

## **SALISBURY TOWNSHIP SCHOOL DISTRICT**

### **Operations Subcommittee Meeting Administration Building, Monday, November 12, 2012**

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

**Other Board Members Present:** Mr. Bobeck, Mr. DeFrank, Mrs. Fischer, Mr. Frankenfield,  
Mr. Gatanis, Mr. Mantz

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

#### **I. Call to Order**

The meeting was called to order by Mr. Frankenfield at 6:37 p.m.

#### **II. 2008 Bond Refinancing**

Mr. Scott Shearer from Public Financial Management, Inc. reviewed the potential refunding. The refunding cannot be approved until next fiscal year, but administration is looking for approval to move forward at the next board meeting. Mr. Shearer reviewed the current interest rates & market conditions, explaining the 10 year MMD. Rates have continued to trend down. Mr. Shearer believes the district is in a good rate environment to refinance some of its debt. He reviewed the estimated timeline to lock in the interest rate in December 2012. If the market is not ready, he may wait until January. He reviewed the existing debt service of the 2008 bonds, and then the new debt service reflecting an overall savings of \$214,215.50. He pointed out there are some other bond issues that legally can be refinanced but the rates are too low to realize any savings. Making principal payments more than once a year were discussed. Mr. Shearer explained companies usually only accept principal payments annually but interest payments are made twice a year. He added that their confidence level of these savings being reach was around 95%. Mr. Mantz said over the eight years he's been on the board, we've never come up short with PFM. Mr. Frankenfield gave the approval to move ahead.

#### **III. Capital Improvement Plan Update**

Mr. Frankenfield asked Mr. Brackett to revisit the plan. Mr. Brackett explained that D'Huy Engineering, Inc. compiled a report in 2007 and then updated it in 2009 and 2011. There is nothing that stands out as an open item in the high school as remaining unfinished.

At the middle school, there are several items in the priority 8 category – mostly replacing doorknobs that are not ADA compliant and there is a very aged keying system that does not match the high school. The keying system is probably the number one item in all the

**III. Capital Improvement Plan Update (continued)**

buildings. In 2011, repairing the tennis courts was \$50,000. That amount was kicked up slightly. Replacing concrete sidewalks is currently in the works. Large ticket items have been completed that will carry the building for a long time. The timeline for replacing the tennis courts was discussed. This past Spring Ms. Deeb brought an official out who determined the courts are safe for practice and gym, but cannot be used for competition. As they continue to degrade, Mr. Brackett will keep the board posted. It would cost approximately \$1,000,000 to completely fix as they need to be torn out first.

The Harry S Truman sidewalk at the A pod is a long walk to the buses and can be bad in the wintertime. Part of the sidewalk work is to take the sidewalk straight up to the buses. He added natural gas is now being used for the hot water heaters and boilers, reducing electric usage.

Mr. Brackett reviewed the list for Western Elementary, including that the lighting in all buildings was upgraded.

Mr. Brackett explained the past two Octobers are hard reminder of why buildings need generators. If there is no power to the administration building, the phones & internet do not work at any of the buildings. A generator to push the whole building would be expensive, around \$200,000. For now, there are smaller generators on order through Grainger for approximately \$2,000. One generator will power the phones, another will power the server. Mr. Brackett also shared that the high school is set up with bigger generators and is designated as an emergency shelter if necessary. Mr. Bruchak said there have been some alternate plans put in place, one being the IU is ready with their own generators, and if necessary we can do payroll there. Mr. Roth thanked Mr. Brackett and his team for being on call and keeping an eye on everything during the weather crisis.

Mr. Frankenfield asked Mr. Brackett if he could bring a district-wide priority list to the next meeting. Mr. Roth asked all to keep in mind as the budgets are being prepared, how does the capital improvement merge into the planning.

**IV. 2013-2014 Budget Update**

Mr. Bruchak shared some of the big numbers that will affect the budget. Real estate is the largest number where we're getting our funding from. The first thing we need to keep in mind is we just went through a reassessment. Laws dictate we must be revenue neutral before we do any tax increase. Once the district gets the certified list from the assessment office, he will need to back into that number what the millage rate would be to get a revenue neutral number. Salisbury will be around 16.59 mills against the new reassessment. Looking at the 1.7% increase against a millage of 16.3, there can be an increase in mills of .2774. That would raise the millage to 16.5948 and generate approximately \$260,000.00.

**IV. 2013-2014 Budget Update (Continued)**

Mr. Bruchak then reviewed the challenges we will be facing in the 2013-14 budget. We will be around \$400,000 in salary increases, with the majority being teachers' salaries.

He took salary increases and showed the effect of PSERS rate increase on that salary which is a net increase of \$312,765. The other big expense is medical insurance. The consortium has agreed to a 7% increase, which will be close to a \$150,000.00 increase. Just in those items the total estimate increase is \$857,902.00. Mr. Bruchak added that until the economy improves, real estate and some of our other local revenues improve, and if the state increases funding, all schools in PA will be facing a challenge.

**High School Sign Discussion**

Mr. Brackett explained this is not an easy project due to the drain underneath. If the sign is pushed back away from the drain, it is not visible from the road. In order to put a brick faced type sign would involve a lot of work for the contractor and the engineering. Mr. Brackett is meeting with FastSigns tomorrow. He thinks there is a way to slide the panels out, dress them up and put them back in. Power options were discussed to light the sign. Mr. Brackett will check with PPL to see what the cost would be to drop a line from the light pole. Mr. Roth suggested getting students involved in the design of the new sign.

**V. Other**

None.

**VI. Citizens' comments**

None.

**VII. Next meeting**

The next meeting will be held on December 5, 2012.

**VIII. Adjournment**

Mr. Frankenfield adjourned the meeting at 7:49 p.m.