

SALISBURY TOWNSHIP SCHOOL DISTRICT

Operations Subcommittee Meeting Administration Building, Monday, June 2, 2014

Committee Members Present: Mr. Frankenfield, Chair

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

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

I. Call to Order

The meeting was called to order by Mr. Frankenfield at 7:00 p.m.

II. Paragon Transportation

Mr. Liebensberger thanked the board for their support in working with Paragon. Mr. Liebensberger purchased the eight-passenger Astro vans in 2005. As per the district's agreement with Paragon the vans shall be replaced every ten years and the buses every 15 years. Mr. Liebensberger asked the board to extend the replacement cycle since they no longer manufacture this vehicle and he is unable to find a vehicle that is comparable to the Astro van. The current vans accommodate eight passenger and the new vans hold only seven passengers. The current vans are in excellent mechanical condition. Using the mini-vans instead of the mini-buses saves the district \$35.00/van or \$6,300 annually. Mr. Liebensberger asked to keep the vans for another three years and review again at that time.

There is a loss of state subsidy if the current vehicles are kept for the 11-13 years of \$150 per vehicle. Mr. Liebensberger stated that he would credit the district for any loss of subsidy.

Mr. Liebensberger is requesting additional parking space to alleviate some shuffling of buses at the bus garage. He would like to conform two of the garage bays into maintenance bays and park four of the mini buses at Harry S Truman. He would like to add depth to the parking lot at the garage to accommodate four of the regular buses at his expense. Mr. Brackett stated that he waiting for a price to widen the path at Harry S Truman and convert the lower front old playground into a parking lot, whether for buses for faculty parking. This project is expected to be done over the summer. Mr. Brackett will follow up on the parking with Mr. Liebensberger.

Mr. Liebensberger requested that he could put an addition onto the bus garage building to store parts and tires at his expense.

III. Review of HVAC Preventive Maintenance Contract

Mr. Brackett praised the work of district's maintenance staff. The district does not have an HVAC technician in the district. Troubleshooting of the units can be done in-house but in order to have the units maintained properly, an outside vendor needs to be under contract. The units are expensive units and need regular maintenance at least two times per year. The district will continue to use Trane for all HVAC services at the high school since there are all Trane units and controls at that building.

The district has been using Johnson Controls for the last three year but their costs have been increasing. Mr. Brackett received quotes from four companies. The contract will cover all roof tops units at the middle school, both AC units mounted outside of Western Elementary, and the chiller at Harry S Truman Elementary. The companies that submitted quotes were HSA Mechanical, H.T. Lyons, Johnson Controls, and CM3. HSA Mechanical submitted the lowest quote of \$5,800.00. This will be on the June agenda for formal board approval.

IV. Bid Review for Middle School Entrance

Mr. Brackett stated he received a base bid of \$99,400 from Walter Brucker & Company with Stanley Security Solutions at \$18,469.37 for a total of \$117,869.97. There were four companies in attendance for the mandatory pre-bid meeting and only one vendor submitted a bid.

Mr. Brackett showed a few slides and explained the secured front entrance project for the building. Mr. Cassidy and Mr. Parlman were involved with the design of the project.

The project will not be completed before the beginning of the new school year. The exterior doors will be locked and secured at the beginning of the school year. The project plan has been fully approved by Salisbury Township.

Allowances have been built in to save on Change Orders which typically increases the project costs by about 10%-15%. The allowances are part of the base bid; this helps to eliminate change orders. If there are no allowances used then the district is refunded the allowance amount.

V. High School Gym Floor Project Update

Mr. Brackett gave an update on the gym floor project through a few slides presented to the board. The floor installation is completed at this point. The floor needs to be painted and waxed this week. The same paint scheme will be used as the previous gym floor.

VI. KidsPeace Stipulation

Mr. Bruchak stated that we have received the stipulation from the bankruptcy court for KidsPeace settling our claim for 2012-2013. The district is working with William Schwab, solicitor, recommended accepting the \$82,572.88 and work in the difference of what they owe the district into next year's budget. The total amount that KidsPeace owes the district is \$103,688.42. KidsPeace was agreeable to change the draft stipulation to reflect that the sum of \$103,688.42 to cure any defaults under the Agreement be included in the stipulation. The revised stipulation has been reviewed by the solicitor. All parties need to be in agreement prior to the district receiving the money from state education funds that flow through the district. This motion will be added to the Special Board Meeting agenda this evening.

VII. 2014-2015 Operations Committee Meeting Dates

Mr. Bruchak stated that the 2014-15 meeting dates are on the same rotation as they are now. They will be on the June agenda for board approval.

VIII. Student Accident Insurance

Mr. Bruchak stated that student accident insurance is purchased for athletes at the district. This insurance needs to be purchased separate from the district's general liability insurance. The district has had a few large claims. There is \$15,500 in the current year budget to cover athletic insurance. Ms. Deeb increased that figure for 2014-15 to \$18,000. After meeting with the insurance agent, it was learned that due to the high usage, the premium increased to \$52,508 for the 2014-15 school year.

A quote was received from Weiss Schantz Agency, Inc. in the amount of an annual premium of \$31,800. The budget will need to be increased to reflect this insurance increase. This item will be on the June board agenda for board approval.

IX. 2014-2015 Budget Update

Mr. Bruchak gave a budget update. The real estate revenue increased \$22,913 with final calculations on the PDE 2028. Homestead funds amounted to \$497,694, a decrease of \$2,656-revenue neutral.

Athletic insurance increased by \$15,300. The projection do not include \$150,000 contingency.

The state revenues are based on the Governor's Proposed 2014-15 budget. PSERS exception is based on the latest projected increases. The Special Education exception is the increase in expenses from the 2011-12 year and the 2012-13 year, which is taken from the AFR of each year. The federal funds are reduced by 5%. Local revenue assumes a 3.8% increase for the 2014-15 year. Future years' increase in property tax is based on projected Act 1 increase only.

Mr. Bruchak presented the five year financial projections with a 3.5 tax increase for this year and using just the Index for the next four years to show what that would do to the district's fund balance.

IX. 2014-2015 Budget Update (continued)

The impact of a 3.8% tax increase with bond refunding savings shows a deficit of \$18,739 and an ending fund balance of \$2,241,682. The impact of a 3.8% tax increase with a \$5 million borrowing and bond refunding savings shows a deficit of \$148,896 and an ending fund balance of \$2,111,525. The impact of a 3.8% tax increase and the use of \$200,000 of fund balance show a deficit of \$218,282 and an ending fund balance of \$2,042,139.

The proposed 2014-15 final budget shows a tax increase of 3.8%. The revenue, pre-tax increase is \$32,260,863. The tax increase revenue is \$831,740 for total revenue of \$33,082,603. The expenditures are \$33,300,885. The net deficit to be absorbed by fund balance is \$218,282. The projected unassigned fund balance as of 6/30/14 is \$2,260,421 and the net unassigned fund balance is \$2,042,139. The current millage rate is 16.9203 with a proposed millage increase of 0.6430 for a reset millage rate of 17.5633. The impact to the average homeowner would be \$131.63.

The board reviewed the spreadsheet that showed the percentage increase of taxes ranging from 2.0% to 3.9% and the result of the tax increase to the average taxpayer.

Mr. Bruchak handed out a page that showed a line item of increases and decreases to the proposed final 2014-15 budget since the preliminary budget. The largest increases to the budget are PSERS, charter schools, insurance, and IU special education. The cost to expand the technology in the district through the elementary level is \$75,000 per year. Maintenance was over budget since December due to the harsh winter.

The district cannot have more than 8% of unassigned fund balance. The current fund balance is slightly over \$5 million.

Historically, the board tried to keep the tax increase around \$100 a year for the average taxpayer. The board had some discussion regarding a tax increase of 3.4% and 3.8%. The board will be meeting next Monday for a Curriculum meeting but will add an item to the agenda to discuss the budget and settle on the tax increase. The final budget will be on the June board agenda for approval.

X. Other

Mr. Brackett stated that last week there was a delivery of gas at the bus garage. The delivery person was pumping and about 40-50 gallons of fuel came out of the tank and onto the parking lot. There is a down grade in the parking lot and a storm drain in that location. The 40 gallons of fuel went into the storm drain. The storm drain runs into the creek. Some of the fuel did make it to the creek. Eastern Salisbury Fire Department was contacted and they sent their hazmat team. The team worked quickly to treat the area properly with materials and chemicals in cleaning up the spill. Environmental Control Systems, Inc. was called to contact a cleaning company and activated them immediately. The fuel company contacted the insurance company. Pennsylvania Department of Environmental Protection did an investigation. The delivery driver was pumping the fuel and should have been gravity feeding.

X. Other (continued)

Boyco checked the storage tank and reported that there was no problem with our tanks. PA DEP had the same report on their investigation. The ground is being cleaned up. The booms and pads are still in the creek but will be removed shortly. The gasoline will float on top of water unlike pesticide that mixes into the water. This spill did not impact the current underground storage tank project at the bus garage.

XI. Citizens' comments

None.

XII. Next meeting

The next meeting will be held on August 4, 2014.

XIII. Adjournment

Mr. Frankenfield adjourned the meeting at 9:55 p.m.

Robert P. Bruchak
Business Administrator/Board Secretary