

SALISBURY TOWNSHIP SCHOOL DISTRICT

Operations Subcommittee Meeting Administration Building, Monday, March 3, 2014

Committee Members Present: Mr. Frankenfield, Chair

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

Administrators Present: Mr. Brackett, Mr. Bruchak, Mrs. Fuini-Hetten, Mr. Roth,
Dr. Ziegenfuss

I. Call to Order

The meeting was called to order by Mr. Frankenfield at 7:05 p.m.

Mr. Roth stated that notification was sent out to staff and parents informing them of the high school asbestos project. There was a Student Superintendent Advisory Council meeting held in which Mr. Roth explained the process of the asbestos removal.

II. High School Gymnasium

Mr. Brackett stated that the project is on schedule. The gym now is fully contained with a tent and temporary ceiling within the gym for the removal of the asbestos material. On Wednesday it should be down to the concrete floor. Mr. Brackett stated that he has not received any phone calls regarding the project from the community or parents. There have been no direct questions on the project or the process. Mr. Brackett is in the process of scheduling a visit to a school that has a rubberized floor in their varsity gym similar to the one our district is looking at as a replacement floor. The insurance adjuster was at the high school to view the damage of the project which was after the asbestos was discovered. The total deductible for the project including the asbestos removal is \$2,500. It will be approximately \$27,000 for the total removal of the floor down to the concrete. Mr. Brackett is waiting for estimates for the classroom repairs. A newer modern wooden floor replacement would cost about \$130,000 and a new rubber floor would cost about \$170,000. The insurance company was given quotes on the three flooring options. The insurance company has set aside \$400,000 to cover the loss. Floor options and costs will be presented at next month's Operations meeting.

III. Middle School Concrete

Mr. Brackett stated that the concrete at the middle school has experienced substantial upheaving and deep concrete cracking. D'Huy Engineering, Inc. and F.A. Rohrbach have been contacted regarding these issues that need to be addressed and corrected.

IV. Administration Building Water Damage

Mr. Brackett stated that there was water damage in the wrestling room located on the lower level of the administration building. The room is used by the high school wrestling team and SYA wrestling. Two weeks ago during the weekend hours, the sink came off the wall and the water line broken. There was water spraying out for about 24-36 hours. There was significant water buildup in some areas of the downstairs. The cleanup and repair is being done in-house. All entrance keys have been collected for the lower level door. Administration is in the process of discussing ways to make the area more secure and how to monitor the usage of the room. A swipe card system on the entrance would be an option for securing and monitoring the entrance of the lower level. There will be more discussion at upcoming meetings.

V. Local Audit Report

Mr. Bruchak stated that the 2012-2013 local audit has been completed and it was a clean audit with no findings. The fund balance is at \$5,074,126 as of June 30, 2013. The revenues at year end were above original budget and expenditures were under original budget. The board original approved a budget that would have used \$317,667 of fund balance but due to the final revenues and expenditures the fund balance grew by \$179,459. A receivable was built in to last year budget of about \$103,000 for unpaid KidsPeace payments.

Food Service was subsidized by \$65,000 from the general budget. Creative options are being researched to improve cafeteria revenue. We currently sell pizza to the Arts Academy Charter School and will be meeting to discuss additional services to them.

VI. Transfinder

Mr. Bruchak presented a proposed contract with Transfinder, which the administration is recommending, to the board. An access system is currently being used in transportation which is not user friendly. Efficiency needs to be improved due to increased mandates and tighter budgets. Our district currently transports students to about 46-47 schools. Transfinder will provide a more accurate and efficient system for the district to complete state reports.

Mrs. Fuini-Hetten stated that three different softwares were closely considered. Administration engaged in presentations from Versatrans, BusBoss, and Transfinder.

Transfinder is a company that has vendor experience in the field. Exact mapping of our area is used; safely assigning students to stops, not just using blind math. The Infofinder le software allows assigned district staff to view information. Transfinder has 25 years of experience service over 1,500 school districts in the United States. They have had over 300 districts switch over to their software from another company in the last few years. They have 85 clients in Pennsylvania out of which 35 districts have started in the last 14 months. Slides of the actual software mapping and route layout were presented. The software will interface with the district's current student information system, Sapphire.

VI. Transfinder (continued)

A year of go-to meetings or face-to-face meetings is included in the contract. There are on-demand webinars on many topics which will be beneficial. This will allow for easier cross training.

According to the state regulations, an elementary student outside of the 1 ½ mile radius and a secondary student outside a 2 mile radius of the school receive bus transportation and the school receives reimbursement from the state. There are times that routes are deemed unsafe with the previous mentioned radius and provide transportation to students.

The cost savings tools of Transfinder are that it increases the Director's efficiency of daily tasks, walkzone enforcement, reduces internal calls, moving stop locations, driving path changes to reduce miles, stop sequence optimization, and eliminate route overlap.

Training and resources are available online 24/7. Technical support would be given in-house.

Mr. Roth thanked Mrs. Fuini-Hetten for her time involved with this project. Mrs. Fuini-Hetten was involved as part of her internship for letter of eligibility.

The first two years of software, training and support will cost \$14,195. A payment of \$4,997.50 will come out of this year's budget. The second payment of \$4,997.50 will be paid in July and the third payment of \$4,200.00 by March 2015.

It is being recommended to move forward for board approval on the March agenda.

VII. 2014-2015 Budget Update

The goals are to review the budget process/timeline that remains to pass the Final 2014-15 budget. Review the five year historical budgets/actual data of the district. Review the Charter/Cyber school impact on the budget. Review any budget updates and the unresolved factors that affect the budget.

PDE will issue ruling on school district's petition for exceptions by March 26. The five year projections will be discussed at the April 7 Operations meeting. There will be a public presentation of the Proposed Final Budget at the May 5 Operations meeting. May 14 is the deadline for the proposed final budget adoption and the final budget needs to be adopted by June 18.

The 2008-09 budget had a tax millage rate of 43.314 mills which was a 1.43 mill increase or 3.42%. The countywide rank was 5th out of 9. The tax on the average residence was \$3,183. The average residential tax increase was \$105.33. The preliminary budget, which the board voted to stay with the Act 1 Index, was \$32,778,530. There was a preliminary budget deficit of \$1,208,020. There were 253 staff members and enrollment was 1,719.

VII. 2014-2015 Budget Update

The 2009-10 budget had a tax millage rate of 44.036 mills which was a 0.72 mill increase or 1.67%. The countywide rank was 4th out of 9. The tax on the average residence was \$3,236. The average residential tax increase was \$53.07. The preliminary budget was \$28,479,599. There was a preliminary budget deficit of \$558,144. There were 251 staff members which was a reduction of two from the prior year. Enrollment was 1,670 which was a decrease of 49 students.

The 2010-11 budget had a tax millage rate of 45.556 mills which was a 1.41 mill increase or 3.20%. The countywide rank was 5th out of 9. The tax on the average residence was \$3,340. The average residential tax increase was \$103.56. The preliminary budget was \$30,992,504. There was a preliminary budget deficit of \$1,156,728. There were 249 staff members which was a reduction of two from the prior year. Enrollment was 1,629 which was a decrease of 41 students.

The 2011-12 budget had a tax millage rate of 46.853 mills which was a 1.41 mill increase or 3.10%. The countywide rank was 5th out of 9. The tax on the average residence was \$3,443. The average residential tax increase was \$103.55. The preliminary budget was \$30,733,246. There was a preliminary budget deficit of \$2,340,447. There were 240 staff members which was a reduction of nine from the prior year. Enrollment was 1,608 which was a decrease of 21 students.

The 2012-13 budget had a tax millage rate of 48.754 mills which was a 1.90 mill increase or 4.06%. The countywide rank was 5th out of 9. The tax on the average residence was \$3,583. The average residential tax increase was \$139.66. The preliminary budget was \$30,791,297. There was a preliminary budget deficit of \$1,420,806. There were 228 staff members which was a reduction of twelve from the prior year. Enrollment was 1,592 which was a decrease of 16 students.

The 2013-14 budget had a tax millage rate of 16.9203 mills which was a 65.29% decrease. The countywide rank was 3rd out of 9. The tax on the average residence was \$3,495. The average residential tax increase was \$118.08. The preliminary budget was \$31,638,041. There was a preliminary budget deficit of \$934,844. There were 241 staff members which was an increase of thirteen from the prior year. Enrollment was 1,618 which was an increase of 26 students.

The 2014-15 Proposed Final Budget, which is still in process, has a current tax millage rate of 16.9203. The total potential increase from the prior year is 0.9195. The total percentage increased allowed is 5.43%. The countywide rank is 3rd out of 9. The tax on the average residence allowed is \$3,649. The average home tax increase allowed is \$188.11. The Preliminary budget is \$33,113,836 with a deficit of \$1,380,331.

Tax payers covered \$369,663 of charter school tuition in 2011-12; \$540,373 in 2011-12; and \$717,248 in 2012-13. State reimbursement ended in 2010-11. Currently there is \$671,452 budgeted for this year which probable will come in higher. Charter school expenses for the 2014-15 are budgeted at \$806,886. There are currently 59 students in charter/cyber schools.

VII. 2014-2015 Budget Update (continued)

Charter schools are not free, that are costing the taxpayer by supporting multiple school systems due to state mandates. There would be a millage decrease if we did not have to support charter/cyber schools.

The proposed final budget expenditures are \$33,052,164. The proposed final budget revenues are \$31,726,249. The proposed final budget shows a deficit of \$1,325,915.

The taxpayers might not understand the escalating cost of PSERS and charter school with the district has little or no control over in the district's budget. There is a need to communicate to the community what is driving the increase of taxes. There is a huge loss in taxes due a parcel being tax exempt.

The board will look at way to communicate to taxpayers prior to the tax bills being released in regards to how the budget is affected by charter schools. PTA and Superintendent Parent Advisory Council are outlets to communicate items that have a large impact on increasing the budget.

State revenue for FICA reimbursement was reduced by \$1,910, a net effect of two retirements. State revenues for PSERS reimbursement was reduced by \$5,346, a net effect of two retirements.

Salaries were reduced by \$9,974 as a result of two retirements. Benefits were reduced by \$11,698 as a result of two retirements. The overall, expenditures have decreased by \$61,672.

The 2014-15 budget with projected expenses of \$33,052,164 and potential revenue of \$31,726,249 with no tax increase leaves a gap of \$1,325,915. By increasing taxes by the Index only of 2.10% would increase revenues to \$32,180,644 but still leaves a gap of \$871,520 and increases tax to the average assessed value by \$82.83 and the average residential value by \$72.69. Using the Index and the PSERS exception of 3.32% increases revenue to \$32,444,648 and leaves a difference of \$607,516 and is a \$130.95 to the average assessed value and \$114.91 to the average residential value. With use of the Index and all exceptions that has a tax increase of 5.430% increases the revenue to \$33,902,273 and would be \$214.36 to the average assessed value and \$188.11 to the average residential value but still leaves a difference of \$149,891. The average residential assessment is \$204,581.

The unresolved factors influencing the final budget are local, state, and federal revenues, retirements, March interims, tax assessment appeals, diesel prices, CLIU special education services, KidsPeace contract, charter school enrollments, budget reduction actions, and the five year projection model.

VIII. Other

None

IV. Citizens' comments

None

V. Next meeting

The next meeting will be held on April 7, 2014.

VI. Adjournment

Mr. Frankenfield adjourned the meeting at 9:50 p.m.

Robert P. Bruchak
Business Administrator/Board Secretary