

CHARTIERS VALLEY SCHOOL DISTRICT

**MINUTES OF THE REGULAR BOARD MEETING
OF THE
BOARD OF SCHOOL DIRECTORS**

ADMINISTRATIVE OFFICES/DISTRICT ASSEMBLY ROOM

April 24, 2018

1.0 Meeting Opening

A. Call to Order

The Regular Meeting of the Chartiers Valley Board of School Directors was called to order at 6:40 p.m. by Mr. Mazzarini in the District Assembly Room.

B. Pledge of Allegiance

C. Roll Call

Present

Mr. Tony Mazzarini, President
Mr. Mark Kuczinski, Vice President
Mr. Jeff Choura
Mr. Eric Kraemer
Mrs. Julie Murphy
(via phone)
Mr. Brian Kopec
Mr. Darren Mariano
Mr. Robert Kearney

Also Present

Dr. Johannah Vanatta, Superintendent
Mr. Scott Seltzer, Assistant Superintendent
Mr. Don Palmer, Solicitor
Dr. Jillian Bichsel, Director of Curriculum

Absent

Mrs. Zeleznik

D. Recognitions

Dr. Vanatta congratulated sophomore Geoffrey Madge for being named to the Pennsylvania Music Educators Association All-State Orchestra. Through auditions, he earned first chair oboe in the Orchestra and was the top oboist out of 13 talented candidates. The All-State Orchestra was held April 18th through the 21st in Lancaster, PA.

He earned his spot at the state concert through auditions at PMEA Western Region Orchestra in Sharon, PA, on March 22nd through the 24th. He plays oboe in Concert Band as well as with the Pittsburgh Symphony Youth Orchestra. He is also an active performer with the CV High School Orchestra on violin.

He is now eligible to participate in the National Association for Music Education Eastern Division Orchestra Festival in April of 2019, in Pittsburgh. This will feature the top musicians from thirteen Eastern States. He is just the third Chartiers Valley musician to advance to this level in the past fifteen years.

Dr. Vanatta gave Geoffrey a certificate and the board congratulated him.

E. Public Comments

None

2.0 Executive Session

Mr. Mazzarini stated that they had an executive session earlier this month that was not announced prior to a meeting and we also had one this evening.

3.0 Superintendent's Reports/Presentations

3.1 Board Report

4.0 Solicitor's Report

None

5.0 Approve Minutes

None

6.0 Informational Agenda

A. Education Foundation

Dr. Vanatta said that they had a meeting to make sure that they have a document that states what exactly we're doing with the foundation, making sure that all of our paperwork is legit. Within that we have Pathfinder and the agreement that we have those services for the students that need them and an agreement with Parkway and also our relationship and agreement with SHASDA.

B. Pathfinder

Mr. Kraemer said that at this week's meeting they are continuing to go through the roof evaluation process. They are thinking about putting together an RFP for architectural services to oversee contractors. The AIU is going to continue leasing the rooms for the hearing and vision center. We've received good feedback about leasing the rooms and the swimming pool and we are now leasing the upper fields bringing in additional revenue. June 6th is the graduation ceremony and everyone on the board is welcome to come if you can.

C. Parkway

Mr. Choura said the student of the month was Samantha Wright, a CV grad. She is a senior at Parkway and she also holds down two part time jobs. She is a very fine student and has already been accepted to Westminster where she is going to study biology and hopefully be a Vet someday. Parkway West was chosen out of the entire state, one of 13 schools, to receive the Pennsylvania Career Technical School Excellence Award. Our Auditor General gave Parkway a very good audit. Public Safety Technical Program received a generous donation from the Dormont Fire Department of about \$40,000 in equipment. PDE awarded Parkway a grant of \$25,000 in non-matching funds to replace equipment in the automotive and welding sections. Our Workforce Development Coordinator, Natasha Johnson was awarded a Learned and Earned Grant of \$33,000. Parkway received

confirmation from the NCAA that 6 of our courses were offered and now they are NCAA eligible. Twenty nine students were inducted into the National Technical Honor Society.

D. SHASDA

None

E. Finance Committee Report

Mr. Kuczinski said there was no meeting tonight, they met in executive session to discuss budget.

7.0 Consent Agenda

Mr. Mazzarini said that they would carve out 7.7 because there will be a summary report on the budget.

Mrs. Murphy said regarding the bus purchases and the insurance carrier, I appreciate the due diligence to make a side by side comparison and to present it as you did.

Mrs. Murphy asked if there were side by side comparisons for item 7.15.

Mrs. Cordisco said, We interviewed Gallagher, Henderson Brothers and HHM based upon the information they provided us in the proposal. We did not interview Enscoe Long because we did not feel they had some of the same qualifications as the other three firms. We did create more of a qualification comparison, but this is really based upon what we heard through the interview process. It was really a service level that was very different among the three parties.

Dr. Vanatta said she agreed. I believe in the weekly report I gave a little more detail on that. As we went through the three firms, it was something about the service aspect and the robust nature of the firm that we ended up choosing. We felt that Henderson Brothers could represent the district in a capacity that it needed, based on the activities that are going on in the district.

Mrs. Murphy asked about the cost and Ms. Cordisco explained the process.

Mr. Mazzarini asked about the food service contract, how the negotiations went and if there were any changes.

Mrs. Cordisco said the evaluation team did a great job in evaluating the proposals. We spent quite a bit of time with the group and we also went back to the two groups that gave us the proposals with additional questions. Based upon responses to those questions, in regards to services, how they are going to improve participation through social media and to work together as we have over this period of time, and working to make it profitable.

Mr. Mazzarini said that one of the conversations that he had with Nutrition last spring was about the signs. Was there any direction on that?

Mrs. Cordisco said they did not specifically discuss that, but it can be added to the list.

Mrs. Murphy asked about the \$20,000 grant.

Dr. Vanatta said that this grant is to look into the district's water and radon within the buildings. This was precautionary testing, there wasn't an urgency to it. We will get a final report back and I will provide that to the board with a status. Mr. Gold has been working on that and I believe that should be wrapping up and being finalized this week.

Mr. Mazzarini said that although they are voting on item 7.10 this evening, we are leaving ourselves open to maybe not going down that path. We are considering some alternatives to that purchase.

Mr. Kraemer and Mr. Mazzarini said that would be moving item 7.15 out of the consent agenda because some of the board members should not be voting on that due to relationships with the companies.

- 7.1 Motion to approve the grant of up to \$20,000 from Women for a Healthy Environment to support lead in water and radon testing and remediation, if necessary, for the period ending December 31, 2018.
- 7.2 Motion to approve revised 2017/2018 school calendar.
- 7.3 Motion to approve stipends for Showcase. Stipends will be paid from the dance-theater fund.
- A. Academics
 - 7.4 Motion to approve Project Lead the Way out-of-state conference with Jodi King, HS Biology teacher, July 8-19 at Stevenson University in Baltimore, MD for required teacher training at an estimated cost of \$6,835.00.
 - 7.5 Motion to approve Agreement with Adelphoi Education Services for 2018-19 for support services.
- B. Personnel
 - 7.6 Motion to approve the Human Resources Report.
- C. Budget & Finance
 - 7.7 Motion to approve Financial Summary.
 - 7.8 Motion to award the Food Service Management Contract to Nutrition Group for a one-year term, renewable annually up to four additional one-year periods, contingent upon final PDE approval.
 - 7.9 Motion to approve the contract with AMCA that would include the approved fee payment arrangement, starting with the 2018-19 school year, contingent upon acceptable documentation to the Superintendent and Solicitor.
- 7.10 Motion to award the purchase of three, 24-passenger vans to Myers Equipment at a Unit price not to exceed \$59,700 and seven, 72-passenger school buses to Myers Equipment at a unit price not to exceed \$98,400.00.
- 7.11 Motion to accept Plancon Part I – Interim Reporting as submitted by Board action on February 13, 2018 and approved by the Pennsylvania Department of Education on April 19, 2018.
- 7.12 Motion to accept Plancon Part I – Interim Reporting as submitted by Board action on March 13, 2018 and approved by the Pennsylvania Department of Education on

April 19, 2018.

- 7.13 Motion to declare the vans, buses and Technology Education equipment (as more fully described in the attachment) as surplus and to approve disposition of the buses and vans through the 422 Auction and Hostetter Auction Services for the Technology Education Equipment.
- 7.14 Motion to approve One America as the insurance provider for employee Life, LTD and STD insurance for a three year period, effective July 1, 2018.
- 7.15 Motion to appoint Henderson Brothers as the insurance and risk service management agency, effective immediately.

**Motion to approve items 7.1 through 7.14 excluding item 7.7 to be voted on individually.
MOVED by Mr. Kraemer, seconded by Mr. Choura.
On a voice vote, the motion passed unanimously.**

D. Superintendent

Mrs. Cordisco presented the finance report, going over the 2018-2019 budget. This is not a completed budget, this is an ongoing project that we will continue to work on all the way through until the end of June. We wanted to give everyone some of the key assumptions. On the revenue side, our assessments are currently about \$2.3 billion dollars, that's a \$25 million dollar increase from the May 2017 assessments. Even with that \$25 million, we keep track of all the permits for new housing along with occupancy permits. There is about \$13 million dollars of new construction that has not yet been placed on the county assessment roles. The Act 1 index for next year is 2.4% that resulted in about .3985 mills. We did get approvals for our budget exceptions of \$154,589 for PSERS and Special Ed. We are assuming an EIT increase of 3% and with all of the new construction in our district we are assuming that we will have more residents and our EIT should increase, we will be watching that carefully.

As you can see from the pie chart, local revenues are about 75%, showing you that the financial burden of educating our children is with the tax payers. The increase in our revenues is due to the higher assessment values as well as the higher millage rate. The new millage rate, if the board were to approve, it would be 17.0737. The charts give you a look at our local, state and a sliver of our federal revenues. The federal will be reduced because of our Title 1 reduction in funding.

If we look at our millage, we are currently at 16.6067 today and we are ranked the lowest millage within the 41 county schools and that excludes the City of Pittsburgh Schools. The highest millage rate is in Wilkesburg at 32.6300 and the median and average are still at 21. Even with the millage increase to 17, we would still continue to have the lowest millage rate based on the 2017 millage rates. Over the past 8 years, we've only had one rate increase and that was in 2016. That is remarkable, especially with the cost increases that come with PSERS.

What does that mean for the community? For every hundred dollars of assessment, \$47 would be the increase on an annual basis. If you look at the median home value of \$128 thousand dollars that would mean an increase of \$60 a year.

Some of our key expenditures, PSERS, Medicare and Social Security, Health Care and general cost escalator. These are important as we look into projections for the future.

The state mandates PSERS employer rate continues to go up and we have projected all the way through to 2022-2023 at a rate of 35.7%. The fact that there have not been numerous tax increases throughout the years is remarkable.

In 2012-2013 our total expenditures in PSERS was \$3.3 million dollars, in 2018-2019, we're looking at \$10.7 million dollars. That is a significant increase in just the PSERS aspect and that does not include any other cost increases that we incur just to continue with our educational programming.

Revenues are increasing at 4.6%, expenses are increasing by about 9.5 % as we look at them today. Again the team will be doing their due diligence to decrease our cost as well as to increase our revenues. Salaries are increasing by about 4.9%, benefits by 11.6% and many of these increases are due to additional external placement of students, higher utility costs and a reorganization of the chart of accounts. These are all being investigated very carefully. With no tax increase we're looking at a budget outcome of a deficit of \$4.1 million, without exceptions \$3.1 million and with exceptions \$3 million. That is a sizable deficit, but we do have some ideas on how we can get that to a more balanced perspective.

Total Regular Education is up 6.2% and Special Ed is up 20.6%, mostly due to outside placements that are very costly. All of these categories are going to be under focus to see how we can trim some of these expenses.

If we look at the budget from 17/18 and we look our expenditure budget for 18/19, what are some of the key components? We've had some staff additions and reductions, that explains about \$251,000 of that increase. We've had educational programming and enabling technology requests, that's about \$1.7 million, for things such as laptops and chrome books and curriculum materials. Salary and benefit costs increases, that's about \$3.3 million dollars, total business and operational is about \$638,000. That's utilities, new vehicles, vehicle replacements, so the total increase is about \$5.9 million dollars in these key component areas.

We also wanted to share some of our reserves. This is from June 30, 2017. We have a number of specific funds and within those funds are various reserves. The general fund has a reserve called the budget deficit and it could be used for a budget deficit for PSERS and other benefit increases, that's about \$570,000. The Capital Reserve, we have two large reserves there, \$2.7 million dollars for capital improvements for our buildings and about \$1.9 for our vehicle replacements and then we also have a Risk Management Fund that has about \$1.4 million dollars that could also be used for other purposes based upon the board's actions. This gives you a perspective that there is quite a bit of financial flexibility in some of these other funds that would have to be discussed with the board.

Based upon the information we know today, with no tax increase there is a loss of \$4.1 million dollars. What would we need to do as far as cutting staff in order to be able to balance the budget in 18/19? To balance the budget we would have to have a reduction of 43 professional positions and 18 support positions. If we look at the Act 1 increase, the number in staff reductions would be 33 professional positions and 14 support positions. The last is if we do approve the millage increase to 17.0737, we're looking at 32 professional positions and 13 support positions. That assumes that we do nothing else about reducing our costs or looking for other opportunities on revenues. That is not what we're advocating, what we're advocating is coming up with ways on which we can get to a balanced budget.

Our next steps are to continue our due diligence for all accounts, revenues and expenses through the June adoption date. Develop scenarios to balance the 2018-19 budget including the use of reserves if we need to with the proposed final budget review and adoption at the May 22nd Board Meeting and the final budget adoption at the June 26th Board Meeting.

Motion to approve item 7.7 listed above.
MOVED by Mr. Kearney, seconded by Mr. Choura.
On a voice vote, the motion passed unanimously.

Motion to approve item 7.15 listed above.
MOVED by Mr. Kuczinski, seconded by Mr. Choura.
On a roll call vote the motion passes with a vote of 5 in favor and 2 abstentions.

8.0 Action/Discussion

None

9.0 Public Comments

None

10.0 Adjournment

Motion to adjourn the meeting at 7:23 p.m.
MOVED by Mr. Choura, seconded by Mr. Kearney.
On a voice vote, the motion passed unanimously.

Respectfully submitted,

Deborah Wiseman
Acting Board Secretary.