

FINANCE COMMITTEE

MINUTES

June 29th, 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. Rick Gignac
Ms. Marcy Morgan	Mr. Jim Grosch	Mr. Brian Collopy
Mr. John Werner	Approx. 5 Public	Mr. Josh Cotton (Times Observer)

1. Opening Activities

1.1 Call to Order

Meeting called to order at 6:24 p.m. by Mr. Paul Mangione, Chairperson.

1.2 Public Comment

None

2. Old Business

None

3. New Business

3.1 Budget Transfer in Preparation of 2014-2015 Audit

Discussion: This motion will direct the Director of Business Services to make budget transfers, if necessary, after June 30, 2015 to prepare the books for the 2014-2015 annual audit. All transfers made after June 30, 2015 will be brought to a committee meeting and the Board for final approval.

Motion: That the Board of School Directors directs and authorizes the Director of Business Services, after June 30, 2015, to make budget transfers applicable to the 2014-2015 fiscal year, as necessary, in preparation of the 2014-2015 annual audit, with the understanding that all such transfers shall be presented to the Board for approval/ratification at a subsequent meeting.

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

3.2 Copier Paper Reverse Auction

Discussion: This is the IU5 Reverse Auction results for the copier paper for our district. The overall amount of \$37,279.60 is \$5,588.20 less than the previous year's expense.

Fiscal Impact:	YES
Dollar Amount:	\$37,297.60
Budgeted:	YES
Budget Source:	Charged to School Supplies BUN based on usage.

Motion: That the Board of School Directors approves the Reverse Auction Award for copier paper in the amount of \$37,279.60.

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

3.3 eFinance+ Upgrade

Discussion: The District would like to upgrade from Sungard's Finance+ to the web based eFinance+. The attached document granularly explains cost summaries for custom work, software migration and training. It is a web based system and will have some added functionality. Administration is very excited about this upgrade.

Fiscal Impact:	YES
Dollar Amount:	\$27,366.00
Budgeted:	YES
Budget Source:	Technology Maintenance Account

The total expense for the migration is \$27,366 taken from the Technology Maintenance Account.

Motion: That the Board of School Directors approved the pricing proposal and Addendum from Sungard to upgrade eFinance+ for the cost of \$27,366.

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

3.4 eSchool+ Addendum

Discussion: The District would like to upgrade from Sungard's eSchool+ to the web based eSchool. The attached document granularly explains cost summaries for custom work, software migration and training. It is a web based system and will have some added functionality.

Fiscal Impact:	YES
Dollar Amount:	\$4,991.00
Budgeted:	YES
Budget Source:	Technology Maintenance Account

Motion: That the Board of School Directors approve the addendum from Sungard and the cost \$4,991 to add e-Training modules for the new version of eSchool+.

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

3.5 Insurance Renewals

Discussion: Mr. Grosch spoke about the cyber insurance; cyber insurance is a new insurance for the district, its total cost is \$7,063. It provides coverage for data breaches, government claims, etc.; it is an additional insurance.

Errors and Omissions: Sundahl & Co Agency

* Professional Liability (Errors & Omissions)

Commercial Package: Calvert Pearson

* Crime Coverage

* Inland Marine

* Commercial Auto

* General Liability

* Workers Compensation

* Excess Umbrella Liability

Cyber: Calvert Pearson

*Cyber Risk

INSURANCE SUMMARY FOR 2015-2016:

Cyber Coverage: Calvert Pearson Insurance * Cyber Risk.

School Leaders: Sundahl & Co Agency * Professional Liability (Errors & Omissions)

Commercial Package: Calvert Pearson Insurance * Crime Coverage * Inland Marine * Commercial Auto * General Liability * Workers Compensation * Excess Umbrella Liability

2015-2016:

The WCSD total insurance increase is from \$442,309 to \$459,168 which represents a \$16,859 increase or 3.81%. This increase includes a new Cyber insurance which the WCSD did not carry prior to the 2015-2016 school year.

Cyber: The 2015-2016 premium for the Cyber Risk insurance is **\$7,063**. This is a new insurance.

School Leaders: The 2015-2016 premium for the School Leaders insurance is **\$35,446**. This represents a reduction in premium of (\$7,647). We have changed carriers from AIG to Western World. Beyond the premium savings, Sundahl & Co Agency was able to negotiate a reduction in deductible from \$25,000 to \$10,000.

Commercial Package: The 2015-2016 premium for the Commercial Package is **\$416,659**. This represents an increase of \$17,443. The increase is due to market conditions and our claims history over the past couple years.

Budgeted Source: Sundahl & Co - 012610/521
Calvert Pearson - 012610/521 and 523

Mr. Stewart commented that the District, if we ever have a vision of including an oil and gas program at the WCCC, we should get quotes from other brokers about coverage and test the market.

Motion: That the Board of School Directors approves the attached insurance renewal coverage types, coverage limits, and premium amounts to be provided by Calvert Pearson Insurance Group, Inc. (Keystone Insurers Group) and Sundahl & Co., Inc., and authorizes the Board President, the Board Secretary, and the administration to execute the associated policies and any other documentation required to implement the policies.

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

3.6 Budget Transfer

Discussion: This is a regular budget transfer to clean up the end of year in preparation for audit.

Motion: That the Board of School Directors approves the Resolution and Budget Transfer in the amount of \$1,396.

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

3.7 Zito WAN Amendment - WCCC

Discussion: The District would like to add the Warren County Career Center as a dedicated wide area network link. Previously, WCCC was fed through private fiber that the district owned. Due to the construction project, a dedicated connection is required to minimize any downtime or complications during the Warren Area High School Renovation Project.

The cost is an additional \$468.75 per month, yearly addition of \$5,841.

Fiscal Impact: YES
Dollar Amount: \$5,841.00

Motion: That the Board of School Directors approves the Technical Services Agreement Amendment #1 for the provisioning and installation of a dedicated WAN connection at 1gbps from Warren County Career Center to Allegheny Valley Elementary School at the monthly rate of \$468.75.

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

3.8 Act 93 Salary

Discussion: This is a continuation of the 3 year plan from last year. Salaries only reflect those people currently in the positions.

Motion: That the Board of School Directors approves the Act 93 Certificated/Non-Certificated salary structure for the 2015-2016 school year, as presented.

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

4. Informational Items

4.1 Financial Reports

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

4.3 Budget Update

4.3.1 Handout A: Mr. Grosch received a letter from the Governor's office that their budget is not done however they are working hard to finalize it.

4.3.2 Handout B: We don't know yet how much new money is going to be issued for education; the funding formula is going to change the allocation for the funding. There are two budget options; option A (column G on handout B is a 0 Mills Increase) and option B (column H on handout B is a 1.403 Mills increase). As the Governor's budget has not passed yet, administration has taken the entire Governor's money out of the budget at this time. Without the Governor's money, the deficit will be between \$3.5 million and \$2.9 million.

4.3.3 Handout C: Alterations to committed fund balance; Governor has commented that he does not want an uncommitted above 4%, ours is not above 0% - everything is committed.

4.3.4 Discussion: Mr. Stewart asked if Administration has a sense on what the Governor's funding formula is going to look like and what the formula is going to be? Mr. Grosch stated that an email came today that tells us that we might get only a portion of what the Governor's originally suggested; original suggestion was a 7% increase and today's email says 1.4% increase. Mr. Stewart wanted to make the case for a 0 tax increase to spark dialogue between the two positions; the only reason we get to a 1.4 million tax increase is because the state pushed us there and we had no choice. The Governor's money and good news on the ending fund balance gives us some freedom we didn't have a month ago. We can send a message to Harrisburg on behalf of rural school districts everywhere that we have a static tax base and that they have to take that into their formula. If we raise taxes here, then we're letting Harrisburg off the irresponsibility. We have a stronger voice and a unique opportunity to send a message this year without doing harm to students. Mr. Werner added that our committed fund balance is in part of our own frugality and perhaps puts us further behind because we don't spend the money that we need to spend.

Motion: That the Board of School Directors approves the attached Final Budget with a 0 mill increase for the 2015-2016 fiscal year as presented with the exception that an additional \$500,000 be committed to contingency and be removed from committed retirement funds.

5. Other

5.1 Other

Procedural

6. Closing Activities

6.1 Next Meeting Date

Monday, July 27, 2015 Following PACCA

6.2 Executive Session

None

6.3 Adjournment

Meeting adjourned at 7:15 p.m.