

**MARPLE NEWTOWN SCHOOL DISTRICT  
BUDGET & FINANCE COMMITTEE MEETING  
TUESDAY, NOVEMBER 13, 2012  
BOARD ROOM MINUTES**

**PRESENT:** **Committee:** Mr. Fred Dewey (6:35) Mrs. Kathryn Chandless (6:45)

**Board:** Mr. David McGinley, Mrs. Jamie Mariano, Mrs. Nancy Galbraith

**Administration:** Dr. Merle Horowitz, Dr. Connie Bompadre, Mr. Joseph Driscoll, Mr. Michael Dumin,

**Press:** 0

**Audience:** 14

**1. Call to Order:**

Mr. McGinley called the meeting to order at 6:30 PM and lead the Pledge of Allegiance.

**2. Approval of the minutes from the October 9, 2012:**

Mr. McGinley asked that the minutes be approved as presented. With no discussion the minutes were approved.

**3. Bills for Payment:**

Mr. McGinley asked to take to the full Board for approval a motion for:

Motion:

- a. To take to the full Board for approval the General Fund.
- b. To authorize the Business Administrator, with approval of the Superintendent, to release checks for payments during the month of December as needed.

Will take to the full Board for approval

**4. Financial Reports**

Mr. McGinley asked to take to the full Board for approval a motion for:

Motion:

- a. To approve the Financial Reports for September. Informational for October, 2012. Treasurer's report for September 2012.

- b. To approve the June 30, 2012 Audit report as presented by Major and Mastro, LLC.

Mr. Driscoll explained that there is draft audit report for year end June 30, 2012. Representatives from Major and Mastro gave a brief presentation, audit as of June 30<sup>th</sup>, 2012. Audit done by auditing standards for the United States of America. Test transactions; do not look at every transaction. The District received the best opinion that it could receive. The representative gave information regarding the Districts financial position, assets and debt. Also reviewed the statement of activities, fund level statements, fund balance, capital projects, enough in fund balance to last about 2 months. You can budget up to 8%. Would not like to see the balance too much lower than it is right now. There was 1.2 million dollars in excess this year. Also explained Food Service expense and revenue. There was a positive change in assets this year. Explained the variance, a positive variance for the year. Explained the spending of the Federal revenue. Tested IDA program for this. There were no findings or questions on cost this year. They feel that the control and having several people involved in each transaction is very well handled. Major and Mastro audit 8 other districts

- c. Informational ~ Early Warning System – School District Financial Survey.

Mr. Driscoll explained that this is addition to the Audit Report. It is a 100 page report that is required. There is an additional 1 page report which is an early warning signal for Districts that may be distressed.

Will take to the full Board for approval

## **5. Advertising**

Mr. Dewey asked for a motion to take to the full Board for approval

Motion:

- a. To approve the placement of advertising next to the scoreboard in the High School Gymnasium as presented

Mr. Driscoll gave a brief explanation of this motion. It will be B & E Sportswear. This is a 12 month time period and pricing structure could change

Will take to the full Board for approval

## **6. Policy**

Mr. Dewey asked for a motion to take to the full Board for approval

Motion:

- a. To approved Policy 610 Purchases Subject to Bidding/Quotation based on recent changes in State law  
Mr. Driscoll explained that PSBA draft policy is attached to review, the amount of the bid was \$10,000. and now is \$18,500. This was to save Districts money, every year the number should increase, the formal bid process can get very expensive.

Will take to the full Board for approval

### **7. School Bus Buyback/Lease program**

Mr. Driscoll explained that has been talked about for several months. Trying to find a more cost effective way and savings without services changing. Have found a true leasing program that we save us some funds. Will be targeting January to bring to the Board. Keeping the buses a little longer, in house maintenance of the fleet, will have to beef up supplies, but the savings out ways the cost of these supplies. When you lease equipment you do not have to go out for a formal bid process. More of a RFP process. We now hold for 2 years, will hold for maybe 3, 4 years old. Will never have a bus over 4 years old on the road

### **8. 2013-2014 Budget Process**

Mr. Driscoll explained the following:

- Not presenting the budget right now, only giving the process
- Act One index is 1.7% ~ most the District can raise taxes ~ only exception that will be able to use is the Retirement.
- Doing 4 budgets ~ gave the timelines
- Not sure yet what the Health Insurance is going to be yet
- No decisions tonight, come January will be talking more about what direction we want to go, hoping to have more information
- Still saying that the revenue will be flat
- Won't know state money yet, should know until February
- We are not depending on State funding
- 96.5% collection rate, still solid
- Interest rates have really affected our budget
- Housing sales are very low as well
- Revenue at this time is stable.
- We continue with collective bargaining and what impact will be in future years.
- Retirement rate 12.36% to 16.75%. Act 20 has leveled this rate out. Can't go up higher than 4.5%
- Revenue may not look flat, but it is in fact flat. This part of the budget gets refined
- Homestead money will not be known until April.
- Started to get the Principals more involved. Bring more efficiency ideas from their buildings. Gave them some targets to achieve. Still a work in progress.
- January will be the time that we will have better numbers.

- Question on benefits ~ most is 90% District and 10% employee

A lengthy discussion took place regarding bringing back programs. Also discussed was what the tax increase has been in the past couple of years. Last year was a 0% increase because of the high increases in the years prior. For some of the Board members the goal is 0% increase. The discussion also included what has been cancelled (programs), not the physical things such as the High School and the Admin building. The concern is the programs that have been cut. How the class sizes have changed. Mr. Dewey moved this discussion to Public Comment section.

## **9. New or Additional Business**

None

## **10. Public Comment**

Dana Kauffman ~ 1.7 is salary and inflation. Concerned that the Insurance will not give back the revenue that is needed. Concerned about the scores when programs were taken away such as Math intervention. The facilities look wonderful and upset that past Boards did not take the time to do this. We need to educate the students in order to bring the scores up. Why would you look into Elementary Instrumental when you just spent all that money on the auditorium?

Mike (last name unknown) Wanted to discuss the scores and the capital improvements. Where is the return.

Leann Cory ~ respect and understand that the Board wants to keep taxes low, but if the scores continue to decline, then people will not want to move into the District. If we need to raise taxes than that will have to be the case.

Renee O'Donnell ~ commented that if we do not bring our scores up that we have great deal of completion of private schools.

A discussion continued, would the parents in the audience would be willing to pay a surcharge. That the parents that have students in the schools pay the surcharge and those that do not their taxes would stay the same.

Kathleen McGee asked what areas have been looked at. Dr. Horowitz stated that she was asked to look into Library Media and Elementary Instrumental.

The discussion continue, a lot of which could not be understood because the mic's were not used.

## **11. Adjournment:**

The meeting was adjourned at 7:50PM