

Frontier Central School District
BOARD OF EDUCATION
FINANCE & BUDGET COMMITTEE MEETING
September 22, 2015 – 4:30 PM

MINUTES

Present: Bret Aphorpe, Tom Best, Jr., Dave Patton, Myra Pinker, Janet Plarr,
Carolyn Robertson

Carolyn reviewed an unaudited review and expense picture for 2014-15. She showed the decrease of the fund balance to a dangerous low of 2013. She stated that our credit rating with Moody's will not improve until the reserve builds up.

Carolyn pointed out that a surplus of \$334,000 as of 6/30/15 is only .2% of our total fund balance so there are millions to go to get the fund balance to a healthy level.

She reviewed the NYS Fiscal Monitoring Report which shows Frontier as "Moderately Stressed."

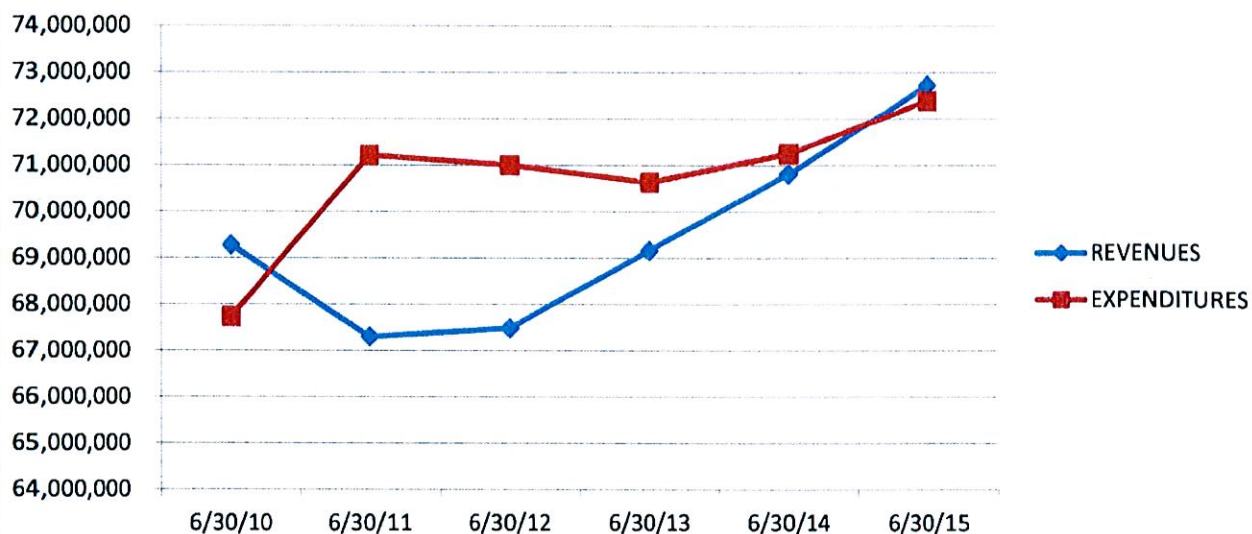
Myra presented the breakdown of increment cases in the FCTA Contract as part of our exercise to understand the fiscal obligation of the district. The step increase, plus salary increase was 5.04% for 2015-16.

There was lots of discussion around district ability to meet contractual obligations. 457 Comp. Plan to be offered to Confidential/Managerial Employees and individuals.

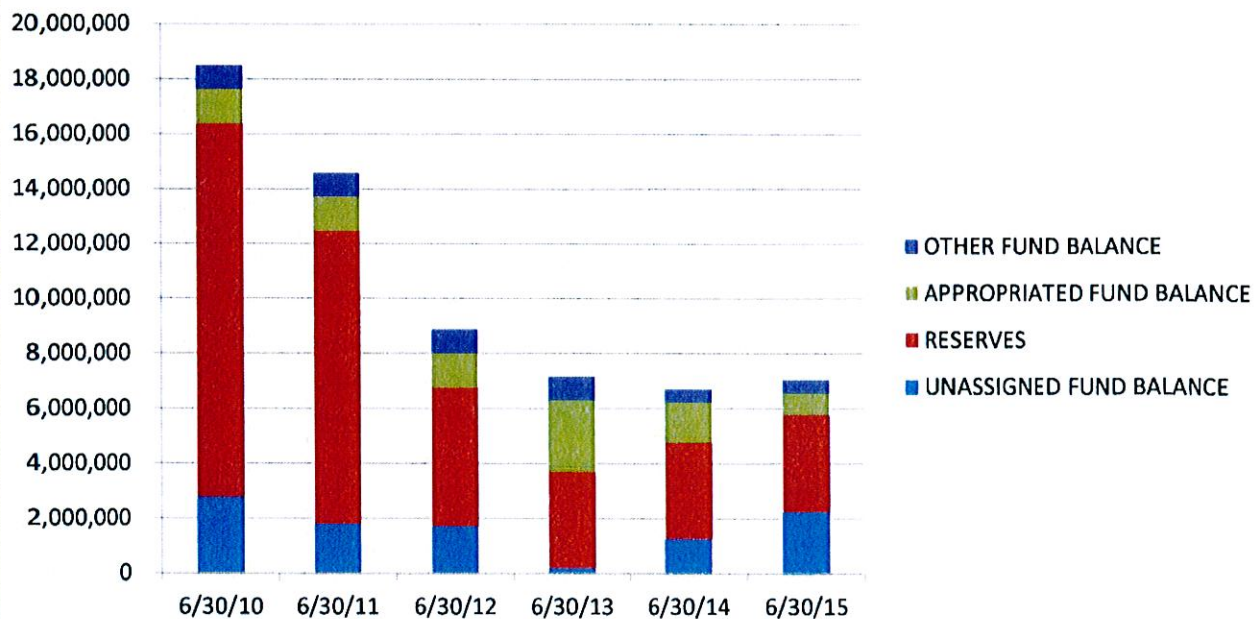
Next Meeting Agenda:

1. Review estimated projections of expenses and revenues for next five years.
 - a. The last business meeting in October would be presentation of cost drives.
2. Begin to discuss negotiation goals.

**Frontier CSD
Revenue & Expense History**



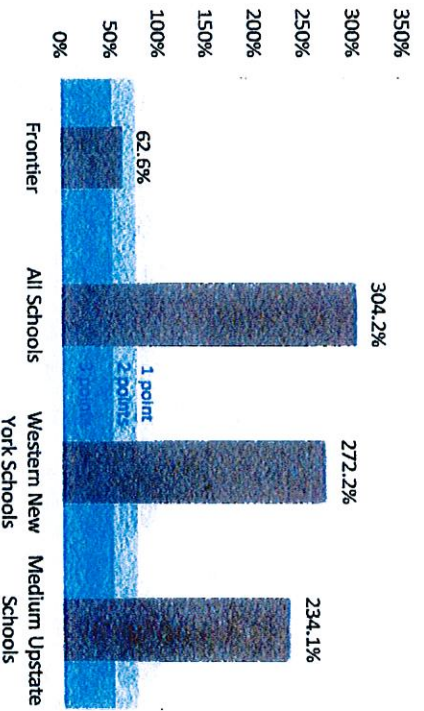
**Frontier CSD
Fund Balance History**



Frontier Central School District

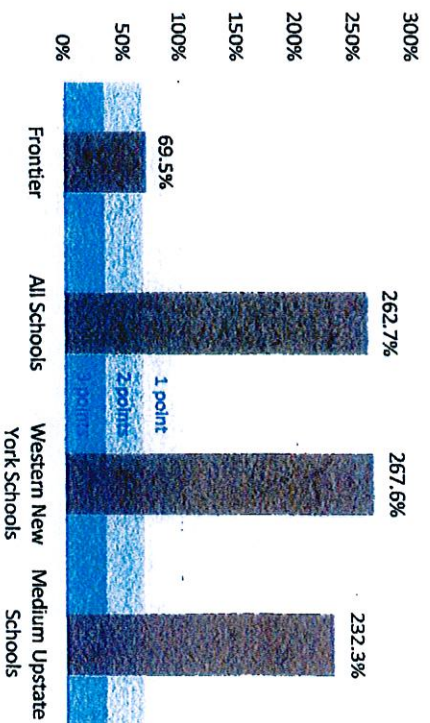
Indicator 4

Cash Investment / Current Liability



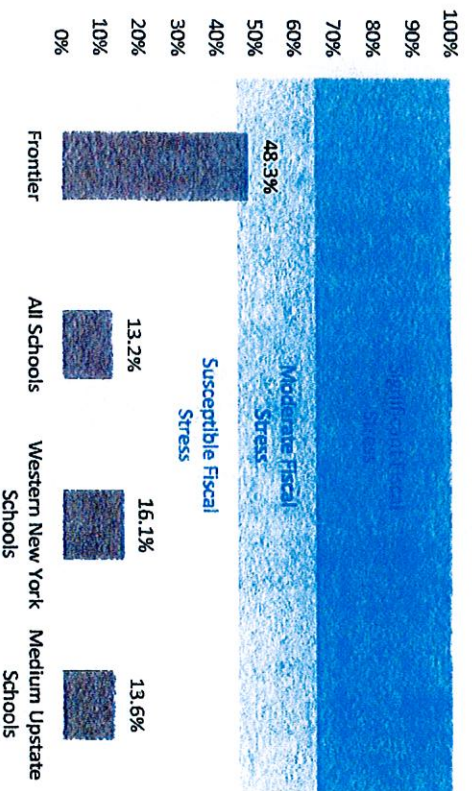
Indicator 5

Cash as a % of Monthly Expenditures



Fiscal Stress Score

Fiscal Stress Score (Weighted)



FCTA Tentative Contract Agreement
for health insurance contributions

2015 - 2016

FCTA HEALTH "SNAPSHOT" September 22, 2015 - 6% year to year increase

POS Plan	Rate/Month	Annual Rate	#plans	District %	District Cost	Employee Cost
Single	\$ 501.00	\$ 6,012.00	45	90%	\$ 243,486.00	\$ 27,054.00
Family	\$ 1,252.00	\$ 15,024.00	279	90%	\$ 3,772,526.40	\$ 419,169.60
Totals					\$ 4,016,012.40	\$ 446,223.60

2016 - 2017

POS Plan	Rate/Month	Annual Rate	#plans	District %	District Cost	Employee Cost
Single	\$ 531.06	\$ 6,372.72	45	90%	\$ 258,095.16	\$ 28,677.24
Family	\$ 1,327.12	\$ 15,925.44	279	90%	\$ 3,998,877.98	\$ 444,319.78
Totals					\$ 4,256,973.14	\$ 472,997.02
Yr to Yr Increase					\$ 240,960.74	\$ 26,773.42

2017 - 2018

POS Plan	Rate/Month	Annual Rate	#plans	District %	District Cost	Employee Cost
Single	\$ 562.92	\$ 6,755.08	45	90%	\$ 273,580.87	\$ 30,397.87
Family	\$ 1,406.75	\$ 16,880.97	279	90%	\$ 4,238,810.66	\$ 470,978.96
Totals					\$ 4,512,391.53	\$ 501,376.84
Yr to Yr Increase					\$ 255,418.39	\$ 28,379.82

2018 - 2019

POS Plan	Rate/Month	Annual Rate	#plans	District %	District Cost	Employee Cost
Single	\$ 596.70	\$ 7,160.39	45	90.0%	\$ 289,995.72	\$ 32,221.75
Family	\$ 1,491.15	\$ 17,893.82	279	90.0%	\$ 4,493,139.30	\$ 499,237.70
Totals					\$ 4,783,135.02	\$ 531,459.45
Yr to Yr Increase					\$ 270,743.49	\$ 30,082.61

2019 - 2020

POS Plan	Rate/Month	Annual Rate	#plans	District %	District Cost	Employee Cost
Single	\$ 632.50	\$ 7,590.01	45	90%	\$ 307,395.47	\$ 34,155.05
Family	\$ 1,580.62	\$ 18,967.45	279	90%	\$ 4,762,727.66	\$ 529,191.96
Totals					\$ 5,070,123.13	\$ 563,347.01
Yr to Yr Increase					\$ 286,988.10	\$ 31,887.57

**Reflects 6% for premium rates, for analysis only.*
2015 District Package Development - FCTA

OPERATIONAL SUMMARY;		6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	
REVENUES		69,274,715	67,295,840	67,483,240	69,153,627	70,805,944	72,727,348	
EXPENDITURES		67,736,651	71,212,455	70,997,276	70,625,215	71,243,980	72,392,683	
NET CHANGE (+ / -)		1,538,064	(3,916,615)	(3,514,036)	(1,471,588)	(438,036)	334,665	
FUND BALANCE								
UNASSIGNED FUND BALANCE		2,770,276	1,804,251	1,706,518	195,355	1,254,477	2,253,282	2.9%
RESTRICTED FUND BALANCE								
EMPLOYEE BENEFITS		1,803,509	1,361,890	1,371,477	1,377,748	1,382,999	1,382,999	
WORKERS COMPENSATION		9,341,208	7,016,208	3,662,371	2,117,326	2,125,396	2,125,396	
CAPITAL PROJECTS		2,179,508	2,195,019	0	0	0	0	
TAX CERTIORARI		264,235	68,128	0	0	0	0	
ASSIGNED FUND BALANCE								
DESIGNATED FOR NEXT YR		1,250,000	1,250,000	1,250,000	2,611,075	1,464,188	803,650	
ENCUMBRANCES		196,520	158,680	150,608	116,371	130,688	127,086	
NONSPENDABLE FUND BALANCE								
INSURANCE		687,937	722,402	722,402	722,402	344,493	344,493	
TOTAL FUND BALANCE		18,493,193	14,576,578	8,863,376	7,140,277	6,702,241	7,036,906	
Key Fiscal Stress Indicators:								WNY AVE.
Unassigned fund balance/ expenditures		4.1%	2.5%	2.4%	0.3%	1.8%	3.1%	6.3%
Total fund balance/ expenditures		27.3%	20.5%	12.5%	10.1%	9.4%	9.7%	29.4%

Established Salaries Below with Running Salary of Record from 2/28/11

Established Salary of Record 2/28/11			New \$	Percentage	Increment %age	Step Increase with Raise
11/12 Increment cost	\$	26,344,788.00	\$	856,138.00		
12/13 Increment cost	\$	27,200,926.00	\$	879,795.50	3.23%	3.56%
12/13 Cost with step & \$950	\$	28,080,721.50	\$	89,300.00	0.3%	
13/14 Increment cost	\$	28,170,021.50	\$	1,106,323.00	3.93%	4.96%
13/14 Cost with 1%	\$	29,187,044.50	\$	291,880.00	0.99%	
14/15 Increment cost	\$	29,478,924.50	\$	1,064,489.00	3.61%	4.90%
14/15 Cost with 1.25%	\$	30,543,413.50	\$	381,286.00	1.23%	
15/16 Increment cost	\$	30,924,699.50	\$	1,074,674.50	3.48%	5.04%
15/16 Cost with 1.5%	\$	31,999,374.00	\$	485,116.00	1.49%	

Board of Education - Salary of Record FCTA

* All employees as of the Salary of Record moving until 15/16

Plan Highlights



New York State
Deferred Compensation Plan

A Plan for Your Future

The following are highlights of the New York State Deferred Compensation Plan.

Tax-Deferred Benefits

- Federal and New York State income taxes are deferred on contributions to the Plan
- Contributions and any investment earnings accumulate on a tax-deferred basis until withdrawn and are taxed as ordinary income
- Roth contributions are also available

Contribution Levels

- Minimum contribution is 1% of compensation (but not less than \$10 per pay)
- Maximum regular contributions is \$18,000
- Contributions must be payroll deducted
- Additional contributions allowable if you are 50 or over or under a special 457b retirement catch-up provision

Personal Assistance

Personal assistance is available through a local Account Executive or the HELPLINE from 8 a.m. to 11 p.m. Monday through Friday and 9 a.m. to 6 p.m. Saturday (ET) at 1-800-422-8463

Investment Options

- Stable Income Fund, retirement date funds and an array of 21 other investment options covering each major asset class
- Mutual fund families include, but are not limited to:

Columbia	Hartford	Principal
Davis	Morgan Stanley	T. Rowe Price
Federated	Pax	Vanguard
Fidelity	Perkins (Janus)	Wells Fargo

Investors should carefully consider information contained in the prospectus, including investment objectives, risks, charges and expenses. The underlying fund prospectus contain this and other important information. Please read the prospectus carefully before investing.

For prospectuses of funds within your NYSDCP core account, please call the HELPLINE at 1-800-422-8463, or visit our web site at www.nysdcp.com.

- A Self Directed Investment Account option that allows you to choose from Exchange Traded Funds (ETFs) and approximately 3200 mutual funds, for an additional fee. The Schwab Personal Choice Retirement Account® (PCRA), offered through Charles Schwab & Co., Inc. (Member SIPC). You can request a prospectus by calling Schwab's dedicated PCRA Call Center at 1-888-393-PCRA (7272).
- Retirement date funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore an investor is indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

- These funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. Like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that retirement date funds will provide enough income for retirement.

Plan Fees

- Administrative services are supported by an annual per-participant fee and an asset-based fee. The annual per-participant fee is \$20, levied in two installments of \$10 in April and October of each year. The annualized asset-based fee for the 2012-13 Plan Year was 4.5 basis points (or \$0.45 for each \$1,000 in a Participant's account) — levied in two installments of 2.25 basis points in April and October. The asset-based fee is determined semi-annually based on estimated expenses and is levied on accounts with assets exceeding \$20,000 and is capped at account assets of \$200,000.

Plan Services

- You have access to your account 24 hours a day, seven days a week via the Plan Web site and the Voice Response System. On either system you may:
- Check your account balance
- Change the investment of your future deferrals
- Exchange funds between the Plan's investment options
- Change your deferral rate
- Explore online education resources
- Develop a customized retirement investment strategy
- Access investment guidance through Morningstar® Retirement ManagerSM
- Determine a repayment schedule on a Loan from your Plan account

Morningstar® Retirement ManagerSM is offered by and is the property of Morningstar Associates, LLC, a registered investment adviser and subsidiary of Morningstar, Inc.

Distributions

- When you terminate service from your State or local government employer or if absent due to qualifying military service
- When you reach age 70½, even if still employed
- Benefit payments may be made in the form of:
 - A full withdrawal
 - Partial withdrawals
- Periodic payments may be received as a fixed dollar amount or over fixed time period and are paid monthly, quarterly, semi-annually or annually.
- You may change your payment option at any time
- Each payment will be taxed as ordinary wage income in the year you receive it
- In-service distributions of assets rolled into the Plan are permitted according to the regulations of the original plan

Participating Employers In Erie County as of May 2015

Buffalo Erie Niagara Land Improvement Corporation	Authority
Buffalo Fiscal Stability Authority	Authority
Buffalo & Fort Erie Public Bridge Authority	Authority
Buffalo Municipal Housing Authority, City of	Authority
Buffalo Urban Renewal Agency, City of	Authority
Erie County Industrial Development Agency	Authority
Erie County Soil & Water Conservation District	Authority
Erie County Water Authority	Authority
Health Research Inst., (Buffalo), NYS	Authority
Lackawanna Municipal Housing Authority	Authority
Niagara Frontier Metro System	Authority
Niagara Frontier Transportation Authority	Authority
Roswell Park Cancer Institute Corporation, NYS	Authority
City of Buffalo	Government
City of Lackawanna	Government
Town of Alden	Government
Town of Amherst	Government
Town of Aurora	Government
Town of Boston	Government
Town of Brant	Government
Town of Cheektowaga	Government
Town of Clarence	Government
Town of Collins	Government
Town of Concord	Government
Town of Eden	Government
Town of Elma	Government
Town of Evans	Government
Town of Grand Island	Government
Town of Hamburg	Government
Town of Lancaster	Government
Town of Marilla	Government
Town of Newstead	Government
Town of North Collins	Government
Town of Orchard Park	Government
Town of Tonawanda	Government
Town of West Seneca	Government
Village of Akron	Government
Village of Alden	Government
Village of Angola	Government
Village of Blasdell	Government
Village of East Aurora	Government
Village of Farnham	Government
Village of Kenmore	Government
Village of Lancaster	Government
Village of Orchard Park	Government
Village of Sloan	Government
Village of Springville	Government
Village of Williamsville	Government
Amherst Public Library	Library
Orchard Park Public Library	Library
Akron Central School District	School
Alden Central School District	School
Buffalo Board of Education	School
Clarence Central School District	School
Cleveland Hill Union Free School District	School
Depew Union Free School District	School
Erie 1 Boces	School
Erie 2-Chautauqua-Cattaraugus Boces	School
Erie Community College	School
Gowanda Central School District	School
Grand Island Central School District	School
Kenmore- Town of Tonawanda Union Free School District	School
North Collins Central School District	School
West Seneca Central School District	School
Williamsville Central School District	School