement with Delta Dental for the period of July 1, 2015 through June 30, 2016.

**Action:** Forward motion to June Board Meeting under Consent Agenda

**3.3 Governmental Accounting Standards Board – GASB 45**

**Discussion:** This is a valuation of the actuarial liabilities associated with employees' post employment benefits (medical, dental, vision and life insurance) and is required under the Governmental Accounting Standards Board, statement no. 45 every 2 years. This information is used in the district's annual financial statements. This required calculation is a theoretical post-retirement benefit liability and costs calculation and a theoretical annual required contribution (ARC) of the "plan" and will be reported in the district's annual audited financial statements. There is no statutory requirement to actually pay a contribution or fund the future benefits at this time. Thus, the district will continue to fund the benefits for retirees on a "pay-as-you-go" basis.

**Motion:** That the Board of School Directors approves Mockenhaupt Benefits Group to calculate the Post Employment Benefit Liability per the requirements of the Governmental Accounting Standards Board (GASB) pronouncement #45 as of period ending July 1, 2014.

**Action:** Forward motion to June Board Meeting under Consent Agenda

**3.4 Letter of Engagement – Felix & Gloekler, P.C. – Single Audit for the year ended 2015**

**Discussion:** This is our annual audit for the 2014-2015 school year. The cost of the audit is estimated not to exceed \$24,750.00. This is an increase of \$1,250 and the first increase in four years. President Zaricny asked Mr. Grosch if we as a district are happy with the service Felix & Gloekler, P.C. are providing the district and at what point would Mr. Grosch recommend sending out for RFP's and looking for competitive advantages. Mr. Grosch stated that for the 2014-2015 school year, it is too late to send out for RFP's and look for competitive advantages; however it can be looked at for a future year.

**Motion:** That the Board of School Directors approves the fees and conditions for professional services as set in the Letter of Engagement from Felix & Gloekler, P.C. for the single audit for the fiscal year ended June 30, 2015.

**Action:** Forward motion to June Board Meeting under Consent Agenda

**3.5 21<sup>st</sup> Century Budget Adjustment**

**Discussion:** The numbers from the State finally came in for the 2014-2015 budgeted amount for 21<sup>st</sup> Century Program.

**Motion:** That the Board of School Directors approve the resolution and budget adjustment in the amount of \$370,906.25.

**Action:** Forward motion to June Board Meeting under Consent Agenda.

**3.6 Letter of Engagement – Stapleford & Byham, LLC**

**Discussion:** This is our letter of engagement for solicitor. There was a rate increase of \$10 per hour.

**Motion:** That the Board of School Directors approves the fees and conditions for professional services as set forth in the Letter of Engagement from Stapleford & Byham, LLC.

**Action:** Forward motion to June Board Meeting under Consent Agenda.

**3.7 PSBA Value Pass**

**Discussion:** Allows the District to participate in PSBA events such as seminars and trainings at a discounted rate.

**Motion:** That the Board of School Directors approves the purchase of PSBA's Board Development Value Pass Program in the amount of \$999 for the 2015-2016 fiscal year.

**Action:** Forward motion to June Board Meeting under Consent Agenda.

**3.8 Jefferson DeFrees Family Center Food Service Contract**

**Discussion:** These are the meals that the District provides similar to the Head Start program. Jefferson DeFrees found a way to pick the meals up and continue to purchase them.

**Motion:** That the Board of School Directors approves the Jefferson DeFrees Family Center Food Service Contract for a period of one year as presented.

**Action:** Forward motion to June Board Meeting under Consent Agenda.

**3.9 Food Service Management Company (FSMC) Renewal**

**Discussion:** Mr. Grosch introduced Ms. Melissa Kingen, Regional Manager of The Nutrition Group and Mr. Scott Johnson, the new Food Service Director for the Warren County School District to the Board. The guarantee has been reduced to a loss of approximately \$35,000.00. The reimbursement from PSERS will be included as the Food Services reimbursement. The renewal will be for one (1) year. We are starting

breakfast in the classrooms starting tomorrow, May 27<sup>th</sup> at WAEC. We are hoping for a significant increase in participation and revenue.

**Motion:** That the Board of School Directors directs Administration to submit to PDE, upon solicitor review and approval, the Food Service Management Company (FSMC) renewal application naming The Nutrition Group as FSMC for the Warren County School District for the 2015-2016 school year.

**Action:** Forward motion to Thursday, May 28th agenda for Special Board Meeting.

#### **4. Informational Items**

##### **4.1 List of Bills**

Administration would like to bring a year end list of bills to the “Special Board Meeting” in June for the Board’s approval. This will help in preparing for the year end audit.

##### **4.2 Financial Reports**

Contact Mr. Jim Grosch if there are any questions or concerns with any of the reports.

##### **4.3 Budget Discussion**

**4.3.1 WCSB Budget Workshop 5.26.15 Handout #1** looks at 2013-2014 Actual, 2014-2015 Budget and 2015-2016 Preliminary Budget; the vertical packages show the millage. The package options show 0 Mill, which is no change, 1 Mill, 1.4030 Mills which is the adjusted index, 2 Mills, 3 Mills and 3.1969 Mills with is the max with referendum exception. On the horizontal side we have expenses. Those expenses include 7 year plans on textbooks, buildings and grounds, and a technology plan.

**4.3.2 WCSB Budget Workshop 5.26.15 Handout #2** the Governor’s Proposed Increases School Funding is included. We don’t know if we will be receiving all of this money, 50% of this money or any of this money. Every indication from legislation is that there will not be a budget by June 30<sup>th</sup>. Administration has put together 5 packages of adds. Going from Package 1 with everything you see on the list as an add to chunking down everything down to Package 2, 3, 4 and 5. For example Package 1 with Vertical Package A, 0 Mill would be a loss of \$1.9 where Package 1 with Vertical Package C, 1.403 Mills would be a loss of \$1.37.

**4.3.3 Priority List of Potential Reductions Handout #3** is the Board ratings. Administration brought the adds to the Board at the February 23<sup>rd</sup> meeting and listed are the Board votes.

**4.3.4 Priority List of Potential Additions Handout #4** lists the actual packages with the additions and the Board ratings. It also includes the Administrations ratings which will be re-rated tonight.

**4.3.5 Proposed Final Budget Rating Handout #5** lists the packages with the appropriate Mill increase, add/restoration amount, and profit (loss) using committed funds and Governor funding. This handout will be used to rate by the Board.

**Discussion:** The Board rated “priority list of additional additions” and “priority list of potential reductions.” Legislators are encouraging districts to raise taxes to ensure future funding. There is possibly a new formula coming, and if we don’t raise taxes it could possibly hurt us.

**Board recessed to Executive Session at 9:50 p.m. to discuss personnel matters and reconvened at 10:17 p.m.**

**Discussion Continued:** Mr. Grosch distributed new handouts with packages added together per Board’s instructions. The final budget is due June 30<sup>th</sup>. Proposed Final Budget is due May 31<sup>st</sup>. Proposed Final Budget will be based on C2, 3 & 4 and will be presented at the Special Meeting on Thursday May 28th.

**4.4 Millage: Historical and Analysis**

**Discussion:** Information presented at the request of a Board member.

**5. Other**

**5.1 Advertising Policy Renewal**

**Discussion:** The policy is not ready at the time of meeting; Administration is still reviewing.

**5.2 County Reassessment**

**Discussion:** A Board member asked to have added as a place holder. If the state moves and takes away the real estate and property taxes, could be a moot point down the road.

**5.3 Lunch Charge Policy 5506**

**Discussion:** Item needs to be placed in the student handbooks.

Item forwarded to June Board Meeting under Other

**5.4 Lunch Account Donations**

**Discussion:** Administration is still reviewing.

**5.5 Food Service Management Company (FSMC) Guarantee**

**Discussion:** Administration is still working on.

**5.6 2015-2016 WCSD Detailed Budget Timeline**

**Discussion:** The proposed final budget is due by May 31<sup>st</sup> and the final budget is due by June 30<sup>th</sup>. At the June Board meeting Mr. Grosch might request another budget work session.

**5.7 Other**

Procedural

**6. Closing Activities**

**6.1 Next Meeting Date**

Monday, June 29, 2015 Following PPF

**6.2 Executive Session**

None

**6.3 Adjournment**

Meeting adjourned at 10:41 p.m.