

NESHAMINY SCHOOL DISTRICT
Langhorne, Pennsylvania

PUBLIC BOARD MEETING
PUBLIC WORK SESSION MINUTES
NESHAMINY BOARD OF SCHOOL DIRECTORS
June 2, 2009

The Neshaminy Board of School Directors met in public work session on June 2, 2009, in the Auditorium of the Maple Point Middle School. The following persons were in attendance:

BOARD MEMBERS:

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

ADMINISTRATORS:

Dr. Louis T. Muenker
Mr. Joseph V. Paradise
Mrs. Patricia Boylan
Dr. Geeta A. Heble
Mr. Kevin Kane
Dr. Jacqueline Rattigan

SECRETARY: Mrs. Anita E. Walls

OTHERS: Approximately 75 persons from the public, staff and press

SOLICITOR: Thomas J. Profy, IV, Esquire

Prior to the start of the meeting the Board held an Executive Session from 6:15 to 7:15 p.m. at which time Personnel and legal issues were discussed.

1. Call to Order

Mr. Webb called the meeting to order at 7:25 p.m.

2. Pledge of Allegiance

Mr. Webb requested those in attendance join in the salute to the flag.

3. Announcements

Mr. Webb requested that Mr. Spahr from Reynolds Construction provide his presentation at this time due to another commitment.

a) High School Construction Update:

Mr. Spahr advised the Board that the construction project is winding down and the good news is that there are no significant items to report to the Board at this time. The high school project will be completed in September as scheduled and the final touches are being put on the last areas of the project. The site work which is left has no significant changes. The school district and township will be meeting in the near future to review Township requests and final occupancy matters will be discussed.

4. Public Comment

Mr. Steve Rodos, Villages of Flowers Mill, Langhorne, PA, stated that he reviewed the budget and it contains the elimination of buses, the elimination of mid-day kindergarten transportation, lay offs of 67 employees (teachers, support staff, etc.) elimination of 8th grade languages. What in this budget is positive for the education of the students of Neshaminy School District?

Mr. Butch McClinton, Levittown, PA is a sales consultant and has children within the district and is concerned about the staffing decreases in the music program. His wife and he graduated from Neshaminy

in the 80's. Music has been a part of their household. His sons are also involved in music and have furthered their studies in music. All have participated in band, jazz band, concert band, etc. His boys have received great opportunities such as Kimmel Center participation and opening for famous musical people. All of their musical education has come from Neshaminy teachers from third grade to senior year in high school. All private lessons were taught by Neshaminy teachers. He excelled from these lessons alone. No other private lessons were obtained. Quality teachers are within the district. Do not cut teachers and make the program weaker. The band has had successful festivals all around the country. The trophies received have been fabulous. Mr. McClinton urged the Board not to make the cuts in the programs.

Mr. Larry Pastor, Laurel Oaks, PA, expressed concern at the last board meeting that the imminent tax increases ahead are not being considered and that the Board does not appear to have a viable strategic plan. The proof is a \$14M deficit; scramble to cut the \$10M and no desire to account for the effect of the pending tax trifecta that all taxpayers in the district will be burdened with over the next three years. 1. Potential cost of the Teacher's contract or worse, the exorbitant expense of the old contract if the NFT won't concede to the Board's requests; 2. Public worker's pension refunding with State mandated tax increases; 3. Reduced tax revenues resulting from falling real estate values. "What further cuts would need to be made to have a zero tax increase?" There was no answer but at the finance meeting Mr. Koziol asked the same question of the Board and it was apparent to me that it was not looked at. It boggles Mr. Pastor's mind. The cuts are not deep enough. A 2009 tax increase of one cent means that you did not do your job. This is a non inflationary environment. Foreclosures are three times what they were two years ago, the unemployment rate in Middletown and Bucks County is about 8%. The health increases that people have undergone over the last ten years and those who have lost health insurance because of the recession. Why does the Board and Administration take for granted and accept that every year there can be a tax increase? Do not be forced into another gold plated contract. The district will continue to run in a deficit. Many residents today feel that your offer to the union is unaffordable and the counter demand is unaffordable. What does it take to get to a zero tax increase? It is owed to the community to solve the problem. Business logic should be used and if this was a business discussion it would have been fixed months ago. Many people are suffering through this environment. Mr. Pastor recently commended Mr. Webb publically for committing that the Board would not budge on the teacher's contract. Now, I am calling on them to do the right thing and go back and find \$4M in savings so the taxpayers will have a zero tax increase.

5. Items for Discussion

- a) High School Construction Update
Reynolds Construction Presentation – Mr. Damion Spahr
Took place earlier in the meeting.

6. Items for Approval Tonight

- a) Overnight Trip
Dr. Rattigan presented the following trip for approval:
Neshaminy High School Future Business Leaders of America National Leadership Conference –
Anaheim, California – June 23-29, 2009

Dr. Rattigan stated that one high school student has qualified and there will be no cost to the district.

There was Board consensus for said trip.

- b) Approval of suspension (furlough) and demotion of certified staff
Mr. Blasch presented the following motion:

WHEREAS, the Neshaminy School District has approved the opening of the reconstructed Neshaminy High School in September, 2009 with a change in the grade configuration from 10-12 to 9-12; and

WHEREAS, the Neshaminy School District has experienced substantial declining enrollment since the 1999 – 2000 school year and each successive year thereafter through and including the 2008-2009 school year.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Neshaminy School District direct the Superintendent to seek approval from the Pennsylvania Department of Education to reduce professional staff to meet the circumstances outlined above.

Mr. Koziol seconded the motion.

The Board unanimously approved said motion.

7. Items for Approval at the June 16th Public Board meeting

a) Approval of Budgetary Increase for Federal & Other Programs (2008-2009)

Mr. Paradise advised that at the Public Meeting in June the Board is asked to increase a budget increase for the current year. There will be a motion to approve that budgetary increase and amend the budget for the current year.

b) Facilities Professional Services/Consultant for 2009-10

The Board will approve a facilities professional services/consultant for 2009/2010. A copy of the vendors was given to Board members for review and they are used during the course of the school year.

Dr. Spitz inquired whether the list was changed. Mr. Paradise advised that Best Lock, Inc. was added as an additional vendor. Dr. Spitz inquired regarding patented locks and Mr. Paradise advised that the keys used cannot be duplicated commercially.

Mr. O'Connor inquired regarding the amounts of the services provided. Mr. Paradise advised that all quotes are different. Some of these vendors have obligations which the district is required to have service contracts with the vendor.

c) Calendar Addendum for Act 80 Day Reporting

Dr. Muenker advised that approval will be sought on June 16th required by Pennsylvania Department of Education.

d) Review and approval of elementary furniture purchases

Mr. Koziol advised the Board that this is based upon close review and visits to the various schools to examine the furniture. This is a recommendation which is determined to be a good purchase for the district. Most of the furniture was in bad condition and needed replacement. Mr. Webb noted that these monies are from a capital improvement fund and are not part of the general fund.

Mr. Koziol visited all the schools and provided information to the Board. Most furniture is for student desks and chairs which would be replacing 1970's furniture. There is no disposal cost of said furniture. Mr. Paradise is charged with the responsibility of disposing of said furniture in the most cost effective manner.

The Administration is in agreement with Mr. Koziol's findings that a need for said replacement furniture is necessary, however, there is no money available in the general fund for said replacement and the monies would need to be obtained from the capital improvement fund.

e) Review and approval of Food Service Budget and possible price increase

Mrs. Wallace provided Board members with a handout regarding said price increase and presented the following information:

- Food Services received several bids indicating reductions

- Food Costs are reduced by 2%
- Supplies are reduced by 1%
- Food Services would like to change the recommendation from a 20 cent lunch increase to a 15 cent lunch increase for the 2009-2010 school year
- Depreciation is included in the budget
- Survey was completed and received from 10 school districts
- New proposed budget provided to Board members
- Cash Statement and Fund Balance Statement

Mr. Koutsouradis asked whether more data would be available from other districts prior to the end of year. Mrs. Wallace advised that most districts do not even look at the process until the year end.

Mr. O'Connor inquired whether buying habits change. Mrs. Wallace stated when students move to the high school more items are purchased from the ala carte menu. High School participation may be less with the Type A lunches, however, different items are selected and ala carte is more attractive.

Mr. Koziol inquired regarding the cash balances provided and the capital goods which were purchased and the depreciation taken. Mr. Koziol does not feel justified in raising food prices when there is still an adequate amount of cash balance.

Mr. Paradise advised that cash balance has nothing to do with the status of the fund. The only thing that has anything to do with same is retained earnings or fund balance. There are still a lot of outstanding obligations which must be taken care of. Food Services accrue bills and are not removed from cash immediately. A statement cannot be made about the status of a fund by talking about cash.

Discussion took place regarding depreciation. Depreciation has allowed the fund balance to be in the positive. Depreciation does not reflect positively on the fund it is following accounting rules and allows the costs to be spread out over a period of years.

Mr. Paradise noted that this issue directly affects students and is sensitive business for the Board, but the same costs pressures are also affecting food services. Mr. Paradise advised that Food Services is meticulous in controlling labor costs. Hours are market driven whether up or down. Hours change during the course of the year. This business must come before a School Board to ask for a price increase.

Mr. Paradise stated that it would be his recommendation to approve said price increase at the June 16th meeting.

f) Homestead and Farmstead Exclusion Resolution

Mr. Paradise provided a draft resolution which will be brought for approval on the June 16th meeting. The District will receive \$3.9M in gaming funds and every dollar will be returned to the taxpayers in the form of a credit on their real estate tax bill. Each credit will be in the amount of \$211.01 as estimated.

g) Approval of Year End Budget Transfers

Mr. Paradise advised that the Board will be asked to approve a year end budget transfer at the June 16th meeting in accordance with the Auditor General's office.

h) Bids/Budget Transfers

Mr. Paradise advised that there are no budget transfers. Mr. Paradise presented one bid:

Bid No. 10-09 Classroom and Art Supplies

Bid Amount: \$24,059.80

Bid Description: Classroom and art supplies for the 2009/2010 school year which include: paints, drawing paper, brushes, markers, yarn, cloth and other arts and crafts materials for classroom use.

The bid will be presented on June 16th for approval.

i) **Adoption of the 2009-2010 Budget**

Mr. Paradise provided to Board members an updated 2009-2010 proposed final budget document. Mr. Paradise advised that the District has no legal authority to adopt a budget without the reductions which have been described in accordance with Act 1.

Mr. Paradise reviewed the budget document with Board members.

- Insurance reductions
- Copying cost reductions – 46% reduction and the copy center is eliminated along with the staff member
- Blue Cross prepay would not occur this year with an interest payment reduction
- Increase of 4.9 mills which equates to 3.3% increase or \$133.00 tax increase offset by a \$211 gaming credit
- Three Year history of expenditures was provided
 - Expenditures are not out of control to date. The Board has clearly corrected things.
 - Need to continue to hold the line.
 - Tax base cannot support same.
 - Control labor costs.
 - Consolidate other schools.
 - Legislature needs to take a part to reduce benefits and spread out increases.

Mr. Paradise and Dr. Muenker provided a response to the Board request to solve financial problems. The reductions recommended are achievable with the least amount of pain but still accomplish over \$10M in reductions.

Some taxpayers and board members have talked about the potential of a zero budget increase. The Administration has stated, that additional cuts beyond what has already been recommended will hurt the educational programs for the students and community. In order to provide the board with information as to what would be next in line, given the contractual limitations, and our many present restrictions and circumstances, provided the following along with their estimated savings. These budget reductions are possible, but not recommended by the Administration. They are listed in no specific order.

Eliminate the middle school instructional opportunity period	\$800,000
Eliminate middle school sports	650,000
Eliminate the senior citizen tax assistance program enhancement	100,000
Close both remaining middle school pools – 2 support staff	229,000
Eliminate K-5 Reading Program new textbooks	209,000
Eliminate Capital Reserve Fund contribution	500,000
Raise Aquatic Fees by about 76%	100,000
Eliminate Elementary Guidance Counselors	1,077,748
Eliminate Reading Specialists	1,359,923
Eliminate Elementary Librarians	866,431
Close Alternative School & Contract Out	967,265
Total Potential Savings	\$6,848,367

Dr. Spitz and Mr. O'Connor inquired regarding the K-5 Reading program new textbooks. Dr. Heble clarified that at the time the educational development committee met we did not have any pure indication as to whether one program vs. another. At this point we are not adopting a program, but in order to do the balance literacy from K-5 materials are necessary. A variety of sources are providing

these materials and payment is necessary. Text book adoption is not a level of funding. With agreement of all parties that funding could be whatever.

Mr. Koziol questioned the middle school instructional opportunity period and asked for a description in writing and does the elimination of middle school sports include all extra curricular activities, or just sports, middle school pools repair over the next three years would be \$475,000 so that would make close to a \$700,000 savings. How many elementary guidance counselors would be eliminated and could this be done with less people but still offer guidance at that level. Possibly sharing guidance counselors between two schools. Could the reading specialists also be shared between schools? Mr. Koziol inquired regarding the alternative program and the I.U. provided such services.

Dr. Spitz advised that the I.U. is in the process of contracting with an outside agency to provide such a service in the upper end of the county and the number was approximately \$8,000 per seat and they are all already taken by Quakertown, Pennridge and other various districts. Dr. Muenker stated that the same type program is also being considered for the lower county area.

Dr. Spitz inquired regarding the revenue assumptions from stimulus funds and Mr. Paradise advised that hopefully \$1.5M funds will be received and the district is clearly counting on those funds.

Mr. O'Connor contacted State Rep. Frank Farry advised that he believes that the bill would not pass through the House. People should remain diligent with the stimulus funds. Contact Mr. Farry to continue to support same.

Mrs. Cummings is concerned with the pool closing costs and would it be possible to close just one pool or the other. Mr. Paradise advised that anything is possible. Costs are equal between both pools. Ideally the swim team should be at Poquessing. The Sandburg pool should be the facility which would be closed since renovations have occurred at the Poquessing site.

8. Superintendent's Report

Dr. Muenker advised of the following:

- Future Problem Solvers went to state competition with many successes.
- Tech Ed and Family Living hosted a 4th annual competition on May 19th.
- Lower South received a NRG award presented by the PA Diabetics Association.
- Maple Point is hosting a Writing Portfolio Party.
- Poquessing Family Consumer Science Majors did a fund raiser for children battling cancer.
- Operation Helping Hand Food Drive for the United Way - Neshaminy collected 4,675 lbs.
- Graduation will take place on Thursday, June 11, 2009/ Rain Date Friday, June 12, 2009.

9. Committee Reports

a) Board Policies

Ms. Boyle advised that the committee met on May 26th and discussion took place regarding charter schools, cyber charter schools and private school students to attend special activities at Neshaminy and the committee determined that due to security reasons recommendation would not be given to formulate a policy at this time. Discussion continued regarding earning proficiency on the PSSA as a requirement for graduation and it was determined that a special committee would be formed and chaired by Dr. Rattigan and Dr. Heble to determine what assessment instrument would be used as a requirement for graduation.

b) Educational Development

Dr. Spitz advised that a meeting took place on May 11th with two major agenda items of discussion - Tech Ed program and details of what is offered at High School.

3 courses have similar content with the Tech School courses.

Scheduling process at high school in light of two major changes - 9th grade movement and consolidation of schedule and staff in light of budget issues.

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- Differences will occur this year.
- Class sizes will be larger for regular courses -28-29 students.
- AP courses increase from 20 to 25 students.
- Electives – any course with less than 20 students requested same will not run.
- Lay-offs of staff will occur and staff remaining will have less release time.
- Administration will provide info regarding classes with more than 30 students.

Next meeting is scheduled for June 8, 2009 at 6:30 p.m.

c) Finance/Facilities

Mr. Koziol advised that proposals were reviewed from the insurance consultants to handle the insurance programs. Three candidates are involved.

d) IU Board

Dr. Spitz advised that the last meeting took place last week and the I.U. is also considering making changes affecting staff and is affected by the current fiscal realities.

e) Educational Foundation

Dr. Muenker advised that the foundation continues to meet on a regular basis.

f) Technical School

Mr. Koutsouradis advised that at the last meeting awards were presented and Broadus Davis of Bristol Borough as the Superintendent of Record. Next meeting is June 22nd at 7:30 p.m.

g) Technology

Mr. Blasch advised that the committee did not meet this month.

10. Public Comment

Mr. Steve Rodos, Villages of Flowers Mill, Langhorne, PA, stated that he has learned methods of how to cut away education in future years. How is this benefiting the students of Neshaminy School District? If middle school sports are eliminated then the high school sports will also need to be eliminated. Money will be saved. This is the Board of Education not the Board of revision of taxes. Do your job about educating the students of Neshaminy School District and stop cutting out things important to their educational welfare.

11. Future Topics

Mr. Koziol stated that this is his fourth budget which he has participated in and in the last four years he has seen a \$15M fund balance disappear, anxiety in the faces of people who work in Neshaminy, hard decisions are being made, friends are parting for the first time, things are changing, and the good ship Lolly Pop has left port. 18 months ago the newspaper reported that the stock market hit a high of 14,093 and the unemployment rate was 4.5%, consumer confidence hit high over the last two years, people were buying big cars and trucks, 50" TV's, credit was easy to get. Those days are gone. People need to enter a raffle in Phoenix in order to buy a house; those same houses are not only \$60,000. Stock market hit a low of 6,600, unemployment went to 9% and soon 10%, consumer confidence is as low as in 1933, car sales are down by 42%, GM and Chrysler are bankrupt and may be gone, TV's have dropped there prices, credit is nearly impossible to get, AIG bailed out by government, to get additional credit is nearly impossible, 25% of all credit cards are in default at this time, 1 out of 8 people with good credit have a mortgage in default, 247 homes in Doylestown are in foreclosure, our country has changed in the past 18 to 20 months. Not that way for a long time. Obama Administration tells us "Don't expect to get more, look at what you have and make that what you get your good feelings about." Rough times are ahead. The Board needs to look at eleven items and, they are difficult. Each and every one needs to be looked at. It will take a long time before things come back. PA Department of Retirement is \$20 Billion behind and in 2013 it will be \$40 Billion. Harrisburg will need to take changes and regroup. Look into your hearts and do the right thing and set up this district so it doesn't fail in two or three years from now.

Mr. Paradise read an excerpt regarding the GM Bankruptcy. The Board and Administration is interested in self correcting and reforming and becoming leaner and more efficient and more productive in the education of our children. We have no choice but to do that today.

12. Agenda Development for the June 16, 2009 Public Meeting.

13. Other Board Business

Mrs. Cummings stated that half of the public is looking for a zero budget and half wants the Board to maintain educational programs. The Administration has presented this to the Board, however, this has not been voted upon, but will be reviewed by the Board. The eleven items reviewed this evening will be further reviewed on June 16th. Mr. Webb stated that it will be an agenda item and it will require a "yes" or "no" vote.

Mr. O'Connor stated that the PSSA requirement for graduation was turned down due to the remediation classes to be used as safety nets and there were not sufficient scheduling abilities for those remediation classes at the high school given all the changes presently occurring.

Mr. O'Connor is looking for updated Policy 704. Enrollment indicates that potentially an elementary school could be closed. Mr. O'Connor would like for the Board to create an ad hoc committee building closure committee to begin looking at the issue now and come back to the Board in October with recommendations.

Mr. O'Connor is scheduled for a business trip the week of June 15th in Washington, D.C. which would not allow Mr. O'Connor to be present. Mr. O'Connor is attempting to get some relief or get someone to cover for him.

Mr. Pastor stated that the Board has a couple of weeks to review the eleven options presented this evening and there are only two weeks to review same. Since the Superintendent does not agree with these eleven points, does the Board vote against them? Where is the thoughtful analysis?

Mr. Webb stated that Council Rock has signed an Early Bird with their teachers in which they have taken some concessions and they are paying towards their health benefits. Mr. Webb challenged the NFT to come back to the negotiating table and see if we can't work this out.

14. Adjournment

Mr. O'Connor moved that the meeting be adjourned and Mr. Koutsouradis seconded same. Mr. Webb adjourned the meeting at 9:10 p.m.

Respectively submitted,



Anita E. Walls
Board Secretary