

SALISBURY TOWNSHIP SCHOOL DISTRICT

Operations Subcommittee Meeting Administration Building, Monday, April 7, 2014

Committee Members Present: Mr. Frankenfield, Chair

Other Board Members Present: Mr. Fischer, Mrs. Frick, Mr. Gatanis, Mr. Mantz,
Dr. Spedaliere, Mrs. Ziegler

Administrators Present: Mr. Brackett, Mr. Bruchak, Mr. Roth, Dr. Ziegenfuss

I. Call to Order

The meeting was called to order by Mr. Frankenfield at 7:02 p.m.

II. Maintenance Management System

Mr. Brackett stated that this past year there was not a program being used to monitor district work requests. School Dude was the software that was used for two and half years prior to this year but it was an extremely difficult program to use. Reports were difficult to be pulled. Other web based programs were researched in the past year.

This system will allow schools to directly input maintenance requests. It provides a tracking system and provides direct feedback. The system allows the director to assign and monitor progress. All mechanical systems and establish a preventative maintenance schedule; examples HVAC, vehicles, athletic fields are able to be inputted into the system. This allows tracking time from request to completion and will show updates on progress, cost, and man hours.

EWorkOrder, NET Facilities, and Maintenance Connection programs were researched. These are the most school friendly web based programs available. All mechanical systems in the schools, vehicles and preventative maintenance of the fields can be put in the system. E WorkOrders is the most user-friendly and least costly. The old system was about \$2,000/year. Work orders are not currently put into any type of software; it is now done by email, verbal, written notes. Preventative maintenance is then stored in the system for past work orders, repairs, and maintenance. It will not be more difficult for personnel to communicate work orders to maintenance. This system will help to account for daily man-hours.

The annual cost will be \$3,600 with an additional \$1,000 the first year for setup and training fees.

The agreement will be on the April board agenda for formal board approval.

III. High School Gym Floor

The abatement was done and the floor is now down to the concrete. Mr. Brackett showed a few slides of rubberized flooring at other school districts. Different colors and designs can be done on this type of flooring.

The old gym floor costs for a scissor-air system wood floor for the concrete prep, bleachers, and floor installation total \$110,000; with the additions of pole standards and additional material Everlay would total \$114,500. A Mondo Advanced rubber floor for the concrete prep, bleachers, and floor installation total \$123,800.00; with the pole standards and additional material Everlay layer total \$150,610.00. Additional cost of rubber with Everlay layer will cost the district \$36,110.00; insurance will cover the remaining cost. The Everlay layer will assist in controlling moisture in the future. Additional costs of rubber without the Everlay layer is \$13,800.00 which would be the district's cost.

The insurance company has quoted to cover the costs of the installation of a wooden floor at a price of \$110,000.00. Additional costs for the rubber floor would need to be covered by the district. The preference of flooring from the administration is to install the Mondo Advanced rubber floor. The rubber floor is PIAA approved.

Currently, the wooden gym floors are refinished in-house every other year. The annual cost for floor cleaning is about \$2,000.

This project has already been bid by Keystone Purchasing Network, therefore the district does not need to bid this project. Funds are available in capital projects to cover the additional costs for the rubberized flooring.

The Board agreed on the Mondo Advanced Rubber floor with the Everlay layer and the pole standards. A motion will be on the April agenda.

IV. Stanley Security Solution Sonitrol Access and Intrusion Integration/Admin Bldg.

Mr. Brackett stated that the two key pads for door entrance need to be replaced at the administration building to integrate them into the new system that was installed as part of the fire monitoring system. All buildings with appropriate access cards can disarm alarm except for this building. A card reader will be installed at the doors to the wrestling room for security purposes. The cost is \$5,600 for the project. Cost can be cut by \$1,000 by doing the wiring in-house. The proposal from Stanley Convergent Security Solutions, Inc. will be on the April agenda for board approval.

V. American Red Cross Shelter Agreement

Mr. Bruchak stated that he has been working with the Red Cross for the past two years to use the buildings as emergency shelters; this is common throughout the nation. An agreement was presented for Harry S Truman and the high school. There are talks at this time for putting together an agreement for Salisbury Middle School. The agreement was review by our solicitor and the changes of the

V. American Red Cross Shelter Agreement (continued)

solicitor were approved by the Red Cross. The Red Cross will cover costs insured for custodians, kitchen usage, and power usage. It will not be limited to Salisbury residents. Mr. Brackett will inquire as to whether or not Salisbury residents will have priority over others to use the buildings. The buildings will not be used by the Red Cross if our students are in session.

The agreement presented tonight lists all district school buildings. A revised agreement will be requested from the Red Cross to go in front of the board for their approval in April.

VI. Policy 202 – Eligibility of Non-Resident Students

Mr. Fischer stated that proposed changes came about for this policy because of some issues that were encountered last year. The changes are being recommended by the administration or solicitor based on experience. Mr. Roth stated that last year there were some issues with residency within the district in terms of students attending the district whose parents were not residents of the school district. Mr. Roth reviewed the changes of the policy changes.

There will be a process and a full packet of forms for enrollment that will need to be completed upon registration at the schools. The appropriate professional development will be provided to the building secretaries upon board approval of the policy. Tuition rates are not accepted for students except for the exceptions listed in the policy.

The second reading will be at the April curriculum meeting.

VII. Cell Tower

The district had been approached by ATT for the installation of a cell tower on school property. The property that is being sought is on the side of the administration building above the parking lot. There were a few proposals on different locations but this was the most desirable.

There were three different cell tower types presented and the one being looked at is the tree tower. The hope is to get more than one vendor on the tower to generate more revenue. Along with the installation of a tower will be a shed and fencing around the area. There would be ground space needed for each vendor's support building. There should be room in the area for two or three vendors.

The agreement is for five years and renews for four times and can be terminated after 5 years. The rental is \$24,000/year at this point. It has been reviewed by the district's solicitor.

The vendor will need to secure the applicable permits from Salisbury Township zoning. The costs of the permits will be the vendor's responsibilities.

If the district receives solicitor approval and approved amount for rental, the administration would like to place it on the April board agenda.

VIII. 2014-15 Budget Update

Mr. Bruchak presented a budget update. The goals are to review the budget process/timeline to pass the final 2014-15 budget, review the five year budget projections based on actual and budget data of the district, review unfunded and underfunded mandates, review budget update, and review unresolved factors that affect the budget.

The Proposed Final Budget will be presented publicly at the May 5th Operations meeting. The Proposed Final Budget will be on the May 14th agenda for formal board approval. The Final Budget adoption will be on the June 18 board agenda.

All assumptions for the four year budget projections are driven by the current position of the Proposed Final Budget for 2014-15 of \$32,888,035 which includes the \$150,000 contingency) The flat tax millage rate is 16.9203. The state revenues reflect the Governor's Budget. The federal revenues were decreased by 5%.

Expense assumptions include salary increases using the average for employee's contracts and agreements. The health insurance increase used a 12% increase. The PSERS rate used the most recent amortization schedule and does not hit the projected peak of 31.26% until 2018-19 budget year. Transportation reflects an estimated increase for both Paragon and IU transportation as well as fuel. Assumptions include charter school and Out-of-district tuition. It is assumed that staffing and student numbers remain the same as well as programs and services. It assumes that the contract with KidsPeace continues.

The state revenues are based on the Governor's Proposed 2014-15 budget. The Special Education exception is the increase in expenses from 2011-2012 year and the 2012-13 year, this is taken from the AFR of each year. PSERS exception is based on latest projected increases. Grandfathered debt exception is unavailable for 2014-15 and 2016-17. This exception returns for fiscal year 2015-16. The State revenues assume no increase in each area of Basic Education funding, Special Education funding and transportation. The budget continues to assume 50% of expenses for Social Security and PSERS will be reimbursed. All other areas are flat funded or eliminated.

The impact of No Tax Increase for 2014-15 would show a deficit of -\$1,194,979, which includes a \$150,000 contingency. An ending fund balance (unassigned) of \$1,065,443. By the 2015-16 the ending fund balance would be -\$1,797,434.

The impact of index only millage increase of 2.1% shows a deficit of -\$741,316 and an unassigned fund balance of \$1,519,106. There is a slow growth in the index over the next five years. The district will have negative fund balance of \$322,106 by 2015-16.

The impact of the index and PSERS exception increase would show a deficit of -\$523,741 and an ending unassigned fund balance of \$1,736,680 for the 2014-15 school year.

VIII. 2014-15 Budget Update (continued)

The impact of the index and all exceptions would show a deficit of -\$66,120 and an ending unassigned fund balance of \$2,194,301 for the 2014-15 school year.

The underfunded mandate of PSERS for 2014-2015 has a projected impact of \$2,699,173 on the district prior to the 50% reimbursement from PDE. This rate increases each year, reaching a cost to the district of \$4,733,018, prior to 50% reimbursement from PDE in 2018-19.

Salisbury currently transports to 47 different charter/non-public schools within a 10 mile radius of the district boundaries. The state revenues for 2014-15 are expected to be \$405,086 and our expenses are to be about \$2,273,110. The deficit of \$1,868,024 will need to be covered by local efforts. The costs to transport the non-public/charter students will cost the district about \$496,049.

The unfunded mandate for charter schools shows a tuition cost of \$806,886; which is covered by local efforts. This is a 20.17% increase over last year. Currently, there are 59 students enrolled in charter and cyber charter schools.

Unfunded mandate of charter schools shows a budget deficit of -\$1,044,979. Budgeted tuition for charter/cyber school tuition is \$806,886; vehicles/transportation \$35,594. The adjusted budget deficit is -\$202,499. The millage for charter/cyber schools is 0.6588.

Unfunded mandates of charter schools and PSERS shows a budget deficit of -\$1,044,979. Budgeted tuition for charter/cyber schools is \$806,886; vehicles/transportation \$35,594. The PSERS increase net of state is \$261,918. The adjusted budget deficit is \$59,419. The millage for charter/cyber schools is 0.8636.

Special Education underfunded federal mandate show state and federal revenues for special education revenues of \$1,070,841. The total special education services projected for 2014-15 is \$5,529,224 which leaves \$4,458,383 to be covered by local taxpayers.

The 2014-15 Proposed Final Budget has a tax millage rate of 16.9203. Total potential (unofficial) increase is 0.9188. The total increase allowed is 5.43%. Salisbury is ranked 3rd out of 9 countywide. The tax on an average residence allowed is \$3,652. The average home tax increase allowed is \$188.10. The Proposed Final Budget, less contingency is \$32,738,035. The Proposed Final budget deficit is \$1,044,979.

The 2014-15 revenue budget changes include reduced PSERS reimbursement by \$24,452 due to reinstating KidsPeace and two retirements as well as reduced FICA reimbursement by \$8,741 due to reinstating KidsPeace and two retirements.

The 2014-15 expenditure budget changes are salaries and benefits were reduced \$311,936 after reinstating the KidsPeace relationship. Salaries were reduced \$63,560 due to two more teacher retirements. Benefits were reduced, PSERS and FICA, due to the retirements. Salaries were increased

VIII. 2014-15 Budget Update (continued)

\$20,981 and benefits by \$29,283 to change the Special Education Supervisor position from part time to full time.

Mr. Bruchak presented two slides that show the impact to the average homeowner with a tax increase between 1.70% and 5.43%. Along with that information was the income generated by that increase, the remaining deficit to meet the budget, and the remaining uncommitted fund balance.

The proposed final 2014-15 budget summary shows that currently there is a variance of -\$1,044,979 between the expenditures and revenues.

The unresolved factors influencing the final budget include local, state and federal revenues, retirements, tax assessment appeals, diesel prices, KidsPeace Contract, charter school enrollments, and budget reduction actions.

The debt service of \$400,000 will return during the 2015-16 budget. Mr. Brackett is reviewing the Capital Improvement Plan to update and reprioritize district needs along with project costs. Mr. Bruchak is working with Public Financial Management to review any possible refinancing for potential savings to help offset a future borrowing to complete some district projects. A representative from PFM is scheduled to attending the May Operations Committee meeting to discuss refunding/refinancing and possible borrowing options. The state still has \$300,000 of the district's refundable money tied up in PlanCon. The State is taking about \$800,000.00 from the taxpayers of Salisbury to fund Charter Schools which are funding the Governor's campaign and other politicians.

IX. Other

Mr. Roth stated that the Facilities Plan Committee Report from CLIU was received today. They have made their recommendations for the 2014-15 school year for Carbon and Lehigh Counties. The report will be on the April agenda for board approval. There is no change in the programs that Salisbury receives.

X. Citizens' comments

None

XI. Next meeting

The next meeting will be a held on May 5, 2014.

XII. Adjournment

Mr. Frankenfield adjourned the meeting at 10:00 p.m.

Robert P. Bruchak
Business Administrator/Board Secretary