

**MARPLE NEWTOWN SCHOOL DISTRICT
BUDGET & FINANCE COMMITTEE MEETING
TUESDAY, APRIL 13, 2010
BOARD ROOM MINUTES**

PRESENT: Committee: Mr. Fred Dewey, Mr. Richard Sokorai, Mr. John McDevitt

BOARD: Mr. Joseph Rufo, Mr. Edward Partridge (6:45PM), Mrs. Dana Kauffman (7:00PM), Mrs. Nancy Galbraith (7:30PM)

ADMINISTRATION: Dr. Merle Horowitz, Mr. Joseph Driscoll, Mr. Michael Dumin, Mr. Lance Freeman

PUBLIC: 17

PRESS: 0

1. Call to Order:

Meeting was called to order by Mr. Dewey at 6:30 PM

2. Approval of the March 9, 2010 Minutes

Mr. Dewey asked for a motion to approve the minutes from the March 9, 2010 meeting.

Motion was made by Mr. Sokorai, seconded by Mr. Rufo

With no further discussion motion was approved.

3. Bills for Payment:

Mr. Dewey asked for a motion to take to the full board the General Fund and Capital Fund Bills for February 2010.

Motion was made by Mr. Rufo, seconded by Mr. McDevitt

With no further discussion motion was approved.

4. PEMA Funding:

Mr. Driscoll explained that our area exceeds the threshold necessary for applying for Federal Assistance because of the amount of snow we received. We were to pick one of the storms. We applied for over \$23,000.00 in reimbursements. We do not know how much we will get, if any. We are waiting for an announcement from the President. The Superintendent is receiving correspondence from the County contact from PEMA telling us to get our information prepared. We have it prepared and are holding it until we can submit it. The reason that this is on the Agenda is because municipalities are required to have signatures of their Commissioners or Board

Members. We are not yet certain if school districts would require these signatures as well. This is why I want to bring this to the full Board on April 27th to approve the Resolution.

Mr. Dewey asked if a motion for the approval to apply for Pennsylvania State funding from PMEA, an emergency relief program to help with the cost of excessive snow removal for the school district could be moved forward for full Board consideration.

Motion made by Mr. Sokorai, seconded Mr. Rufo

No further discussion motion was approved.

5. 2010-2011 Special Education

Mr. Dewey asked for the motion to approve the 2010-2011 Special Education, this agreement is in the amount of \$863,811.00 to be moved forward for full Board consideration.

Mr. Driscoll explained that this is the annual agreement with the IU. This amount has come down over the last several years. The Superintendent has taken large strides to ensure that we are doing things as cost effectively as we can. This amount is lower than last year.

With no further discussion Motion was approved.

6. Delaware County Technical Schools Budget for 2010-2011

Mr. Dewey asked for the motion to approve the Resolution regarding the 2010-2011 Delaware County Technical Schools Budget in the amount of \$10,899,940.00 to be moved forward for full Board consideration.

Mr. Driscoll explained that this is tuition for students who go to Technical Schools in the County. Our share is based on enrollment and we have budgeted \$311,000. This amount could come down. We will be refunded if we send fewer students, or we will be billed should we send more.

No further discussion Motion was approved

7. 2010-2011 Proposed Final Budget Presentation.

Dr. Horowitz and Mr. Driscoll presented the Proposed Final Budget. Dr. Horowitz started with explaining what a great challenge it has been for all area school districts in preparing a budget in this economy. Two of the increases that will be the biggest challenge are the Health Care and the Pension System. All public school employees are part of a group call PSERS. The increase went from 4.78% to 8.22% this year for funding. Additionally Health Care went up 18%. We decided months ago that we needed to look at our programs that are mandated by the PDE. We have been carrying programs for a decade that are no longer funded by the State. We looked at the Elementary, Middle and High School levels. We looked at every Budget from Curriculum and Instruction, Operations, Human Resources, Special Ed. Pupil Services, Business and Finance, no stone was left unturned. There is a gap of \$1,666,623. In the fall we discussed the Act 1 exceptions that were possible. We applied all of the ones that we could and we got them.

Mr. Driscoll explained the expenditures and the revenues that are the most important numbers. We were looking at an 11.3% tax gap. The maximum under the index was a little under \$1.4 million; the amount needed over the index was \$3, 9 million. Our estimated exceptions were \$2,317,000. This would give us roughly a 7.8% tax increase.

At the time our target was the Act 1 index plus the estimated exceptions which brought us down to that figure of \$1, 6 million

Dr. Horowitz explained that we studied very carefully the Special Education program. This is the most expensive line item. The cost of sending a student to any approved private school cost anywhere from \$50,000.00 to \$75,000.00 per student. We will have 12 students transiting to the district in September. I am recommending that we start two programs in our district, one being Autisms Support and the other developmentally delayed. The grades would be K and 1st. This will give the district a savings of \$600,000. What we would be doing is cost avoidance. We will be advertising for the creation of two positions in our school district. Certain professional staff have taken classes in these areas. The parents of these students are delighted. This move will be a substantial savings for the district this year and years to come. She continue to explain that Instructional Support Funding stopped somewhere in the 90's. Our district has continued the program; unfortunately we can no longer continue to fund this program. Current IST teachers will have the right to transfer within the school district. At the Middle School Level there will be an altered schedule. There will be the elimination of 1 Phys. Ed., 1 computer teacher, and 1 German/French teacher. All the classes will be the same, the schedule will be altered. At the High School Level, 1 English teacher, 1 Business/Math teacher, in the Unified Arts area .5 Tech Ed teacher, 1 Phys. Ed. teacher. In all there will be 8 professional staff for a savings of \$357,000. With the creation of the two programs earlier stated, there would be a reduction of 6 teachers.

Mr. Driscoll continued to explain that the area of Technology department was looked at. The recommendation is the reduction of the Director of Instructional Technology. 2.5 Tech Ed Assistants. Already vacant is the .5, the other 2 have the right to bump at the elementary level. The elementary level Tech Assistants will remain the same. Total cost savings \$90,000. There will also be savings from retirements, based on our information right now it is about \$305,000. An additional \$100,000 after a review of the Special Ed budget, not staff related, services, supplies, and equipment. Maintenance – recommend that 2 Security positions which are vacant, 1 full time Police due to retirement, 1 Custodial Supervisor due to retirement. All said, it would be a savings of \$511,000. He continued with the changes in revenue, rentals of the Gauntlett Center were put back in the budget, growth in assessed values, and changes in local, state, and federal funding. After all said and done the amount of \$250,000. of balancing the budget. We are still working on refining the budget, do not want to overcut and I am suggesting to take the \$250,000. from Fund Balance. Mr. Driscoll continued to explain that there were several capital equipment needs that they are putting together to present to the board, example, trucks, wiring for the elementary schools, band uniforms, and roofs. Then PSERS rate is going to be something that we will need to address. Mr. Driscoll explained the timeline under Act 1. The Board needs to approve a Proposed Final budget in April or May. Once approved the

budget needs to be advertised for 20 days for public inspection. If approved in April, this gives the district more time to refine it. The deadline for the Final Budget is June 30th.

Discussion from the board:

There is concern with the programs at the middle school. How will the schedule work and would there be larger classes?

The \$250,000 from Fund Balance, is this at risk?

The index for next year, how bad is it going to be?

Is there money left in the current budget?

Dr. Horowitz explained that the subject would be the same; all students would get the same classes just changing the schedule.

Mr. Driscoll explained that taking from the Fund Balance is a risk, but it is an acceptable risk. The index for next year as of right now could be 1.75%. The figure is not determined until after July. We are looking at what is left in the current budget at this time.

Mr. Dewey asked for a motion to take to the full board on April 27th the Proposed Final Budget. The motion was made by Mr. Sokorai, seconded Mr. Rufo

No further discussion the motion was approved.

8. New or Additional Business

None

9. Public Comment:

Mr. Green a Newtown Township resident is concerned with the Health Benefits. He wanted to know about the broker fees and who is the agent for the district?

Mr. Driscoll explained that there is no broker, therefore no broker fees. We are in a consortium with the DCIU and 16 other districts and also, a 5 county consortium. There is a county wide discount.

Mr. Dewey recommended that Mr. Green leave his card to further discuss with Mr. Driscoll.

Susan McCutcheon, a Newtown Township resident, is sad to see the IST program go. Her student was able to benefit from this program and feels that it helps the students. She wanted to know about the tax appeals, when will they hit. She is unclear on Middle School schedule.

Will there be a Power Point be on the website?

Mr. Driscoll explained that we have no idea yet when the tax appeals will hit. Also, there will be a summary on the website of the Proposed Final Budget once it is approved by the board.

Dr. Horowitz again explained the middle school schedule will change in the Unified Arts.

The number of days and weeks will change.

Joan Tobin is a Newtown Township resident and is very happy with the programs at Worrall. Her student is part of that program and she couldn't be happier that we will have students coming into the district for instruction in the two new programs.

10. Adjournment

Meeting adjourned at 7:40PM