

FINANCE COMMITTEE

MINUTES

May 31, 2016

WARREN COUNTY CENTRAL OFFICE, SCHOOL BOARD CONFERENCE ROOM

**COMMITTEE MEMBERS PRESENT:**

Mr. Paul Mangione, Chairperson  
Mr. Joseph Colosimo  
Mr. Arthur Stewart

**COMMITTEE MEMBERS ABSENT:**

**OTHERS PRESENT:**

Ms. Marcy Morgan	Mr. Thomas Knapp	Ms. Ruth Huck
Mr. Mike Zamborik	Dr. Norbert Kennerknecht	Dr. William Clark
Ms. Amy Stewart	Mr. Jim Grosch	Dr. Patty Hawley
Mr. Gary Weber	Mr. Michael Kiehl	Ms. Donna Zariczny
Mr. Matthew Jones	Mr. Brian Collopy	Ms. Kiley Fischer (Warren Times Observer)
Ms. Melissa McLean	0 Member(s) of the Public	

**1. Opening Activities**

**1.1 Call to Order**

Meeting was called to order at 9:52 p.m. by Chairperson Mr. Paul Mangione.

**1.2 Public Comment**

None

**2. Old Business**

None

**3. New Business**

**3.1 Renewal of Postage Meter Contract for the Central Office**

**Discussion:** This is the postage machine that resides at Central Office. This contract is \$43.00 less per month than current rate.

**Motion:** That the Board of Education approves the renewal of the postage meter contract.

**Action:** Forward motion to Board Meeting

**3.2 Letter of Engagement – Felix & Gloekler, P.C. – Single Audit for the year ended June 30, 2016**

**Discussion:** This is the annual engagement for Felix & Gloekler, P.C., for the year end audit. There is no fee increase.

**Motion:** That the Board of School Directors approves the fees and conditions for professional services as set forth in the Letter of Engagement from Felix & Gloekler, P.C. for the single audit for the fiscal year ended June 30, 2016.

**Action:** Forward motion to Board Meeting

### **3.3 Letter of Engagement – Felix & Gloekler, P.C. – PlanCon J Audits for the Beaty, Sheffield, and Eisenhower Projects**

**Discussion:** The funding source will be 01-2310-000-00-00-000/310 and will be added before the Board Meeting.

**Motion:** That the Board of School Directors approves the fees and conditions for professional services as set forth in the Letters of Engagement from Felix & Gloekler, P.C. to audit the schedules for Project Accounting Based on final costs (J02 and J03) and the Financial Reports (J04) for the Beaty project for the period July 1, 2012, through June 30, 2016; the Sheffield project for the period April 1, 2013, through December 31, 2014; and the Eisenhower project for the period January 1, 2013, through November 30, 2014.

**Action:** Forward motion to Board Meeting

### **3.4 Letter of Engagement – Stapleford & Byham, LLC**

**Discussion:** This is our annual engagement letter with our solicitor. There is no increase.

**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 Board Meeting

### **3.5 Jefferson DeFrees Family Center Food Service Contract**

**Discussion:** This is the contract for the District to provide lunches on a daily basis for the Jefferson DeFrees Family Center. This year Jefferson DeFrees will be transporting their meals.

**Motion:** That the Board of School Directors approves the Jefferson DeFrees Family Center Food Service Contract for a period of one (1) year as presented

**Action:** Forward motion to Board Meeting

### **3.6 Insurance Renewals**

**Discussion:** The commercial package, excluding the workmen's comp, is a reduction of 2.23% from \$197,776 to \$193,334. Sheffield Elementary, Sugar Grove Elementary and Pleasant Elementary will be taken off of replacement value and put on cash value.

Sheffield Elementary - \$1.2 Million

Sugar Grove Elementary - \$1.5 Million

Pleasant Elementary - \$1.5 Million

There will be a 3.2 % increase for workmen's comp.

School Leaders Insurance, which is through Sundahl, is down \$25.00. The whole package is up 0.7% overall.

A Board Member asked if Administration would consider "shopping" for insurance carriers.

Administration stated that we used Calvert Pearson as the broker however they did "shop" at three (3) different carriers.

A Board Member stated that they were glad that three (3) different carriers were looked at, but suggested that next year Administration would want to start "shopping" 3-4 months beforehand using different brokers.

*School Leaders/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 2016-2017:**

*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*

*2016-2017:*

*Calvert-Pearson:*

*The WCSD total premium on Commercial Package, Cyber Liability, Workers Compensation, and Excess Liability increased from \$427,536 to \$430,513 representing a \$2,977 increase or 0.7%. The difference is contributed solely to the Workers Compensation experience modifier, which changed from 1.429 in 2015 to 1.549 in 2016 (8% increase). Experience modifiers are calculated each year for each business in the state by the PA Compensation Rating Bureau, and based on a business/companies claims data. The WCSDs experience modifier has been increasing over the past four years as a result of poor claims experience in 2012. These claims are falling off in the coming year, and based on claim data for the past few years the experience modifier should be trending down in 2017 resulting in savings to the WCSD.*

*Sundahl & Co Agency:*

*School Leaders: All coverage will remain the same as the expiring policy with the exception of the two endorsements attached to the quote; one new WWME011 combines the old WME011 and WWME017 and is now called the Scholastic Enhancement Endorsement and WWME012 is the new Definition of Discrimination and Harassment endorsement. Coverage does not change as a result of these new substitutions. Total renewal premium is quoted at \$35,421. This is \$25 less than the 2015-2016 rate.*

*Bun:*

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*0111100000000000/260*

**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 Board Meeting

### **3.7 Cybersoft Technologies, Inc – ParentOnline Service Agreement**

**Discussion:** This will replace the MyLunch Money account for parents to monitor lunch accounts. As we move on to Primero Edge software this is software that accompanies Primero Edge. Communications will be going home to the parents shortly. There is no cost to the District. This is an agreement that we must sign as is interacts with the Primero Edge software.

**Motion:** That the Board of School Directors approves the ParentOnline Service Agreement between Cybersoft Technologies, Inc and the Warren County School District as presented.

**Action:** Forward motion to Board Meeting

### **3.8 PSBA Dues and All Access Package**

**Discussion:** No discussion.

**Motion:** That the Board of School Directors approves the payment of its PSBA's dues and All Access package including Board training, Board Self-Assessment, Policy Maintenance, and subscriptions in the amount of \$13,534.52 for the 2016-2017 fiscal year as presented.

**Action:** Forward motion to Board Meeting

### **3.9 Budget Transfers in Preparation of 2015-2016 Audit**

**Discussion:** Annual request to make budget transfers without the Board's initial approval upfront. These budget transfers are for audit preparation.

**Motion:** That the Board of School Directors directs and authorizes the Director of Business Services, after June 30, 2016, to make budget transfers applicable to the 2015-2016 fiscal year, as necessary, in preparation of the 2015-2016 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 Board Meeting

### **3.10 Copier Paper Reverse Auction**

**Discussion:** Savings with the same amount of paper will be \$2,600.00

**Motion:** That the Board of School Directors approves the Reverse Auction Award for copier paper in the amount of \$34,602.90.

**Action:** Forward motion to Board Meeting

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

**Discussion:** Insurance coverage for the 2016-17 school year.

**Motion:** That the Board of School Directors approves the Student and Athletic Insurance coverage for the 2016-2017 school year.

**Action:** Forward motion to Board Meeting

### **3.12 Headstart Food Service Contract**

**Discussion:** This is the contract for us to provide lunches on a daily basis for the Headstart program. This year the Headstart Program will be transporting their meals.

**Motion:** That the Board of School Directors approves the Headstart Food Service Contract for a period of one (1) year as presented.

**Action:** Forward motion to Board Meeting

### **3.13 Budget Transfer - \$3,750.00**

**Discussion:** This transfer is to reclass accounts in order to expense the balance of funds necessary to purchase two welders and accessories. The majority of funds to pay for this equipment are coming from a supplemental grant given to the Warren County Career Center.

**Motion:** That the Board of School Directors approve the Resolution and Budget Adjustment in the amount of \$3,750.00.

**Action:** Forward motion to Board Meeting

### **3.14 Budget Transfer**

**Discussion:** This transfer is for the Beaty Warren Middle School budget.

**Motion:** That the Board of School Directors approves the Resolution and Budget Transfer in the amount of \$2,193.33.

**Action:** Forward motion to Board Meeting

## **4. Informational Items**

### **4.1 Financial Reports**

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

### **4.2 Detailed Budget Timeline**

**Discussion:** Administration will advertise on Thursday, the 9<sup>th</sup> of June that the board will approve the final budget on June 13<sup>th</sup>. If the Board is not ready to approve the budget at that time, Administration will re-advertise the agreed upon date after the June 13<sup>th</sup> meeting. The advertisement must be ten (10) days before the board approves the final budget.

### **4.3 Budget Discussion**

**Discussion:** Administration reduced the budget by \$1.5 million. Administration informed the Board that a change in labor dollars reduces revenue. Kelly Services was reduced by \$300,000, transportation was reduced by \$250,000, cyber/charter schools were reduced by \$300,000, and labor/benefits were reduced by \$650,000; totaling \$1.5 million.

Reductions to revenue were based on updated projections from Berkheimer totaling \$175,000 and a decrease from PSERS and Social Security combined is \$478,000; totaling a revenue decrease of \$653,000.

Proposed final budget includes a tax increase totaling \$730,000, increase in delinquent tax collection totaling \$210,000, increase in Special Education from the State totaling \$150,000, ACCESS funding increase totaling \$25,000, Title I increase totaling \$215,000, basic education finding totaling \$250,000, and \$95,000 in other.

With the above listed reductions and increases to revenue, there is a net increase to the proposed final budget of \$1.02 million.

Administration will bring two (2) budget options to the June 13<sup>th</sup> meeting, as discussed.

#### **4.4 Final Budget Approval**

**Discussion:** Discussed in 4.3

#### **4.5 ESY Agreement**

**Discussion:** Dr. Hawley will be bringing to the Board meeting under Other.

### **5. Other**

#### **5.1 Other**

Dr. Hawley will be bringing a standard annual renewal contract with Bollinger under Other to the June 13<sup>th</sup> meeting.

A Board Member asked to be involved in contacting PSBA and Rural Schools Association if there is going to be a tax increase.

### **6. Closing Activities**

#### **6.1 Next Meeting Date**

Next Finance Committee Meeting is Monday, June 27, 2016 – Following PPF

#### **6.2 Executive Session**

None

#### **6.3 Adjournment**

Meeting adjourned at 11:05 p.m.