

NESHAMINY SCHOOL DISTRICT
Langhorne, Pennsylvania

PUBLIC BOARD MEETING MINUTES
BOARD STRATEGIC ACTION COMMITTEE
NESHAMINY BOARD OF SCHOOL DIRECTORS
December 8, 2008

The Neshaminy Board of School Directors met in public session on December 8, 2008 in the auditorium at Herbert Hoover Elementary School. The following persons were in attendance:

BOARD MEMBERS:

Mr. Ritchie Webb, President
Mr. Frank Koziol
Mr. Richard M. Eccles
Mr. Joseph R. Blasch
Ms. Irene M. Boyle
Mrs. Susan Cummings
Mr. Kim Koutsouradis
Mr. William O'Connor
Dr. William H. Spitz

ADMINISTRATORS:

Dr. Louis T Muenker
Dr. Sandra Costanzo
Mr. Joseph V. Paradise
Dr. Jacqueline Rattigan
Dr. Geeta A. Heble

SOLICITOR: Michael Fitzpatrick, Esquire

SECRETARY:

Mrs. Anita E. Walls

OTHERS: Approximately 25 persons from the public, staff and press

BOARD STRATEGIC ACTION COMMITTEE MEETING

1. WELCOME AND MEETING OVERVIEW

Dr. Muenker welcomed all in attendance and advised that the meeting this evening would provide a financial outlook of the 08-09 and 09-10 school years, presentation on full day kindergarten, relocation of the Tawanka Learning Center and an update on a realtor for Neshaminy Middle School.

2. ITEMS FOR DISCUSSION

a) Financial Outlook - 08-09/09-10

Mr. Paradise advised that the first meeting in January, 2009 Budget development will begin. The Administration has been working on budget development for the new fiscal year for approximately five months. News of the national and global economic crisis is surrounding everyone. The Board has received documents over the last several months regarding how these economic times are affecting the school district. Mr. Paradise advised that he has immediately taken a look at the local revenues which will immediately show an impact of economic decline. Certain areas are very severe and others areas are not as severe. Current real estate tax remains high, however, the current year collection rate has dropped and it could mean as much as \$500,000 under the anticipated revenue/collections for current year real estate taxes. Interim taxes are dramatically down. Real estate transfer taxes are dramatically down. Business privilege tax and mercantile taxes are down. Income from investments is very low. There is an estimated current revenue shortfall of approximately \$2M and potentially more.

Mr. Paradise advised that the cumulative fund balance has decreased over the years. The fund balance had a high of \$13.6M to a low of \$4.8M. The district has expended over \$8.8M of the

fund balance. The district adopted a budget which provided for an additional usage of \$3.5M for the fund balance remaining. The district is experiencing depleted savings and declining revenues.

Mr. Paradise advised that Act 1 is limiting the ability to tax, the current economy has limited the taxing ability and the issue needs to be confronted head on. Mr. Paradise noted that the District has financial pressures as everyone else is experiencing. Every possible alternative source of revenue must be considered in order to balance this upcoming budget.

Mr. Paradise advised that since Act 1 has been enacted the district has never adopted a budget that exceeded the Act 1 limits. The current year budget was a 4.4% millage increase. Mr. Paradise advised that for the last several years the district has balanced its budget by utilizing a portion of the fund balance. This means that you have several ways to balance the budget: raise taxes, secure other sources of revenues or reduce expenditures.

Mr. Paradise noted that the way the district approached a deficit last year was by closing a middle school, which was appropriate and it did reduce expenditures. The district could once again mirror that concept and potentially close another facility. Time is running out.

Mr. O'Connor is concerned that if another facility is closed, would that prevent instituting full day kindergarten.

Mr. Paradise advised that if everything in the current year budget was adopted perfectly the district would have \$1.2M in the fund balance. The concern is that everything is not perfect. The district is currently \$2M under in revenues. This is a warning of what could lie ahead in the future.

Dr. Spitz noted that in prior years the district expended none of the fund balance, in fact the fund balance increased. The \$1.2M figure assumes that the district use exactly all of the fund balance that we allocated for this year. Historically, that could be an over estimate, however, this year it could be an under estimate because the district is so far below in the revenue projections.

Mr. Koziol asked for a total study and reorganization of the curriculum to see where money should be spent. The money should be spent the best way. Mr. Koziol stated that by the time a child was eight years old his brain had redeveloped by seventy percent. Ten years old the figure was ninety percent. Look at the curriculum and just not assume that what has been done for the past years should stay. The ability to learn at a young age is important. More languages should be offered. Are we preparing the students for the 21st Century or are they being prepared for the past years.

b) Full Day Kindergarten

Dr. Rattigan stated that the Board members and cabinet have received two reports: Impact of full day kindergarten program. Based on enrollment projections for next year the district is looking at approximately 365 kindergarten students. Should the district go to full day the report notes 532 students which is based on research and numbers over time. The district would need approximately 17 more teachers and 17 more classrooms. That would equate to approximately \$1.3M. This is assuming that everything remained status: no elimination of pre-first, etc. Space is an issue.

Dr. Rattigan stated that the good news is that full day kindergarten fosters the development of the whole child. The children have a better chance of maintaining proficiency in the higher grades, if by the third grade they are proficient in Math and Language Arts.

Across the nation 60% of schools have full day kindergarten. It is beneficial for all children, however, especially those children from disadvantaged backgrounds.

Dr. Rattigan stated that the question was raised what if the district would convert from a K-4 and 5-8 model since the 9th graders are going to the high school next year. Dr. Rattigan provided a report to Board members with the researched information. Dr. Rattigan advised that if the district would go to a K-4 model the district would have the room for full day kindergarten. Maple Point enrollment would even go down 119 students with losing the 9th graders and gaining the 5th graders. Poquessing and Sandburg would only increase about 9 students each. This may not be the educationally sound approach, but this is the answer to would there be room in the elementary schools and would the middle schools be able to house the 5th graders. The answer is yes. Costs are still \$1.3M because the 17 extra teachers are still necessary.

Extended day kindergarten program is another option that was researched. Dr. Rattigan advised that every child would start out the year in half day kindergarten and in the first weeks of school testing is performed. Those most needy would be offered an extended day program, which is like a full day program but it would just be for certain students and the parents would have the final say if the child could attend. This would be another option.

Dr. Rattigan also noted that the option could also be considered to eliminate the pre-first classes, however, there are some children attending kindergarten currently that would need the pre-first program next year. Not all pre-first programs can be eliminated.

Mr. Koziol noted that many children have attended pre-school prior to attending a kindergarten program. Mr. Koziol suggested that this could be a possible program:

- Each child starts as half-day kindergarten
- Identify the students in need of additional help
- Those students attend extended day
- When the extended students catch up with the other students then possibly in the spring all students go to full day kindergarten.

Mr. Koziol noted that Bensalem is offering full day kindergarten in all six of its elementary schools.

Mr. O'Connor noted that the benefits of full day kindergarten are that it allows parents not to worry about other day care issues. Mr. Koziol's suggestion could pose a problem for working parents. It makes it very difficult. This is why full time kindergarten is so appealing to parents.

Mr. Koziol suggested that the children should be put first and parents would need to adjust their schedules accordingly.

Dr. Muenker inquired whether it would be a possibility to pilot one of the programs in a particular school or pilot the extended day program. Specific schools could be chosen based on the candidates in each location. Dr. Rattigan noted that any of the programs discussed could be piloted. If two schools could pilot the extended day program, then possibly a pre-first class could be eliminated.

Dr. Spitz noted that from a fiscal standpoint this is not the year to delve into a \$1.3M plus program expansion. There are so many uncertainties, contractual uncertainties with three different labor

groups and committing to a \$1.3M program this year and therefore, Dr. Spitz is interested into looking at piloting a program that is inexpensive for this upcoming year and then possibly expanding on same next year.

Mr. Eccles noted that we have five Title One schools, four of which are facing School Choice, something is not working. Mr. Eccles is in favor of at least piloting one class at each school and try to help some of the children that need special attention in a full day kindergarten program. There are enough cuts that can be made without first looking at student achievement. Mr. Eccles feels that if the Board does not explore this it is an injustice to the children of the community. This effort cannot be thrown away due to budgetary concerns.

Mr. O'Connor stated that this debate is that it is taking place everywhere. This is however a budget concern and funding is an issue. Mr. O'Connor feels that it would be difficult for the district at this time to implement a full day program.

Ms. Boyle advise that she is in favor of full day kindergarten, however, at this time it is difficult for the district to anticipate a million dollar program, especially, if there are thoughts of closing an elementary school. However, cutting out \$1M is not the easiest thing to do and it is almost impossible to go line by line and come up with \$1M.

Mr. Webb noted that the challenge is to find some funding. Mr. Webb feels that everyone is in favor of the program if a way were found to fund same.

c) Tawanka Learning Center Relocation Update

Dr. Muenker advised the district has some visuals which could be examined after the meeting which would show how the program could be housed at the high school site (Belc center). Dr. Muenker advised that the Board received in their packets a comparison of costs and report from Mr. Minotti.

Mr. Paradise noted that Reynolds Construction Management was contacted and they reviewed the scope of work that would be necessary either at Eisenhower facility or at the high school campus to move the alternative school. It is important to know that the Facilities Department has done the very same thing in this building. The wings in this location were gutted and rebuilt. This is what we are suggesting occur at the high school for the alternative program.

Reynolds has noted that the renovation work for the project per square foot would be between the \$10-\$15 range. The alternative school program could be moved to the high school wing discussed at the last meeting for about \$62,000. The Eisenhower facility would cost about \$116,000 to renovate. The high school wing is already classrooms. They are being used today for high school students and they are fully functioning classrooms that would require some additional work due to the separation from the main facility. Rest room upgrades, heating/air conditioning, security and fire alarms, etc. Eisenhower presently has gutted classrooms which have been used as shops. There are no ceilings, floors, lighting, etc.

Mr. Paradise advised that the area at the high school is very suitable for this type of alternative school program and a good use of that area. It is on the high school campus, but in a totally separate facility across from the major new road. This would also make the Eisenhower facility available for one of two purposes, additional rental income or potentially sell as a property.

Mr. O'Connor inquired what would be the number of classroom at the high school. Mr. Paradise noted seven or eight classrooms. Mr. Paradise noted that the classrooms at the high school are due to be demolished in the Belc area and the district would receive a credit if the classrooms are not demolished. This is why a decision needs to be made by February 1st regarding the Belc area.

Dr. Spitz is very concerned about the utilization at the high school next year and what will happen if the high school receives increased enrollments due to private school children who can no longer attend those facilities. Dr. Spitz would like to see the space at the Belc saved for extra space or overflow. Dr. Spitz feels the district will look very bad if the alternative program is moved to the high school and then there is not enough room to accommodate the students attending the high school.

Mr. Paradise responded that most of the space which is being discussed was planned to be demolished. Two groups are being considered for the area. Purchasing and Facilities is moving into the other half of the science wing and the former Belc area and the Alternative Program could be in the Belc area. The moving of Purchasing and Facilities could be held up and any overflow could be handled and the district would be certain that it could accommodate everyone.

Dr. Spitz feels the classrooms should not be demolished in the Belc. Mr. Paradise does not feel that there will be a necessity for overflow students. The high school is equipped to meet the enrollment projections. There is a deadline to remove the alternative school from Tawanka. A tenant has been obtained for the Tawanka facility. The alternative program needs to be moved.

Dr. Spitz inquired from Dr. Muenker regarding the educational impact of the students in the alternative program going to the high school facility. Dr. Muenker looked at the issues with building staff and administration and there are many pluses to on campus site which allows for some adjustments with programs. The issue is being taken into serious consideration.

Dr. Spitz would like to have administration provide a presentation to the committee regarding insights whether the program could be successful in the Belc area. Dr. Spitz is concerned that everyone needs to be comfortable with not only the financial side, but also the educational side before a final decision is made.

Mr. O'Connor requested that at the next Educational Development meeting that Ms. Holland be present. It is very important that the committee hear from the professionals and advise the Board that the program will be successful.

This matter will need to be on the agenda for January, 2009 in order for the Board to make a decision regarding same.

Ms. Boyle noted that the Board has requested before that Ms. Holland appear and now we are asking again. Dr. Spitz clarified that an Educational Development meeting has not been scheduled since the committee members are not definite. This will certainly be on the fast track agenda.

Mr. Eccles noted if full day kindergarten is instituted maybe there will not be the need for so many students in the alternative program.

Mr. Koziol feels that it is a fantastic idea. It makes Tawanka available for sale or rent, it makes Neshaminy Middle available for sale or rent, it makes Eisenhower available for sale or rent. Mr. Koziol says lets make the move.

d) Update on Neshaminy Middle School Realtor

Mr. Paradise provided a copy of a draft agreement with the realtor for Board review.

Mr. Koutsouradis questioned about the fuel and electric. Mr. Paradise advised that these leases are typically triple net leases. The tenant pays for all of the costs of operating the building.

Mr. Koziol stated that if a tenant is requested to move out of the property, the realtor still gets the commission. What happens if a poor tenant is obtained and the district needs to have him removed? This is stated in the third paragraph. Mr. Paradise advised that this agreement can be written in any way desirable to the district within reason. Any potential tenant would need to come before the Board for a specific agreement with them.

Mr. Eccles questioned whether this should be put out for bid for other commercial realtors to bid and look at the commission structures and what the district can do. Other companies would also like the opportunity to bid. Mr. Paradise stated that this is a professional service and the district is not required to bid same. The district needs to see who will best serve the interests of the district. Any fee referenced on the agreement is not paid by the district, but is paid by the tenant. Mr. Eccles feels it is just good business to have several companies look at different things. Mr. Paradise is willing to do that, however, time is of the essence to get a tenant.

Mr. Eccles stated that if the district does not have different opinions on certain properties and certain rates it is not allowing the Board to have a choice on several different proposals to look at and make an educated decision on which way to proceed.

3. Public Comment

Mr. Steve Rodos, Village of Flowers Mill, Langhorne, PA, thanked the Board and Dr. Rattigan for giving serious consideration to full day kindergarten. Whichever way it goes Mr. Rodos cannot complain that the request has not been evaluated and for this Mr. Rodos thanked everyone. At the very least the Board realizes the value of a full day kindergarten program.

Mr. Rodos believes that all school boards are in the same situation of revenues. Mr. Rodos questioned whether school boards around the state get together and petition the Commonwealth of Pennsylvania to fully fund the special education programs. It is an obvious area which is under funded. If all the districts would get together and put some pressure on the state possibly this could get some results and make significant revenue.

Mr. Rodos is still concerned that Sesame Place willfully under funds their share of what occurs. They have gotten their payments to the school district and the township capped, even though they keep raising the entrance fees. The state needs to address this situation. Possibly a parking tax could be enacted for all places that charge for parking.

Mr. Rodos suggested that those staff members that are retiring in January, 2009 not be replaced until the movement of students is evaluated in full.

Mr. Rodos thanked Dr. Costanzo for all her help with the SAGE program.

Mr. Howard Lindner, Langhorne, PA, congratulated Mr. Koutsouradis on the Vice-Presidency. Mr. Lindner stated that Mike Fitzpatrick, Esquire attended the meeting. Mr. Lindner thanked Mr. Eccles for his eleven years of service on the Board and the job that he has done for the community. Mr. Lindner feels that full time kindergarten is great and has been for some, however, can the district do it at this time with the financial situation. Down the road it is an avenue that should be taken if the money is available. Mr. Lindner is concerned that Department Chairman and Lead Teachers only teach one or two classes per day. Why do we need both of them. Mr. Lindner is for Department Chairman. These situations should be reviewed in order to cut the budget and save money. Think about the Lead Teachers. Neshaminy is beautiful and one of the best districts.

Mr. Marvin Dickler, Villages of Flowers Mill, Langhorne, PA, advised that he has great respect for Dr. Rattigan and he believes in her address to the Board stating that there is a possibility of running a pilot program in such a way where it would be cost effective and not cost any additional dollars. It has been stated for too many years that it is not the right time. Mr. Dickler believes that the district has been an embarrassment for over the last ten years watching our scores and grades go down and the budget rises. The students get forgotten. If there is a possibility of starting pilot program, even with the budget deficit, does it work to get the district back in the good scores.

4. Adjournment

Dr. Spitz moved the meeting be adjourned and Mr. O'Connor seconded the motion. The Board unanimously approved the motion. Mr. Webb adjourned the meeting at 8:20 p.m.

Respectfully submitted,

Anita E. Walls
Board Secretary