

## **SALISBURY TOWNSHIP SCHOOL DISTRICT**

### **Operations Subcommittee Meeting Administration Building, Monday, January 6, 2014**

**Committee Members Present:** Mr. Frankenfield, Chair

**Other Board Members Present:** Mr. Fischer, Mrs. Frick, Mr. Gatanis,  
Mr. Giordano, 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 7:05 p.m.

#### **II. Model UN Booster Club**

Mr. Bruchak stated that Ms. Deeb has requested to start a new Model UN booster club to raise funds to attend more events. It will create more opportunities to broaden the student's horizons and give them a better educational experience. The request will be on the January agenda for formal board approval.

It was asked if all booster club treasurers are required to be bonded. The policy would need to be revised if the board decides this would be a requirement. Mr. Roth will talk to the solicitor on this topic. All booster clubs need to submit their minutes and other related documents annually. Most clubs offer the buyout option of fundraising which is part the groups' by-laws. This would not be the only non-athletic booster club. The booster clubs that have been board approved are listed in Policy 915.

Booster clubs operate separate from the school are not included in the schools audit and financial records and are not overseen by the district.

The principals monitor the loss of school time by the students involved in these activities and the students are responsible for any work that is missed.

Dr. Ziegenfuss is currently working with the administration to review the field trip and educational tour policy, procedures, and practices. Budgetary funding has been cut for many of these items.

#### **III. German Club – Request for New Account**

Mr. Bruchak stated that the German club is looking to create a new account to monitor the funds of their fundraisers. The fundraising is for the students to raise money to participate in the exchange program. The per-participant cost is about \$2,000-\$2,500 for the student to participate in the program.

**III. German Club – Request for New Account (continued)**

All student activities are set up as one account at the bank and then internally set up as separate accounts. Student Activity accounts are part of the district audit and the financial statement. Mr. Bruchak has held a training class for all student activity advisors to review the practices and procedures. Each student will raise money that will go directly to this account but their funds will be tracked and assigned specifically to them by the student advisor. Students need to also sign off on the expenditures.

**IV. Athletic Trainer Agreement**

Mr. Bruchak stated that the district has been approached to have the athletic trainer agreement assigned to Lehigh Valley Hospital. Orthopedic Specialist, OAA has been taken over by Lehigh Valley Hospital. Lehigh Valley Hospital will now be operating as the district's trainer. The solicitor has reviewed the agreement and has made changes based on solicitor and board input. The administration recommends that the agreement be placed on the January agenda for formal board approval. We currently have an agreement with OAA through 2014-15 and this will extend the assignment from OAA to Lehigh Valley Hospital. In 2014-2015 it will need to be discussed whether to remain with Lehigh Valley Hospital or change the provider of this professional service by going out for an RFP.

**V. 2014-15 budget Update**

Mr. Bruchak stated that there are a lot of missing variables at this time in the preliminary budget. It is not known at this time what the state budget will be or what the governor's budget is proposing at this time. The 2014-2015 preliminary budget is scheduled to be approved at the board meeting scheduled for February 12.

The purpose of tonight is to show the projected revenues with the current assumptions; what are the drivers for the projected expenditures; and where is the gap between the revenues and the expenditures. The effects of the Act 1 index and exceptions will be discussed.

The projected revenues are divided into three categories. The local revenues total \$25,268,235; state revenues \$6,018,788 and federal revenues is \$248,076 for a total projected revenue of \$31,535,099. The numbers being presented assumes a "no tax" increase. The assumptions are that state revenues are level funded except for increase in PSERS and FICA reimbursement, federal revenue is a reduction of 5% over 2013-2014. The local revenue is real estate neutral with no tax increase.

The projected expenditures are salaries \$13,927,267, benefits \$7,067,191, other agencies \$1,926,370, building budgets \$447,570, operations \$932,208, athletics/activities \$341,491, transportation \$2,279,438, debt services, debt services \$2,452,408, IU Special Ed \$2,143,455, technology \$372,762, and other \$1,192,293. This is a total projected expenditure of \$33,082,453.

**V. 2014-15 budget Update (continued)**

The board and the administration reviewed the 2013-2014 budget and the 2014-15 budget comparing budget to budget by categories for expenditures and revenues. The January 20<sup>th</sup> meeting will be going into more details to show the reasons for the increases or decreases in each area and actual to budget for the past 4 years.

The budget is status quo for activities and programs in the district curriculum guide.

There is no update at this time on the PlanCon reimbursement for 2014-2015. The district is receiving reimbursement for our part of the debt for the Vo-Tech project. If PlanCon opens up again then that would be built back into the budget which is about \$185,000. The PlanCon freeze was placed during the high school construction. The district did save about 4 million dollars due to bids received being lower than the projections and the project's change orders.

At this point in the budget process there is a \$1,547,354 deficit. The revenues will not be finalized until the Governor releases the budget and assessment appeals are settled. Mr. Roth and Mr. Bruchak are meeting with each department head to review their budgets. The expenditures have not gone through administrative review for cost containment or savings measures. Mr. Roth recommends at this point in the budget process that they are conservative in the areas of revenue and higher in terms of expenditures.

The Act 1 Index was increased to 2.1% which will yield \$454,395 in revenue if the board increased taxes by the full amount. This would be 2.1% of the millage rate. The projected PSERS exception could be a revenue increase of \$379,447 and the Special Education exception would be \$457,625.

The state approved the special education exception based on the last two annual financial reports. The district 2012-2013 annual financial report has just recently been accepted.

The next steps would be to decide to legally stay within 2.1% Act 1 Index by January 15, 2014. Following January 15, the administrative staff will continue to review the expenditures and areas for cost containment. The Special Operations Committee will be held on January 20 for review of the budget. A budget update will be given at the February 3 Operations Committee meeting. The 2014-2015 Preliminary Budget will be approved at the February 12 board meeting. Administration will continue to review the expenditures and update the revenue give budget development updates before the final budget that will be approved in June.

**VI. Other**

Mr. Brackett stated that a sprinkler head at the high school went off in the main electrical room over the PPL panel causing the fire alarm to go off. At no point did high school lose power. There is no telling why this happened. There are now two large industrial dehumidifier in the

**VI. Other (continued)**

room, which will operate for the next week. There was no interruption in the school day for the students. The sprinkler head was replaced by Simplex and there was no permanent damage.

Mr. Brackett stated that Western Salisbury Elementary had no heat in the building this morning. WSE has a wall mounted uninvent system. The unit had a broken coil and was leaking in the faculty lounge. The breakage caused the water be empty in the heating system water and the system shut down causing the line to freeze and the pipe to split. There are five rooms that require the coils to be replaced. The coils have been ordered and should be received on Friday. Everything should be back up and running by Monday or Tuesday. Currently there is no notification of these types of problems during off hours. H.T. Lyons and McClure believe that they can program the control system to provide critical alarm alerts in the future. The unit is covered under warranty.

Mr. Roth thanked Mr. Brackett, his crew, Albarell, Simplex for their work and excellent response and to Mr. Gatanis and Mr. Frankenfield for coming out. A contingency plan was put in place if needed where students would be moved to the middle school for educational services.

**VII. Citizens' comments**

None.

**VIII. Next meeting**

The next meeting will be a held on January 20, 2014

**IX. Adjournment**

Mr. Frankenfield adjourned the meeting at 9:12 p.m.

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Robert P. Bruchak  
Business Administrator/Board Secretary