

**MARPLE NEWTOWN SCHOOL DISTRICT  
SPECIAL MEETING  
TUESDAY, JUNE 12, 2007  
BOARD ROOM  
MINUTES**

**PRESENT:**            **Board:** President Carol DeLuca, Vice President Robert Moldoff, Mr. Richard Carpenter, Mrs. Nancy Galbraith, Mr. David McGinley, Mr. Edward Partridge, Dr. Jeffrey Shapiro, Mr. Won Shin and Mr. Richard Sokorai

**Solicitor:** Mr. Mark Sereni, Esquire

**Administration:** Mrs. Merle Horowitz, Dr. Connie Bompadre, Mr. Stanley Piecara, Mr. Lance Freeman, Mr. Michael Dumin, Mrs. Karen McGinnis, Mr. Joseph Violanti and Mr. Joseph Driscoll

**Press:** 1

**Audience:** 7

**1. CALL MEETING TO ORDER and 2. PLEDGE OF ALLEGIANCE**

Ms. DeLuca opened the meeting at 7:05pm, welcomed all in attendance and led in the Pledge of Allegiance.

**3. ROLL CALL**

Mr. Driscoll stated that all Board members are present.

Ms. DeLuca stated that prior to this meeting, the Board meet in Executive Session to discuss legal and personnel items.

**4. APPROVAL OF THE AGENDA**

Mr. Shin made a motion and seconded by Mr. McGinley to accept the agenda, as presented.

Dr. Shapiro stated that he would like to amend item 7.01 to reflect a salary of \$92,000.

Ms. DeLuca called for a voice vote. All present voted affirmatively. Motion carried 9-0.

**5. PUBLIC COMMENTS (Agenda Items Only)**

Brad Daggy of Broomall stated that he is representing Friends of Marple Newtown School District. Over the past several years there have been several attempts to develop a long-term plan for facility improvements but nothing has happened. Money has been spent on outside experts such as Hayes Large but no plan has been accepted by the Board. We feel that the Board's single-minded focus on the tax millage rate is short-sighted. In the past when taxes have not been increased, it has led to larger increases in subsequent years. The Board needs to develop and implement a long-range plan to bring the High School into the 21<sup>st</sup> century. Knowing that this

problem will only become more critical, doesn't it make more sense to deal with this issue now so that we can save the taxpayers money in the long run while improving the reputation of our community? Friends of Marple Newtown School District urges the Board to do what is required of them and immediately take up this issue and come together with a plan that will benefit the students and the community of the Marple Newtown School District.

Ms. DeLuca stated that the Board appreciates Mr. Daggy's comments and tonight the Board will be talking about facilities at least for the upcoming school year.

## **6. Budget Adoption**

Mr. Sokorai made a motion and seconded by Mr. Carpenter to approve the General Fund Budget for the 2007-2008 fiscal year for the Marple Newtown School District to be adopted in the amount of \$58,000,000.

Mr. Moldoff made a motion and seconded by Mrs. Galbraith to postpone the vote on this until after the Educational Plan and Facilities Plan presentations.

Mr. Shin asked what the presentations will be about.

Mr. Moldoff replied that one was the postponed presentation that Mrs. Horowitz was going to do and the other was where we had directed Mr. Dumin to come back with a plan for the renovations and some of the steps to do the renovations that are aligned with Mrs. Horowitz's plan.

Mr. McGinley made a motion and seconded by Mr. Partridge to end discussion.

Ms. DeLuca called for a roll call vote to close discussion.

Aye: Mr. Carpenter, Mr. Sokorai, Mr. Partridge, Mr. McGinley

Nay: Dr. Shapiro, Mr. Moldoff, Ms. DeLuca, Mrs. Galbraith, Mr. Shin

Motion fails 4-5.

Mr. Shin asked how long the presentations will be.

Mrs. Horowitz replied that she will keep her presentation to 30 minutes.

Mr. Dumin replied that he will try his best to keep his presentation to 30 minutes.

Mr. Shin asked why these presentations are coming up tonight.

Mr. Moldoff replied that we tried to bring them up previously and they were tabled and Mrs. Horowitz was directed to do it at this meeting.

Mr. McGinley replied that he does not agree. At the last meeting, we voted on the budget as is and it won the vote. It was 5-4 that we were going to vote on this budget this evening. Nothing was said until right now about any presentation from Merle Horowitz concerning what you are talking about at any time and surely it isn't on the agenda.

Mr. Partridge stated that this is just a last minute effort to delay the vote on the budget. It has no relevance on the budget. There is fund balance. There is budgetary reserve. If we decide to do something immediately based on Merle's presentation, there is money to do it. It really has nothing to do with the operating budget that we have here to pass. It is just a last minute effort to delay the vote on the budget.

Mr. Sokorai stated that the presentations here were longer-scoped than the upcoming fiscal year. They were for the years following so that we could use this year to plan for those ideas. I think that by definition they do not have an impact on this budget and I see no reason to wait.

Mr. Shin replied that was his recollection too. We requested Merle and Mike to present those long-range plans that we could address going forward that wouldn't impact this year's budget. I thought we were going to hear different presentations but it sounds like it is the same presentations.

Mr. Sokorai stated that this is a very important distinction because that is the very thing that we want to prevent next year which is beyond the 11<sup>th</sup> hour making important decisions that concern the students and the taxpayers in this district in a rush at the last second. We have tax bills to get out in July and that impacts our cash flow. There was a reason that I wanted to focus on the following year so that we could make this a very good intellectual discussion for the next year.

Dr. Shapiro stated that we have already rationalized the locker room project and taken out quite a few items that have been initially proposed. Mr. Dumin has also shared with all of us a list of smaller projects that he would like to see accomplished in this next fiscal year. Information we are receiving about the locker room project and about the security project leads me to believe that we may not have enough money in this \$58 million budget to accomplish all these things. That is why I would like to see some more specifics with respect to short-term projects.

Mr. Partridge stated that we were not paying for these things out of the operating budget. We were paying for these things out of the capital reserve. Most of them are capital items. This has nothing to do with the operating budget. If we decide to take a bond to fund more things, we do have a budgetary reserve and then we also have an additional \$275,000 built into the budget in financing based on the financing savings. There is a budgetary reserve and there is \$560,000 and another \$275,000 in financing. We could take out a bond to fund millions of dollars but we have enough in the fund balance to cover an overage for the lockers.

Mr. McGinley asked Mr. Driscoll if he projects the fund balance to be about \$4 million this year.

Mr. Driscoll replied yes, currently that is what the projection was but we still have three months to go so it is subject to change.

Mr. Shin made a motion and seconded by Mr. Partridge to close discussion on Mr. Moldoff's motion.

Ms. DeLuca called for a roll call vote. (2/3 majority required to pass motion.)

Aye: Mr. McGinley, Mr. Shin, Mr. Partridge, Mr. Sokorai, Mr. Carpenter

Nay: Mrs. Galbraith, Ms. DeLuca, Mr. Moldoff, Dr. Shapiro

Motion fails 5-4.

Mr. Moldoff asked if the \$4 million surplus including the fund balance at the end of the year includes this current year's budgetary reserve.

Mr. Driscoll replied yes, the projection was to have a net increase to the current fund balance which is already \$2.8 million due to some expenditures not being needed this year would add about \$1.4 million is what we were talking about. We are projecting about \$4 million subject to final closing of our finances, books and audit.

Mr. Moldoff asked if out of the \$58 million was there any additional budgetary reserve put in that.

Mr. Driscoll replied that the \$58 million that is in front of you has the same budgetary reserve that last year's budget had which was \$560,000 in the current operating budget.

Ms. DeLuca called for a roll call vote on Mr. Moldoff's motion to postpone the vote on the budget until after the presentations.

Aye: Dr. Shapiro, Mr. Moldoff, Ms. DeLuca, Mrs. Galbraith

Nay: Mr. Carpenter, Mr. Sokorai, Mr. Partridge, Mr. Shin, Mr. McGinley

Motion fails 4-5.

Dr. Shapiro asked if the 5% fund for this budget we are discussing is \$560,000.

Mr. Driscoll replied that the \$560,000 is an appropriation line item which is available for the Board to utilize for contingencies in the \$58 million budget. That is separate from fund balance. The \$560,000 is roughly 1%.

Dr. Shapiro asked if that is the money that we typically can look at for contingencies like a boiler blowing up, etc.

Mr. Driscoll replied yes.

Dr. Shapiro stated that in terms of additional money that is available for the Board we can direct expenditures for capital projects, for maintenance projects, for borrowing, etc. How much money is that for the 2007-08 budget?

Mr. Driscoll replied that there is the residual of the one time savings from the refinancing of the bonds of the 2001 to 2006 that was remaining in this budget of roughly \$270,000 that remains in the appropriations that wasn't reduced for next year that is a one time situation because the following year it needs to come back up to its previous level.

Dr. Shapiro asked if any of the fund balance can be used at the Board's pleasure to serve as debt that the Board, at its pleasure might decide to take out.

Mr. Driscoll replied that if you are going to increase appropriations in the general fund budget to absorb a bond issue for debt service, you would need to increase appropriations and balance it with that. Otherwise, if you wanted to earmark reserve your fund balance for the future retirement of debt, that is an option as well.

Dr. Shapiro stated that unless we take action tonight to designate some of this \$4 million for maintenance projects and/or debt service we cannot use the money for that later on.

Mr. Driscoll replied that is correct.

Dr. Shapiro stated that Mr. Dumin has advocated for expanding the parking lot at Paxon Hollow for several thousand dollars. Would you consider that to be a capital project or a maintenance project?

Mr. Driscoll replied that it depends on the size and scope of the project. If you are talking about \$10,000 or under, I would not consider that to be capital in nature. I would consider that to be maintenance.

Dr. Shapiro stated that this is what he is trying to get at. There are a host of maintenance projects which can make a meaningful difference which the budget as it is construed now doesn't allow us to do. While I understand the desire on the part of some Board members to put through a budget with no tax increase, we can still achieve getting some of these maintenance projects done by moving some of this \$4 million tonight and earmarking it for facilities maintenance. If we don't do it tonight, we are not going to have the money.

Mr. Carpenter stated that Dr. Shapiro has referred to several examples of the kind of cost maintenance problems that he is trying to indicate the money for including a boiler that blew up and stuff like that. We have a separate

capital reserve fund for that kind of purpose. I don't think we ought to mix up these two things. We need to figure out what we are talking about before we start shifting money around. How much money do we have in our capital reserve fund?

Mr. Driscoll replied that most of it was earmarked for the locker rooms. There is roughly \$2.7 million.

Mr. McGinley asked if that includes the surplus for this year.

Mr. Driscoll replied no, they are two different things. The capital reserve is a restricted fund that we transferred \$3 million into last year from the sale of the Malin Road property. The one project that was approved to be purchased or paid for out of that was the addition over at Paxon Hollow for the maintenance garage which was over \$300,000. I believe the Board passed a motion that authorized the draw down of \$2.5 million on the locker rooms leaving about \$200,000 in that capital reserve account. The capital reserve fund that we have can only be spent for very specific items. We have to make sure that we understand the distinction between maintenance and capital improvements.

Mr. McGinley asked what the fund balance has been in the past few years. Wasn't it approximately \$1 million each year.

Mr. Driscoll replied yes.

Mr. McGinley stated that then isn't it fair to say that this Board has raised the budget and the surplus of \$1 million each year.

Mr. Driscoll replied yes, we have had surpluses.

Mr. McGinley made a motion and seconded by Mr. Partridge to call the question.

Ms. DeLuca called for a roll call vote to end discussion on the \$58 million budget.

Aye: Mr. McGinley, Mr. Shin, Ms. DeLuca, Mr. Partridge, Mr. Sokorai, Mr. Carpenter

Nay: Mrs. Galbraith, Mr. Moldoff, Dr. Shapiro

Motion passed 6-3.

Ms. DeLuca called for a roll call vote on the original motion to approve the General Fund Budget for the 2007-08 fiscal year in the amount of \$58 million.

Aye: Mr. Carpenter, Mr. Sokorai, Mr. Partridge, Mr. Shin, Mr. McGinley

Nay: Dr. Shapiro, Mr. Moldoff, Ms. DeLuca, Mrs. Galbraith

Motion passed 5-4.

Mr. Sokorai made a motion and seconded by Mr. Partridge to approve the following taxes for the 2007-2008 fiscal year for the Marple Newtown School District:

1. A levy of 14.14 mills (or \$1.414 per \$100 of assessed value) on taxable real estate in the school district.
2. A levy of a one-half of one percent (0.50%) tax on real estate transfers within the school district.

Mr. Moldoff asked if we don't allocate the surplus of the fund balance now, according to the discussion that you just had with Dr. Shapiro, we cannot do it within 90 days.

Mr. Driscoll replied no. Now that the Board has approved the budget we can't do anything unless the Board overturns that vote but that is to use fund balance. If the Board needs some funds within this \$58 million budget, there is \$560,000 in there that you could tap within reason for contingencies.

Mr. Shin stated that in other words, the expenses that are in the budget that we just passed don't equal \$58 million. The expenses have been budgeted come to about \$560,000 less than \$58 million. Keep in mind that if the district follows the expenses that it budgeted, it should come up \$560,000 shy of \$58 million.

Dr. Shapiro stated that the \$4 million has been effectively taken off the table.

Mr. Shin replied that it is not effectively taken off the table because at any time in the fall, we can transfer any portion of that amount to the capital reserve account and use it out of the capital reserve account.

Mr. Partridge stated that we paid for the project out of the capital reserve account not the budget.

Dr. Shapiro stated that it cannot be moved into facilities maintenance projects.

Mr. Partridge replied that we already talked about facilities for next year. We already have a budget with a plan for next year.

Dr. Shapiro stated that he believes it is inadequate.

Mr. McGinley stated that we have \$560,000 of surplus that we haven't used for the last 2-3 years.

Mr. Partridge made a motion and seconded by Mr. McGinley to call the question.

Ms. DeLuca called for a roll call vote to end discussion.

Aye: Mr. McGinley, Mr. Shin, Ms. DeLuca, Mr. Partridge, Mr. Sokorai, Mr. Carpenter

Nay: Mrs. Galbraith, Mr. Moldoff, Dr. Shapiro

Motion passed 6-3.

Ms. DeLuca called for a roll call vote on the original motion to approve the taxes for the 2007-08 fiscal year.

Aye: Mr. Carpenter, Mr. Sokorai, Mr. Partridge, Mr. Shin, Mr. McGinley

Nay: Dr. Shapiro, Mr. Moldoff, Ms. DeLuca, Mrs. Galbraith

Motion passed 5-4.

## **7. HUMAN RESOURCES AND POLICY**

### **7.01 Appointments**

#### ADMINISTRATIVE

Dr. Shapiro made a motion and seconded by Mr. McGinley to approve the administrative appointment, item 1.

1) Dennis Reardon – Assistant Principal/Athletic Director

High School

Salary: \$92,000

Effective: July 1, 2007

Reason: Replacing Theodore Aceto, Ed.D. (Retired)

Dennis Reardon holds a Bachelors degree from Millersville University and a Masters degree from Widener University; has Elementary Education, Middle School Mathematics, and Elementary & Secondary Principal

certifications and has twelve (12) years of teaching experience, four (4) years' experience as Faculty Manager of Paxon Hollow Middle School, and one (1) year's experience as Dean of Students at Paxon Hollow Middle School.

Ms. DeLuca called for a roll call vote.

Aye: Mr. McGinley, Mr. Shin, Mrs. Galbraith, Ms. DeLuca, Mr. Moldoff, Mr. Partridge

Nay: Mr. Carpenter, Dr. Shapiro

Motion passed 7-2.

## **8. COMMENTS FROM THE AUDIENCE**

No comments were made.

## **9. COMMENTS FROM THE BOARD**

Mr. Shin stated that this is his fourth budget that he has voted on. The prior three I chaired the Budget Committee. One thing that I have learned is that budgets are never popular or perfect. Four years ago, we had to look at taxpayers in the eye and ask them for a 9% tax increase. That was a painful process that a lot of us went through that year and that was to address the financial situation of the district at that time. I believe the fund balance at that time was lower than \$800,000 on a \$40+ million budget and the district wasn't in sound financial condition. The Board collectively realized the need to pass a very difficult budget that year. We look to the taxpayers to understand what we had to do. It was a difficult thing for the Board to do. Over the last three years, what this Board has been able to do is bring this district back to a very sound financial footing with a solid fund balance and solid percentage in budgetary reserve that is passing every year. We have been able to fund the renovation of the athletic facilities at a cost of approximately \$3 million and pay that off so there is no future debt to the taxpayers. We have done projects throughout the district. We have expanded educational projects and brought in a new superintendent but we always remember the most recent budget. This budget too is a difficult budget for us to deal with. There will always be questions on whether or not a zero percent tax increase is the best thing in the long-term but I think unlike past Board's and budgets, when we pass a zero percent tax increase there is still \$1.5 million in additional revenue that was built into this budget. We have also passed this budget without using any fund balance to balance the budget which is a significant difference to what has been done in the past. Come next year or the year after, hopefully we see revenue growth in both townships that we can continue to grow our district and grow our revenue without calling for significant tax increases. One change that was spearheaded by Mr. Sokorai who brought in a new fresh vision to this was "let's start at the zero percentage point and build our way up." We actually found ways to fund projects and that was a unique for many of us at this district. Hopefully, we can continue this trend going forward. We hope to continue to add programs in the future. We are renovating the locker rooms. We are using the money that is supposed to be there to do that work. We understand that it is not popular and it may not be perfect but given the circumstances, it is a good opportunity for me to give something back to the taxpayers after asking the taxpayers for a 9% increase four years ago. That is the way that I look at this budget and that is the way that I voted on this budget.

Mr. Partridge stated that on behalf of the Marple Newtown School Board, he would like to make a public announcement. I would like to provide an update on the Donna K. Busch versus Marple Newtown School District lawsuit filed in 2005. On May 31, 2007, the Federal District Court dismissed the lawsuit finding that the district acted in accordance with the law. If anyone is interested in reading the lawsuit, or the court's decision there is information posted on the district's website by going to [www.mnsd.net](http://www.mnsd.net).

Mrs. Horowitz stated that she would like to congratulate the Marple Newtown High School Varsity Baseball team. They have achieved something that has not been done in 20 years in this district. They are in the State Championship Varsity Baseball Competition this Friday at Altoona, PA at 2pm. There are 501 districts in

Pennsylvania and we are now one of the top two in the Commonwealth to achieve this status. It is with pride that I congratulate our Varsity team, head coach Mark Jordan and all of our Varsity athletes. I will be bringing this baseball team to our June Board meeting to recognize them.

## **10. ADJOURNMENT**

Mr. Shin made a motion and seconded by Mr. Partridge to adjourn the meeting.

Ms. DeLuca adjourned the meeting at 7:48pm.

**Respectfully submitted**

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**Joseph J. Driscoll, Board Secretary**