

## SALISBURY TOWNSHIP SCHOOL DISTRICT

### **Building, Grounds, Transportation & Finance (Budget) Subcommittee Meeting Administration Building, Saturday, April 21, 2007 – 8:00 A.M.**

Board Members Present: Mrs. Feinberg, Mr. Gatani<sup>s</sup> (arrived 8:06), Mr. Giordano,  
Mrs. Heffelfinger, Mr. Mantz, Mrs. Miller, Mr. Pauloski,  
Mr. Reinsmith, Mrs. Ziegler

Board Members Absent: None

Also Present: Dr. Beauchemin, Mr. Cassidy, Mr. Cole, Ms. Deeb, Mr. DelPriore,  
Mrs. Famularo, Mr. Hume, Mrs. Morningstar, Mrs. Pfingstler,  
Mrs. Samide, Mr. Smith, Mrs. Steiger, Mrs. Stout, Dr. Wright,  
Mr. Ziegenfuss,

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

The meeting was called to order by Mr. Pauloski at 8:03 a.m. A moment of silence was observed in memory of Shaleece Martinez.

#### **II. 2007 – 2008 Budget Presentation and Board Discussion**

Dr. Wright stated that it has been a very interesting year due to the new changes in the budgeting process through Act 1. A preliminary budget needed to be approved in February as opposed to other years when it was approved in May. Dr. Wright stated that many of the final numbers for health insurance, other insurances, staffing, and some other items are not known until about March through May. Budget by use of exception was used this year in the areas of Special Education and the cost over the 3.4% limit of the retirement system contribution that the school district needs to pay. Act 1 allows the district to increase the millage by a maximum of 3.4%. In January the board approved a preliminary budget with a 3.4% increase and the use of all exceptions to get the maximum flexibility of evaluating the costs received between January and June.

Dr. Wright started by talking about staffing at the elementary level. The current enrollment numbers and the projected class size numbers were shown. The increase in class sizes at the Western Salisbury Elementary warrant a need for additional teachers. The class numbers at Truman Elementary have decreased allowing the move of two teachers to WSE. The addition of another classroom at Western Elementary had the administrative staff looking at the space required by Lehigh Valley Child Care. There is space for LVCC for the before and after school program but not for the program that serves kindergarten children throughout the school day. Mrs. Pfingstler is in communication with LVCC to discuss space options at the middle school and alternate LVCC sites.

## **II. 2007 – 2008 Budget Presentation and Board Discussion (continued)**

Mr. Mantz questioned what would happen if another classroom was needed at WSE. Dr. Wright stated that art and music would be moved to a cart and brought into each classroom at the designated day/time.

The recommendations for elementary staffing are the elimination of one teacher to attrition, increase the Gifted Teacher position by 6%, and add a part-time Special Education instructional assistant.

The high school staffing recommendations are to increase a Special Education teaching position by 45%, increase the Business/Tech Ed teaching position by 50%, and add two part-time instructional assistants for duty and study hall coverage. Dr. Wright is looking into a Classroom of the Future Grant. If approved for the grant, it is required to have a technology integrator as part of the grant. It may be possible to hire a full time person to cover the technology integrator position and the Business/Tech Ed position and be fund partially by the grant.

The athletic staffing that was approved after the 2006-2007 budget approval was assistant football coach, assistant track coach, assistant softball coach, and assistant middle school wrestling coach. Contingency money was budgeted to cover this potential increase in athletic additions. These positions were approved in June 2006.

Dr. Wright recommended adding a 2 hour/day courier and increasing the salary for the new Director of Facilities.

The positions in the 2006-2007 budget that were not filled were a part-time grounds person and an increase for ESL. The front desk clerk position was moved from the district budget to the KidsPeace budget.

Mr. Giordano stated that the district's arrangement with KidsPeace, which has Salisbury as their district of record so that their funding passes through us, is now funding the salary for Director of Special Ed, Full-time Special Ed secretary, and front desk receptionist. Mr. Giordano commended Dr. Wright and Mrs. Perron-Jones for their hard work and negotiating. Salisbury pays KidsPeace for the use of their pool facilities which is about \$2,500 per year. Mr. Giordano also commented that the cost per student by district in the newspaper for Salisbury looks like it is about \$2,000 higher than other districts; that is a direct result of the KidsPeace funding that becomes part of the district's budget which simply passes through.

Mrs. Famularo presented a presentation on the General Fund Budget for 2007-2008.

The 2007-2008 preliminary budget is \$31,259,976 with a millage rate of 43.231. This is a 2.557 mill increase, which is allowed by Act 1. 1.383 mills are allowed by the index of 3.4%. 1.174 mills are based on the value of the exceptions. The total exceptions that are being claimed are \$493,229.

## **II. 2007 – 2008 Budget Presentation and Board Discussion (continued)**

The items that need to be resolved between preliminary budget and final adoption are staffing requests, LCTI academic center, and CLIU mid-year reconciliation for contracted services, state budget, interim tax duplicates for February and May, and medical insurance rates. There will be no increase in medical insurance rates this year. Mrs. Famularo stated that on a budget to budget basis there will be a \$200,000 decrease in our premium which is due to the late teacher contract settlement last year which resulted in an increase in employee contribution co-pays

Revenues, other than real estate taxes, have increased by \$248,000. Expenditures have decreased by \$111,000. The total budget is reduced from \$31,259,814 to \$31,149,214. The millage can be reduced from preliminary to final budget by 1 mill.

The real estate duplicate increased \$1.4 million. The growth in assessed value will yield an additional \$60,000 for the district in revenues. Increases in revenue will be collected from Interim Tax, Earned Income Tax, and Delinquent Tax. The state revenues will increase by \$53,000 and other revenues will increase \$26,400.

The staffing reduction based on Dr. Wright's portion of the presentation shows a reduction of \$248,000. The net additions based on Dr. Wright's discussion is \$151,000 in staffing costs and the net deduct is \$248,000. The netting of adding positions, reducing staffing, and other reductions comes to a budget adjustment of \$111,000.

Mrs. Miller commented that the Family and Consumer Science position is not actually a Family and Consumer Science certified position but a Business position.

There are three millage options that are being recommended. Option B is available due to information just received from CLIU.

Millage recommendation Option 1A is not to use fund balance. This option would show a millage increase of 1.553 mills or 3.8%, with a total millage of 42.227 mills. The average home with an assessed value of \$70,000 would see an increase of \$109 for a total average bill of \$2,956.

Millage recommendation Option 1B is not to use fund balance and reduce the IU contracted services and transportation. This option would show a millage increase of 1.253 mills or 3.1%, with a total millage of 41.927 mills. The average home with an assessed value of \$70,000 would see an increase of \$88 for a total average bill of \$2,935.

Millage recommendation Option 2A is to use \$50,000 fund balance. This option would show a millage increase of 1.434 mills or 3.5%, with a total millage of 42.108 mills. The average home with an assessed value of \$70,000 would see an increase of \$100 for a total average bill of \$2,948.

## **II. 2007 – 2008 Budget Presentation and Board Discussion (continued)**

Millage recommendation Option 2B is to use \$50,000 fund balance and reduced IU contracted services and transportation. This option would show a millage increase of 1.134 mills or 2.8%, with a total millage of 41.808 mills. The average home with an assessed value of \$70,000 would see an increase of \$79 for a total average bill of \$2,927.

Millage recommendation Option 3A is to use \$75,000 fund balance. This option would show a millage increase of 1.375 mills or 3.4%, with a total millage of 42.049 mills. The average home with an assessed value of \$70,000 would see an increase of \$96 for a total average bill of \$2,943.

Millage recommendation Option 3B is to use \$75,000 fund balance and reduced IU contracted services and transportation. This option would show a millage increase of 1.075 mills or 2.6%, with a total millage of 41.749 mills. The average home with an assessed value of \$70,000 would see an increase of \$75 for a total average bill of \$2,922.

Millage recommendation Option 4 will not impact the millage and it can be combined with the other options and involves the use of fund balance for capital projects. Dr. Wright recommended that an additional transfer of a maximum \$100,000 be transferred to capital funds.

Mr. Reinsmith questioned the impact of each option in future years with respect to Act 1. Dr. Wright commented that the district is not cutting programs; programs are being maintained, and funded to an appropriate level.

After discussion, the administrators from each building expressed that the needs of the building and programs are being met at this time. Some items are being moved to capital or shifting in budgeted monies where savings have been received in order to meet needs.

Dr. Wright will give a brief final summary of the budget and expected millage for the final budget at the May 21<sup>st</sup> Building and Grounds meeting. After discussion, the board was in agreement on Option 3 (A or B) or 4. They expressed a desire to keep the millage increase at about 1.25 mills. Prior board approval is required for the additional transfer of \$100,000 to capital funds.

Mrs. Famularo presented the 2006-07 budget to 2007-2008 budget analysis.

The real estate assessed valuation has increased \$9.5 million which translates into a natural increase in revenue of \$384,000. The net collected value of one mill is \$421,505. The value of one mill has increased by 2.2%. Local revenues, other than real estate tax, interim real estate taxes, and investment earning have increased. There are also projected small increases from OPT, EIT, Business Privilege, and Delinquent Real Estate Taxes. The revenues from the Emotional Support program declined due to greater district utilization of programs. The state

## **II. 2007 – 2008 Budget Presentation and Board Discussion (continued)**

revenues are based on the governor's budget. The retirement subsidy increase is based on higher retirement contribution rate. The federal revenues have declined based on current year experience. The use of fund balance may be planned to balance the budget.

The overall decrease in regular instruction includes a decrease of .82 FTE for ESL teacher at Harry S Truman, increased staffing for .5 FACS at the high school, increased general fund share of Title I teacher, two part-time instructional aides at the high school, decreased .53 ESL teacher at the middle school, and reduction of one elementary teaching position and savings due to retirement.

The health insurance rate has stayed the same for the 2007-2008 year. There has been an increase in retirement benefits.

Other costs have decrease by 5%. Building allocations have held level. There has been a decrease in severance payments, based on the new contract.

Special Education has an overall increase of 13.9%. This increase includes the addition of .06 FTE Gifted teacher with full benefits, one 3-hour learning support aide, one 4-hour LS aide, and .47 LS teacher at the high school. Other special education contracted services budgeted to increase 20%. Three FTE teaching position are paid by IDEA funds budgeted in contingency and transferred later. One position was moved to general fund for 2007-2008.

All services but speech will be charged to state function 1200 for 2007-2008. Speech therapy services are required to be charged to state function 2100. All services are budgeted at the \$436,000 increase. The increase is seen in Special Education and Pupil Personnel. An increased demand is projected into 2007-2008 for hearing, life skills, multiple disabilities, and occupational, physical and speech therapies. The final billing for 2007-2008 and projection into 2008-2009 is pending.

Vocational Education has experienced a decrease due to enrollment.

Other Education Expenditures include homebound instruction, building allocations, .82 ESL teacher paid by Accountability Block Grant.

Pupil Personnel includes guidance, supervision of Special Education, psychological services, crossing guard, student accounting services, and speech therapy services. It excludes Kidspeace-related salaries, Director and Secretary of Special Education, and Receptionist. IDEA portion of psychologists' salaries is budgeted in contingency, to be transferred later. The overall increase is 27.17% or \$231,906. This increase includes \$209,000 for Speech Pathology Services and increases on existing programs \$22,906.

## **II. 2007 – 2008 Budget Presentation and Board Discussion (continued)**

Instructional staff services include audio-visual services, library, instruction and curriculum, and technology. The audio visual budget based on building allocation is increased \$4,568. The library budget includes salaries, benefits, and building allocation for an increase of \$28,494. The instruction and curriculum services increased 4.3%. The technology department requests increased \$9,000.

Mr. Ziegenfuss presented the technology budget and reviewed the process of determining the budget this year. The fixed costs of technology are connectivity, repairs and maintenance, travel, software licensing, and equipment replacement.

The first step was to look at alternatives to maintain the “steady state” of replacing 92 computers per year. Mr. Ziegenfuss addressed the need for increased access to networked resources within the current budget framework. The network specialist examined the inventory and developed a new replacement plan based on a 4-year computer cycle. The second step was to flesh out the budget profile by defining fixed costs and replacement costs. The fixed costs and replacement total is \$115,000. The next step was to focus on curricular issues which include software, computer and wireless access for LifeSmarts and technology professional development. The total budget request for 2007-08 is \$175,000. The funds from 2006-2007 were used to provide computer technology for LifeSmarts and wireless access district-wide; this brings the technology budget out from the “steady-state” cycles and into a position where budget funds will can be use to address needs outlined in the Technology Plan and move our district forward with technology integration while still maintaining a reasonable budget.

Mrs. Famularo continued with the 2007-2008 budget analysis.

The school board services include the Superintendent’s office, tax collections, legal services, audit services, and school board services. There is an increase in contracted services of \$17,500 with includes tax bills and software and communications.

Principal services include activities concerned with directing and managing the schools with an overall increase of 2.7%. There are additional requests for the Accreditation for Growth (AFG), formerly known as Middle State, process at the high school.

Pupil health services include nursing and contracted physician’s services. There is an overall decrease of \$5,901. This savings is due to salary and benefits decrease based on staff turnover and an increase in building allocation as well as contracted services.

Business affairs includes business and financial functions for district’s accounts payable, payroll, student accounting, benefits administration purchasing and bidding, financial reporting and budgeting activities. The total budget increase is 2.67% or \$11,804.

## **II. 2007 – 2008 Budget Presentation and Board Discussion (continued)**

Building and Grounds overall budget increase is \$122,000 or 5.3%. The salaries and benefits increase is \$40,850; which includes the addition of a courier position and elimination of a grounds position. The increase in electric and heating costs is \$61,450. The property insurance increase of \$6,000 is due to increase in replacement values.

Mrs. Miller questioned if the district was part of a consortium for electric to anticipate the rate increase. Mrs. Famularo stated that consortium never materialized and the district is part of a consortium for fuel oil, diesel, and natural gas.

Student transportation services include one FTE Director of Transportation, all public and nonpublic contracted transportation, and special education transportation services performed by CLIU. This does not include field trips or athletic transportation. There is an increase in student transportation budget of \$251,794 or 14.8%. The salaries and benefits increase is \$2,908. The contracted special education transportation increase is \$194,542, from \$333,229 to \$527,772. The regular contracted transportation increase is \$47,729. This increase includes increase of existing runs, additional safety classes, year-end adjustments, and gasoline price increase.

The extracurricular student activities includes all extracurricular activities that are non-PIAA, excluding cheerleading, contracted advisory positions and the Director of Student Activities position as well as adequate funds to ensure activities such as FBLA and academic competition travel if needed. The overall increase is \$18,448 or 9%; which includes a salary and benefit increase of \$15,917. Four additional extracurricular positions budgeted based on contract and two positions not budgeted or filled in the prior year are included in this budget as well as Act 93 benefits as per contract. There are department requests increases of \$2,531 or 4.27%.

The debt services overall increase is \$205,560 or 13.4% which includes a one-time savings from refunding of 2001 G.O. Bonds in the 2006-2007 year.

Transfers include food services funds remaining flat. Increasing costs and increasing federal requirements are included. The athletic fund transfers increased \$27,294 or 6.42%. The capital reserve includes normal annual transfers of \$100,000.

Athletic fund budget includes contracted positions for coaches, gameworkers, and custodians. The fringe benefits are the salary-related benefits for the above positions; which include social security and retirement benefits. The budget also addresses the need for security at games and provides adequate transportation for students. The budget provides for the required uniforms in the replacement cycle. The coaching salaries for assistant football coach, assistant softball coach, assistant track coach, and middle school wrestling coach has increased \$15,891.

Dr. Wright thanked Mrs. Famularo for a job well done with the challenges faced with all the unknowns and new processes.

**III. Citizens' Comments**

Mr. Glenn Donaldson, 1802 Piccadilly Circle, Allentown, thanked some administrators for accommodations and help provided to him on various occasions. He agreed that Mrs. Famularo did a great job and thanked her for her hard work with the budget and looking out for the public. He was impressed with the board's conduct and the respect that they show each other. Mr. Donaldson suggested that the school buildings be addressed for added security and limiting access of the buildings to the public.

Mrs. Debbie Galbraith, Salisbury Press asked the cost projected to be spent for student attending Charter schools. The projected budgeted amount is \$200,000 based on past tuition rates. It was clarified that the crossing guards' salaries are budgeted in the district's budget.

**IV. Adjournment**

Motion by Mr. Reinsmith, seconded by Mr. Giordano to adjourn at 12:20 p.m.

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Susan H. Famularo  
Business Administrator

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