

# The Board Report

*Monday, April 29, 2024*



**Disclaimer:** The Board Report is a synopsis of the Hampton Township School Board meetings and is not intended as a replacement for any official Board minutes.

# *~ A Tradition of Excellence ~*

## **The Hampton Township Board of School Directors**

|                             |   |
|-----------------------------|---|
| <b>Mrs. Jill Hamlin</b>     | <b>Board President</b>                                  |
| <b>Mr. Matt Jarrell</b>     | <b>Board Vice President/Student Affairs Chair</b>       |
| <b>Ms. Denise Balason</b>   | <b>Board Secretary/Personnel Chair</b>                  |
| <b>Mrs. Jenny Kennedy</b>   | <b>Transportation Chair</b>                             |
| <b>Mrs. Joy Midgley</b>     | <b>Facilities Chair</b>                                 |
| <b>Mrs. Maureen Perkins</b> | <b>Educational Programs Chair</b>                       |
| <b>Mr. Robert Shages*</b>   | <b>Treasurer/Policy &amp; Legislative Affairs Chair</b> |
| <b>Mr. Greg Stein</b>       | <b>Technology Chair</b>                                 |
| <b>Mr. Larry Vasko</b>      | <b>Finance Chair</b>                                    |

*This Hampton Township School Board Meeting was held in the Hampton Middle School Library. The meeting was held in person and audio/video recorded so that community members could view it after the meeting concluded.*

## **Members of Administration in Attendance**

|                               |  |
|-------------------------------|--|
| <b>Dr. Michael Loughead</b>   | <b>Superintendent of Schools</b>           |
| <b>Dr. Rebecca Cunningham</b> | <b>Assistant Superintendent of Schools</b> |
| <b>Dr. Jackie Removcik</b>    | <b>Assistant to the Superintendent</b>     |
| <b>Dr. Ed McKaveney</b>       | <b>Director of Technology</b>              |
| <b>Mr. Jeff Kline</b>         | <b>Director of Administrative Services</b> |

*\* absent*

*\*\* attended remotely*

**April 29, 2024**  
Special Budget Meeting

A video recording of the meeting can be viewed [here](#). The time within the video that each section begins is indicated below.

**Student Awards**

(4:32)

Mrs. Hamlin announced that Student Award recognition would take place prior to the Special Budget meeting.

Mr. Jarrell said the Board is excited to congratulate the following members of the Hampton's Unified Bocce Team for winning the Allegheny North Championship: Molly Bernett, Alivia Butler, Aiden Hanna, Doug Hannan, Dominic Johanson, Danny Kenst, Aidan Kimmell, Nicole Lichtenfels, Sydney Loebig, Morgan Lowther, Christian Rihn, Tyler Schmitt, Adanna Smith, Brady Smith, Justine Sullivan, and Ryan Winter. Mr. Jarrell also thanked Coach Larson for making this a successful and fun-filled season.

On behalf of the Board, Mr. Jarrell also recognized and congratulated the following teams and individuals:

- The Girls Swimming team on winning the 2A Section 3 Championship:

|                  |                  |
|------------------|------------------|
| Meghan Armstrong | Mackenzie Jones  |
| Sara Baginski    | Daniela Khoury   |
| Reagan Belau     | Lexus Nastase    |
| Madison Bruce    | Reed Perry       |
| Carly Colonna    | Autumn Ricketts  |
| Maya Daugherty   | Alaina Sheets    |
| Gabriella Elk    | Elizabeth Sheets |
| Kevyn Fish       | Sophie Shelkey   |
| Giada Grimm      | Sofia Welsh      |

- Gabriela Elk who won the WPIAL AA Diving Championship and placed second at States.
- Lainey Sheets who won first place for both the 100 Backstroke and 200 Individual Medley at WPIALS and broke the school record. Lainey also won 2nd place for the 200 Individual Medley and 3rd place for the 100 Backstroke at States.
- Libby Sheets who placed 7th in the 200 Individual Medley and 5th in the 100 Backstroke at WPIALS.
- The girls' 200 Medley Relay team of Libby Sheets, Maya Daugherty, Lainey Sheets, and Kevyn Fish placed 4th for WPIALS and broke the school record and placed 7th at States.

- Boys Swimming team:
  - Christopher Belch who placed 5th in the 100 Fly and 6th in the 100 Backstroke at States.
  - Zach Sutterlin who placed 7th at WPIALs for the 100 Breaststroke.
  - The boys' 200 Medley Relay team of Christopher Belch, Zachary Sutterlin, Connor Sutterlin, and Scott Watkins who placed 3rd at WPIALs and 5th at States.
  - The boys' 400 Free Relay team of Christopher Belch, Zachary Sutterlin, Connor Sutterlin, and Scott Watkins who placed 7th at WPIALs.
- Hampton wrestler, Isabella McNutt, who made history by winning the 112 pound title and became the first female wrestler in school history to capture a WPIAL championship.
- The following wrestlers for medalizing at WPIALs:
  - Dustin Kerr who placed 5th
  - Alan Danner who placed 7th
- Gymnast Ella Lattimore who placed 8th overall at the WPIAL Gymnastic Championships. Ella placed 3rd on Balance Beam, and placed 5th on Bars.
- The Boys' Basketball Team for being 4A Section 1 Champions and qualifying for the WPIAL Tournament. They were the WPIAL Runners Up and made it to the Final Four in the PIAA State Tournament:
 

|                  |                   |
|------------------|-------------------|
| Brady Andrews    | Griffin Jarrell   |
| Brock Borgo      | Peter Kramer      |
| Andrew Butler    | Liam Mignogna     |
| Luke Claus       | Alex Nyilas       |
| Robert Coll      | A.J. Prodente     |
| Jonas Cupps      | Hunter Richardson |
| Zach Danner      | Luca Romero-Lauro |
| Brandon Grossman | Mike Solomon      |
| Gavin Guinn      |                   |
- The following received individual accolades:
  - Liam Mignogna recorded his 1000th point in the PIAA semifinals.
  - Peter Kramer was selected to First Team All-Section, and was named to the Post Gazette Feb 5, which goes to the best five players in the WPIAL, regardless of classification. He was also named to the TribLive HSSN Boys Basketball All-Stars, also known as TribLive Terrific Ten.
  - Coach Joe Lafko was selected as KDKA's 4A Coach of the Year.

## Special Budget Meeting

(24:38)

Mrs. Hamlin opened the Special Budget Meeting. There were no public comments this evening. Mr. Kline presented an overview of the 2024-2025 Preliminary Budget #1.

## **2024-2025 Projected Revenues**

Mr. Kline presented the 2024-2025 projected revenues of \$62,228,548, with 72.1% sourced from local funding, 27.0% from state funding, 0.4% from federal funding, and 0.5% from other sources. Mr. Kline noted that the District historically has been heavily reliant on local funding, with real estate tax collection accounting for 61% of total revenue.

Dr. Loughead said that many years ago, the state took half the responsibility for funding school districts and the other half came from local sources. However, the balance has shifted over the past 20 years, with school districts shouldering the lion's share. Dr. Loughead also noted that Hampton receives minimal federal funding and that the District has been advocating to its local legislators for increased state funding.

## **Net Value of a Mill**

Mr. Kline showed a graph of the District's 10-year history of the net value of a mill. He said that one mill brings in \$1.696 million for the District. He noted that the graph shows the net value of a mill leveling out, after previously growing by approximately 1% each year. This is attributed to a decrease in the Common Level Ratio (CLR) for Allegheny County, meaning that assessed property values are lower. Mr. Kline noted that Hampton is fortunate to not have a lot of commercial property, which tends to see larger value decreases. The District has included a \$3 million assessment reduction contingency in the budget for potential property tax appeals, with an additional \$75,000 to refund prior year assessment decreases.

## **2024-2025 Projected Expenses**

Mr. Kline presented the 2024-2025 projected expenses of \$64,424,803, with 57.4% going to instruction, 30.85% to support services, 2.3% to non instructional services, and 9.5% to financing uses.

Mr. Kline reported that 87.5% of the District's 2024-2025 budgeted expenses go to salaries (46.2%), benefits (26.3%), debt (8.8%), transportation (4.6%) and utilities (1.6%).

Mr. Vasko noted that 35% of the salaries goes towards PSERS contributions, which is state-mandated. Mr. Kline also noted the District is reimbursed for half its PSERS and FICA contributions with state subsidies.

Mrs. Hamlin asked if the 8.8% debt service expense is typical for school districts. Mr. Kline said Hampton has historically budgeted between 8-10% for debt service, which is under the legal debt margin.

## **Family Medical Premiums 5-Year History**

Mr. Kline presented a graph of the District's 5-year history for family medical premiums. In 2024-2025, the medical premium is \$2,319. Mr. Kline noted that the District went 10-12 years with very minimal annual increases.

## **PSERS History and Future Projections**

Mr. Kline presented a graph of the District's PSERS contribution going back to 2010-2011 and projected future costs. The PSERS contribution rate for school districts has increased significantly from 5.6% in 2010-2011 to 33.9% currently. That translates to a net increase of \$4.2 million to the District's budget.

Dr. Loughead said that the increase of PSERS contributions is attributed to a planned decision by the state to shift responsibility for teacher pensions to local school districts. He noted that while the PSERS contribution increase has leveled off, the high rate will stay around for a long time. He said this puts a strain on school districts like Hampton that do not have a lot of commercial real estate to offset high costs.

Mr. Vasko noted that the 2010-2011 rate of 5.6% was a low number, and that if it were higher at the time, the rates may not have increased so significantly.

## **Allegheny County School Millage Rates**

Mr. Kline displayed a chart comparing Hampton's millage rate to school districts in Allegheny County. Hampton had the 14th lowest millage rate (21.85 mills) in the county in 2023-2024, with 28 school districts having a higher millage rate and 13 having a lower millage rate.

Dr. Loughead discussed the large loss of commercial real estate taxes for some county school districts due to the new CLR appeals. He noted that Hampton has been experiencing fewer challenges than school districts with more commercial real estate.

## **Act 1 Index and District Millage History**

Mr. Kline displayed a chart highlighting the 10-year history of the Act 1 index and Hampton's actual real estate tax increase. The chart also showed the number of Act 1 mills not levied for each year and the cumulative number over the past 10 years. Mr. Kline said that any unused allowance from the Act 1 index cannot be carried forward to future years.

Mr. Kline emphasized that Hampton has historically prioritized keeping taxes as low as possible while budgeting only for absolute needs. However, he noted that for planning purposes related to Phase II of the high school renovation project, the District needs to consider using the full allowable increase in future years to cover debt service and potential bonds. The District has budgeted \$400,000 for a potential Phase II bond issue that would cover the debt service for a roughly \$10 million bond, if issued in late 2024 or early 2025.

Mr. Stein pointed out that inflation has been steadily increasing over the past 10 years, which is reflected in the rising Act 1 index. Dr. Loughead expressed concern over proposed changes to the state's basic aid subsidy for schools, in which Hampton would only receive a 2% increase. He said that Hampton should not be penalized for being conservative with tax increases in the past, only raising taxes when necessary and staying below the Act 1 index. He emphasized the need for state aid to address inflation and healthcare costs.

## **Estimated Fund Balance as of June 30, 2024**

Mr. Kline presented the District's estimated fund balance as of June 30, 2024, which projects an operating deficit of approximately \$204,000 compared to the budgeted amount of \$400,000. Mr. Kline indicated that the District is trending slightly better than expected. The projected unassigned fund balance as of June 30, 2024, is just over \$4.1 million, which is 6.36% of the total 2024-2025 preliminary budget.

Mr. Vasko pointed out the District's decreasing percentage of fund balance compared to the total revenue, dropping from 13% in 2008 to 6.36% in 2023. He suggested raising taxes to the Act 1 index in an effort to increase the fund balance. Dr. Loughead noted that the District continues to find budget efficiencies and suggested utilizing the stabilization fund strategically to prevent further depletion.

Mr. Jarrell emphasized that the District took a financial hit during the pandemic and that the District raised taxes to the Act 1 index 4 out of the past 5 years. He also noted that Hampton does not have a lot of commercial real estate that would generate additional revenue to fund projects such as the high school renovation project.

## **2024-2025 Budget Summary**

Mr. Kline said the Board will need to consider the approval of the 2024-2025 proposed final budget on May 6th to allow 30 days before approving the Proposed Final Budget and Final Budget. The budget deficit is \$2,196,255 at the current millage rate of 21.85 mills. Appropriating \$300,000 from the stabilization fund, the net shortfall is \$1,896,255. The proposed millage rate increase of 5.1% (1.11 mills) would offset the net shortfall.

Dr. Loughead noted that there have been no enrollment changes since the last Board meeting. He said the District will relocate a teacher from Wyland Elementary to Poff Elementary due to enrollment changes, and that a teaching position is being consolidated at the high school level. Dr. Loughead also noted that the District has two long-term substitute teacher contingencies in the budget. The District plans on studying the high school's Mandarin program next year to assess if the program will be continued.

## **Significant Budget Items and Millage Impact**

Mr. Kline presented significant budget items and their millage impact on the 2024-2025 budget:

### Revenues

- Increase in basic & special education subsidy of \$286,343.
- Increase in earned income tax revenue of \$275,000, a 5.79% increase from the previous year.
- Increase in real estate tax collection of \$100,000 (at the existing millage rate of 21.85 mills).

### Expenditures

- District-wide salary increases of \$1.092 million, a 3.78% increase from the previous year.
- Consolidation of a high school English instructional position through attrition resulting in \$110,000 savings for the District.

- Health insurance rate increase of 9% or \$540,982.
- Increase in debt service (including \$400,000 for a potential \$10 million bond issue) of \$379,546.
- PSERS benefit increase (net of state reimbursement) of \$148,877, an increase of 3.15% from the previous year.
- Increase in capital projects transfer of \$74,874. Mr. Kline said this largely for purchasing an HVAC van.
- Increase in student transportation of \$66,771.
- Decrease in the utilities budget of \$55,000 thanks to a lower rate for electricity.

#### Other

- Decrease in PSERS stabilization fund allocation of \$100,000. Last year's allocation was \$400,000 compared to \$300,000 this year.
- All other line items are a net increase of \$136,145.

Mr. Vasko also discussed the possibility of increasing property tax relief for qualifying senior citizen homeowners in the Senior Citizen Property Tax Relief Program. The 2023-2024 program was updated to include the adjusted income of up to \$30,000, offering a property tax relief of up to \$440. The District has included \$10,000 to fund this program in the 2024-2025 budget. Mr. Vasko suggested increasing the property tax relief and raising the adjusted income level since the District rarely expends the full \$10,000. Mr. Kline noted that the District typically receives roughly 25-30 applications. Dr. Loughead said the District will study Mr. Vasko's suggestion and make a recommendation.

Additionally, Dr. Loughead announced that during the May 6th Work Session, the Board will hear a presentation on Phase II of the high school renovation project. The presentation will include a history of the high school renovation project from its proposal in 2018 to the academic redesign of the building, as well as financing discussions for Phase II. Presenters will include Dr. Marguerite Imbarlina, HHS Principal, DRAW Collective, and PJ Dick. The District will also vote on the 2024-2025 Proposed Final Budget on May 6th. Dr. Loughead noted that approval of Phase II would be a separate vote from the budget.

## **Adjournment**

(1:55:35)

Mrs. Hamlin motioned to adjourn the meeting.