

Finance Committee Minutes
February 2, 2016
Main Office Large Conference Room
4:30 pm

Present: Mr. Charles Kleinschmidt, Dr. Bill Foster, Mrs. Beth Darcy, Mr. John Capriotti, Mr. Robert Vining, and Mrs. Kathryn Strouse

An agenda was distributed to members prior to the meeting.

Bucks Montgomery County Schools Health Care Consortium Update: The Business Manager discussed changes being made by the BMCSHCC. Starting July 1, 2016, Aetna will be administering medical services and claims processing for all members. Also, effective July 1, pharmacy benefits administration will be by CVS Health. Plan design change is being made to the PPO 20/30/70 plan. Beginning in July, the consortium will begin pooling of claims experience. This will start by lowering the stop loss attachment point and continuing the self-insurance of stop loss. Effectively, 40% of experience will be pooled. Committee members asked questions and discussed the changes. The BMCSHCC has over 29,000 covered by Consortium plans.

2016/2017 Budget Update: The Business Manager reviewed a summary of the proposed 2016/2017 General Fund budget. The summary shows the net budget increase of 2.92%. The assumptions used to prepare this draft were discussed. Salary and wages have been projected as follows: teacher salaries based on current matrix placement and adjusted for expected or known level changes; administrators per Act 93 agreement; and all others using 2%. The Business Manager reviewed the assumptions made regarding health care benefits, PSERS, other object codes where costs decreased, and where some increased. The committee members had a discussion of the budget environment and if there is more that can be done for students. The Director talked about programs that have been added, modified and challenges of keeping program equipment state of the art. The Business Manager discussed the Lease Rental and outstanding bonds, how cost are shared per Articles of Agreement. The discussion turned to the revenue side of the equation. The goal to have members' contribution at or below Act 1 Index of 2.40% was met. To do so, it is proposed to use \$55,000 Committed fund balance and \$95,000 that is stranded in the BMCSHCC for a "premium holiday" in 2016/2017. The committee was receptive to the idea.

Student-Built Modular House: The Business Manager gave a brief history of the SBMH project – current one is the 35th house built by MBIT students. The house is sold to the highest bidder. A minimum bid is set to recover cost. This year the minimum bid acceptable was set at \$87,500. The bid received is in the amount of \$90,000. The person who bid on the house is a graduate of MBIT and lives in one of the rancher style SBMH. The recommendation to the Executive Council is to accept the bid for \$90,000 for the current SBMH.

Electricity Purchasing Beyond 2016-17: The present purchasing agreement for electricity expires June 30, 2017. The current rate is \$0.05107/kWh. In December, our consultant Provident Energy approached its school customers with idea of seeking rate quotes beyond June 30, 2017. Provident Energy obtained quotes from six suppliers and has recommended accepting

quote of \$0.03791/kWh effective July 1, 2017 for 24 months. The committee will recommend the Executive Council ratify the commitment to purchase electricity at the quoted rate.

Updates: The Business Manager shared the monthly and year-to-date results for Li'l Bucks Preschool and Adult Education.

The meeting adjourned at 5:45 PM.