



Board of School Directors Committee Meeting Minutes Wednesday, November 7, 2018

Generated by Renai Cardillo on Tuesday, November 20, 2018

Members present: Nicholas Braccio, Janet Flisak, Matt Holliday, Ken Keith, Thomas Kwiatkowski, Stephen Nelson, Donna Scheuren

Members absent: William Brong and Scott Jelinski

Others present: Lisa Ball, Frank T. Gallagher, Christopher Hey, Ray Kase, Katie Kennedy-Reilly, William Stone, and Megan Zweiback

1. Finance Committee

1.1 Approve 2017-2018 Auditor Budget Transfers

Donna Scheuren called the meeting to order at 6:31 PM.

Dr. Gallagher commented briefly on the annual budget transfers. Mr. Stone added that the auditors had completed their work for the 2017-2018 fiscal year.

There were no comments or questions and the Finance Committee agreed to move forward for Board Action.

1.2 2017-2018 Health Insurance Review

Dr. Gallagher commented on recent concerns regarding the District health insurance plan. Dr. Gallagher introduced the representatives from the District's third party administrator (Independence Administrators) Ms. Sally Schufreider, Director of Account Management; Mr. Mike Robak, Vice-President, Operations; and Ms. Kristina Strain, Client Executive Sales & Marketing. In addition Mr. Herb Hummel and Ms. Jennifer Oetzel of Kistler Tiffany Benefits (District's broker) were also present.

Dr. Hey explained the services provided by both Kistler Tiffany and Independence Administrators, which includes the forecasting of expenditures for medical and prescription services. Dr. Hey noted that the most recent forecasting resulted in a surplus, which did not provide the District with comprehensive information needed for budgeting purposes.

Independence Administrators acknowledged the introduction of a new technology platform which ultimately slowed down the processing of claims, creating a backlog of claims and resulting in a spike in utilization. This spike, coupled with the expanded services as the program migrated to the "blue network" also impacted projected costs. The backlog, however, never materialized as Independence Administrators had predicted.

Dr. Gallagher expressed his displeasure regarding the incorrect information that Independence Administrators provided to the District and how this information negatively impacted the budget process.

Additional discussion occurred about effective claim processing, claims analysis and data management. The Board inquired about corrective measures going forward and requested a reporting method that will keep the Administration and Board apprised of claim status.

A member of the public inquired about penalties for delays in service and a response was recorded that there is no penalty.

Independence Administrators and Kistler Tiffany personnel were dismissed at 7:55 P.M.

1.3 2019-2020 Budget Development Update

Dr. Gallagher reviewed the four budget priorities from the presentation. He reviewed the Focus on the Future items which include a revision to the Middle School Schedule and District studies on full day kindergarten, later start times, and enrollment projections.

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Mr. Stone reviewed the historical trend impacting the technology budget including: phasing out leased devices, cost decreases in technology devices, the use of grant funding and site technician demotions. The present needs for Technology include projectors, device replacement at the secondary level and infrastructure upgrades. Mr. Stone reviewed the options that the District needs to consider for sustaining technology. Those options include allocating funds from the Operating Budget, the Capital Budget and/or borrowing. Mr. Stone also reviewed the criteria and guidelines for each option and noted that conversation should begin to determine which option that Board wishes to elect to meet the need to sustain technology.

Mr. Stone reviewed the specifics of the Safe Schools priority and the status of the Act 44 grant application. Mr. Stone and Dr. Gallagher commented on the need to upgrade the communication and video surveillance systems.

Dr. Gallagher highlighted the Support Teaching & Learning budget priority which includes additional staff to support enrollment needs, technology, security and aides.

Mr. Stone reviewed early projections of revenue noting real estate taxes and the impact of the Act 1 Index. Mr. Stone also discussed state revenue sources and its contingency upon the gubernatorial election. Mr. Stone also reviewed a history of local revenue trends itemizing EIT, real estate transfer taxes, interim and delinquent real estate taxes and interest earnings.

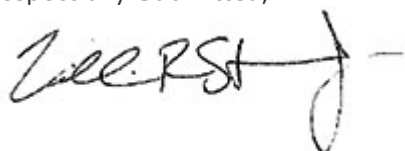
An expenditure slide showed the percentage change in the expenditure drivers from the 2018-19 budget and the projections for the 2019-20 budget.

Board members acknowledged the importance of the presentation and had questions and concerns on staffing, including proposed retirements. Dr. Hey responded that it is early in the calendar to anticipate that response.

Mrs. Flisak inquired about the changes to the site technicians positions and the cost of the proposed studies. Dr. Gallagher explained how the need for updated enrollment information as it is used for scheduling and staffing.

Mrs. Scheuren adjourned the Finance Committee meeting at 8:54 P.M.

Respectfully Submitted,



William R. Stone
Board Secretary