

November 20, 2019

SCRANTON, PENNSYLVANIA

The Scranton School Board of Directors held a Special Meeting to approve the Proposed 2020 Final Budget and for General Purposes on Wednesday, November 20, 2019 at 6:00pm prevailing time in the Boardroom of the Administration Building, 425 N. Washington Ave., Scranton, PA.

Vice President Greg Popil called the meeting to order at 6:08pm with a Pledge of Allegiance to the Flag.

Roll Call: By the Secretary.

Present: Directors Gilmartin, McAndrew, Norton, Popil and Schuster.

Absent: Directors Borthwick, Dixon, Duffy and Lesh.

Director Popil announced the purpose of the meeting and opened the floor for Public Comment.

Holly Meade, Northeast Intermediate teacher, expressed concern over the loss of teachers in the district, especially special education teachers, leaving the district for other school districts. Mrs. Meade also spoke of paraprofessional low wages.

Kevin Kays, teacher and SFT, asked if there is an audit for the 2018 year and wonders if it has been considered bidding that service out. Mr. Pat Laffey addressed and the auditing services are up for bid.

Mr. Kay's reminded the board that revenues have increased while teachers' salaries have not and are at an all time low and are underappreciated. Mr. Kay's further added the expenditures of the increased transportation costs.

Ro Hume, resident and incoming board member spoke of basic education funding and the increase of cost to education children.

Mr. Pat Laffey now reviewed the budget documents provided to the board.
<..\..\Documents\Proposed Version of Final 2020 General Fund Budget 11.20.19.pdf>
<..\..\Documents\2020 Sandbox General Fund Budget 11.20.19.pdf>

Mr. Laffey also noted that the auditing services are out for bid this year.

Director Schuster asked why revenue for School Age Mothers is down.

Mrs. Melissa McTiernan responded that the amount is based off of the number of kids in the program.

Director Schuster asked what the percentage of the budget is salary and has it changed since last year.

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Mr. Pat Laffey said 71% of the budget is related to salary and benefits and it is always in and around that same amount. Mr. Laffey added that they included vacant positions, which includes salary and benefits of the Director of Operation and the Assistant Business Manager and charter costs have increased.

Mr. Laffey noted as for Transportation, they anticipate dual runs with the van services in January and may be able to dedicate half of the fleet to doing dual runs.

Director Schuster asked if we are doing dual runs now.

Mr. Laffey said it would be for 1/3 of the year so the savings wouldn't be realized until next year's budget when we see a full year of that savings.

Mr. Laffey spoke of the elementary and secondary school budgets and has been working with Paul Dougherty and Ann Grebeck and hopefully will bring some recommendations to the board soon as to where they may be able to scale back.

Director Schuster asked how accurate they think this deficit is.

Mr. Laffey said he thinks it is pretty accurate as we sit here tonight, there is potential to peel it back a little more taking a harder look at some of the benefits, salaries and bigger target items.

Mr. Laffey continued that even with some of the revenue, he hopes there are some enhancements and he wants to discuss more with the Single Tax Office.

Director Gilmartin asked if they know anymore about the next steps in the process regarding the Business Mercantile Tax, if it is part of the budget or is it a separate resolution.

Solicitor Audi said they attended a meeting with the City of Scranton and the City first has to pass a resolution but because they have some conflicting laws they have to go to court to see a special permission regarding different taxes in one year so they are preparing for that and in the meantime he has requested that they outline a plan that is in writing so that we know because while we have a different process, we probably have to end up at the same place at the same time so as we speak tonight, they are looking to seek court approval and draft an ordinance.

Director McAndrew said it is his understanding it would be a phase-in process.

Mr. Audi said yes and no; there will be a phase in and we have to determine how that will impact the school district also because we don't want to have a period where we're not collecting a tax so it's pretty complicated.

Director Schuster asked if we know where the City is at right now with it.

Mr. Audi said he did not but Mr. Bulzoni has the statistics on that which he can get for the board but he does not have the number off the top of his head.

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Director McAndrew asked where the Career Technology Center PlanCon is plugged into the budget.

Mr. Laffey said it is in the revenue side, the PlanCon reimbursement.

Director Gilmartin returned back to the tax conversion and asked if any concerns have been raised.

Mr. Laffey said some concerns were about the rate and how it would affect individual businesses and again it is set to be revenue neutral, hopefully to expand the tax to a broader base.

Director Gilmartin noted that the broader base people are the ones raising those concerns and does he feel there is potential to have a negative impact or area of frustration as a normal part of this process.

Mr. Laffey said there were a few people that had questions and it was explained that the city council and the school board both have public sessions for public comment.

The following was now submitted by Director Popil.

B-1

WHEREAS, The Public School Code of 1949, as amended, requires the formation and approval of the Proposed Version of the Final Budget; and

WHEREAS, The obligation for the approval of the above is placed upon The School Board based upon information and exchanged between the Administration and the School Board; and

WHEREAS, The Board of Directors of the School District of the City of Scranton is hereby in position to carry out its legal obligation; and

NOW, THEREFORE BE IT RESOLVED, that the Proposed Version of the Final Budget, as attached, for the year 2020, is hereby introduced for consideration by the Scranton School Board in order that same, or any amendments thereto, may be approved in accordance with law.

BE IT FURTHER RESOLVED: That copies of the Proposed Version of the Final Budget, as adopted, be made available for public inspection through the Office of the Secretary of the School Board and the Board of School Directors said officer shall advertise the action hereby taken in accordance with law, and be subjected to approval of all documentation by the District Solicitor.

The resolution was seconded by Director Schuster and passed unanimously on roll call.

ALSO

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The following was submitted by Director Popil.

B-2

Whereas, there will be a Capital Working deficit in the beginning of the year 2020; and

Whereas, it is necessary to borrow funds to meet said deficit in the first part of the year 2020 until revenues are generated; and

Whereas, it is the desire of the Board to borrow said funds through the use of Tax Anticipation Notes; and

Whereas, it is the desire of the Board of Directors to seek bids from local lending institutions for the First Tax Anticipation Note for the Year 2020; and

Now, therefore be it ratified and resolved as follows:

The Business Office of the Scranton School District is authorized to advertise for bids from local lending institutions in the Scranton Area for the First Tax Anticipation Note for the Year 2020.

The resolution was seconded by Director Schuster and passed unanimously on roll call.

Director Popil now commented on prior audits regarding Transportation and the reason Scranton School District doesn't get the reimbursement they should is because of the antiquated formula and mileage; the urban districts get ripped off and it is an inequity in the way of the funding is formulated.

Mr. Popil further added we are being tremendously underfunded \$30 million dollars a year by the state of Pennsylvania that we are entitled to and should be getting; we receive \$4,400 per student when other districts receive over \$9,000 per student, it's unfair and our students are being failed.

A motion to adjourn was made by Director McAndrew, seconded by Director Schuster and the meeting adjourned at 6:56pm.

By: _____