

**MARPLE NEWTOWN SCHOOL DISTRICT  
BUDGET & FINANCE COMMITTEE MEETING  
TUESDAY, JANUARY 8, 2013  
BOARD ROOM MINUTES**

**PRESENT:** **Committee:** Mr. Robert Sack, Mr. Jim Lanzalotto, Mrs. Jamie Mariano

**Board:** Mr. Fred Dewey

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

**Press:** 1

**Audience:** 30

**1. Call to Order:**

Mr. Sack called the meeting to order at 6:32 PM and led the Pledge of Allegiance.

Mr. Sack asked if there were any Additions to the Agenda ~ there were none.

**2. Approval of the minutes from the November 13, 2012:**

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

**3. Bills for Payment:**

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

Motion:

- a. To take to the full Board for approval the General Fund, Capital Fund, Capital Reserve, and Food Service.

Will take to the full Board for approval

**4. Financial Reports**

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

Motion:

- a. To approve the Financial Reports for October and November. Informational for December, 2012. Treasurer's report for October and November 2012, Budget Transfers.

Will take to the full Board for approval

## 5. Preliminary Budget Adoption

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

Motion:

- a. To adopt the 2013-2014 Preliminary Budget Proposal, pursuant to Act 2 of 2006 as presented. The board authorizes and directs the Administration to pursue any referendum exceptions available under Act 1

Mr. Driscoll explained that this is the very first look at the budget. After these discussions today the next vote will be January 22<sup>nd</sup>. This is for public inspection. February 12<sup>th</sup> is another vote to adopt the Preliminary Budget. This is a work in process. He presented the following:

- Based on what we know now.
- Most of the Revenue items are flat
- Get tax duplicates from the County to use as official guideline
- We enter in the assessed value
- We do not project for growth
- We have a collectable rate. About 96.5%
- Mills are done by the County
- There are 12,000, some are under assessed
- State is trying to strip the School District appeals
- There are no appeal as of yet ~ will keep an eye on this
- Appeals are an on going struggle
- Slight reduction in Federal sources ~ Federal funds not set until July
- Fiscal cliff was going to hurt our sources ~ not sure if we will be hurt by this
- State share of Retirement ~ we pay 1/2 of this cost
- Local revenue is 84%
- Interest, delinquent, and transfer taxes
- 2500 accounts that make up the budget
- Salary and benefits make up the biggest portion
- Retirement increase is the most
- Debt service
- Retirements have definitely helped us
- Data base that can benchmark for districts in our area
- Teachers and Administrators pay 10% and Support 5% of the cost of benefits
- 53% is direct classroom instruction
- 2<sup>nd</sup> largest is support services, legal, tax collection, nursing
- \$95 million dollars in debt, we continue to payoff and our debt is fair
- Very difficult for district to borrow at this time
- Budgetary reserve ~ did not budget an increase.
- Approved private schools ~ the state withholds this money
- Charter schools we spent over \$500,000 last year

- Cyber Charter \$11,000 regular education student, \$31,000 for special education student
- Spending less on Special Education because we have brought the programs back to the district.
- First look at medical is 14.28% increase. Based on actual, took out reserve ~ hoping that this will go down.
- This budget gets the clock going. We have to apply for exceptions. This budget can not go up, it can only go down. Based on this budget we would have to go out to referendum.
- PSERS 4% increase. This is a number that is given to us, not our choice
- Major cost drivers, salaries and benefits
- Apply for exceptions in March, will tell us how much money we really have
- Right now \$70.6 million dollar budget
- 3.75% tax increase, can not do that
- Exceptions, plus index, 2.9% tax increase
- \$450,000. short fall
- Don't know yet what our State or Federal subsidy will be
- Governor's budget not out till February
- Some contract coming up, biggest one settled, bigger impact on year 2,
- 16.93% retirement rate. Was 12.36% last year. The Law has capped it at 4%
- Have to close the gap. Hopefully medical will come in less, maybe more retirements, bus program
- Key dates, Approve January 22<sup>nd</sup>, Adopt 2/12 (Preliminary)
- There are no cuts in this budget

A lengthy discussion took place with the public, could not hear because mic's were not used, only could hear Mr. Driscoll's response.

Will take to the full Board for approval

## **6. Policy**

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

Motion:

- a. To accept \$7,412.00 from Culbertson PTO for Teacher Venture Grants. To accept \$8,000.00 from Loomis Elementary PTO for two Smart Boards and other Technology.

Will take to the full Board for approval

## **7. Taxpayer Request for Abatement of Penalty**

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

Motion:

- a. Folio 25-00-01253-68      \$407.80
- b. Folio 30-00-02880-00      \$559.65
- c. Folio 30-00-01721-81      \$628.40

Will take to the full Board for approval

### **8. Banking Services ~ Update**

Mr. Driscoll explained the following:

- Not happy with the fees
- May switch back to the old bank
- Trying to set up a meeting with the Bank

### **9. Sprint Nextel Contract**

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

Motion:

- a. To approve the settlement agreement with Nextel Communications as reviewed by the Solicitor

Will take to the full Board for approval

### **10. Policy**

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

Motion:

- a. To approve policy 610 Purchases Subject to Bidding/Quotation based on recent changes in State law, second and final reading
- b. Policy 707.1 ~ District Facilities Advertising, first reading

Will take to the full Board for approval

### **11. Bus Leasing Proposal**

Mr. Driscoll explained

- We can start saving some money
- We won't have to front funds any longer
- Current provider is not best proposal
- Want to review it more
- Could save \$165,000 annually
- Could replace the vans
- Could increase repair budget
- Reduce \$100,000 out of budget
- Working on Fuel economy
- This company deals with three other school districts
- Feel very comfortable with this company

- 2 companies rates fixed for 4 years
- Will make recommendations at the January meeting

**12. New Business**

None

**13. Public Comment**

None

**14. Adjournment**

The meeting was adjourned at 8:00PM