

NESHAMINY SCHOOL DISTRICT
Langhorne, Pennsylvania

PUBLIC BOARD MEETING MINUTES
NESHAMINY BOARD OF SCHOOL DIRECTORS
(WORK SESSION)
May 3, 2005

The Neshaminy Board of School Directors met in public session on May 3, 2005, in the Board Room of the Maple Point Middle School. The following persons were in attendance:

BOARD MEMBERS:

Mr. Richard M. Eccles, President
Dr. William H. Spitz, Vice-President
Mrs. Sue C. Barrett
Mr. Jason Bowman
Ms. Carol A. Drioli
Mrs. Susan Cummings
Mr. Ritchie Webb

ADMINISTRATORS:

Mr. P. Howard Wilson
Dr. Louis T. Muenker
Dr. Sandra Costanzo
Mr. Joseph V. Paradise
Mrs. Jacqueline Rattigan
Mr. Bruce M. Wyatt

BOARD MEMBER NOT PRESENT:

Mrs. June R. Bostwick
Mrs. Kimberly A. Jowett

SOLICITOR:

Thomas J. Profy, IV, Esquire

SECRETARY: Mrs. Anita E. Walls

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

Prior to the Work Session the Annual Neshaminy Employee Recognition Awards Reception was held. The following awards were presented to Long Term Service Employees of Neshaminy School District:

<u>Years of Service</u>	<u>Gift</u>	<u>Awardees</u>
15	Ceramic Box	40
20	Gold Lapel Pin	26
25	6 ½" Silver Bowl	18
30	Brass Handbells	14
35	9" Silver Bowl	13
40	Crystal Apple	1

1. Call to Order

Mr. Eccles called the meeting to order at 8:00 p.m.

2. Pledge of Allegiance

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

3. Announcements

No Announcements.

4. Public Comment

Mrs. Terri Ivers, Langhorne, PA, stated that her children attended Neshaminy School District and she was a substitute teacher for seven years in Neshaminy. Mrs. Ivers stated that she is all in favor of education and supporting the school district. Mrs. Ivers noted that those who serve on the Board deserve the public's thanks and admiration since it is not a Board that Mrs. Ivers would care to serve on because the members take a lot of guff from the public and it is hard work. Mrs. Ivers stated that everyone has been asking for property tax relief and the state legislature has responded with Act 72. It is not a perfect piece of legislature, but what in life is perfect. School Boards across Pennsylvania have not responded with

enthusiasm to Act 72, but Mrs. Ivers wanted Neshaminy School District to respond with a "Yes" for the following reasons. Mrs. Ivers stated that while the Act is not perfect it would be foolish for the residents of this community to refuse the reduction of about \$380 per property, per year. Other local communities will receive approximately the same, sometimes a little bit more. The School Boards are reluctant to commitment themselves to this plan for a few reasons, primarily the referendum, if they try to raise taxes above the inflation level of the community. In that case they must go to the public and ask permission in a referendum. Mrs. Ivers noted that no one likes taxes to be raised and many people will vote no in a referendum. Mrs. Ivers stated that she had lunch with Governor Rendell and he stated that if the School Boards refuse to endorse Act 72 the chances are that the state legislature will impose a back end referendum anyway, and the taxpayers will not get a cent of the rebate. In order to get the tax rebate the school districts must join in on Act 72. Mrs. Ivers stated that Act 72 has ten (10) exemptions for additional buildings, special education policies, and a variety of other events which normally could not be covered by the regular taxes paid by residents. Mrs. Ivers stated that the district will have ten reasons that the district could impose additional taxes without going to referendum. Mrs. Ivers noted it is not so fierce after all. Legislatures have been receiving many complaints about school taxes, and they feel that School Boards are the only taxing authority in the state which has no control imposed upon it. Revenue from gaming is expected to be about \$1 Billion a year and the state will receive 34% of that revenue. The state is saying that it will use most it to reduce property taxes by at least 23%. Property tax relief should begin once gaming has generated \$750 Million in revenue in about 2007. School Boards are also reluctant to impose the required $\frac{1}{2}$ of 1% of earned income tax which the state has mandated. It may cost more to collect the tax than it would be worth. That is a fair objection, but there is no policy which forbids a greater local tax being raised if you can't generate enough to pay for the expenses then make it $\frac{3}{4}$ of 1%. Mrs. Ivers is in favor of supporting the schools and teachers to the utmost. They perform one of the most vital services in society. We cannot have a functioning democracy if we do not have an educated electorate, and they have the primary responsibility to educate the young.

Mr. Jerry Turkel, Levittown, PA, stated that he agrees with Mrs. Ivers whole heartedly.

Mr. Ray Giove, Langhorne, PA, stated that he was a custodian for Neshaminy School District for 21 years. Mr. Giove knows that the elderly and retired persons of the district have been paying their taxes faithfully. Mr. Giove endorses what Mrs. Ivers stated. This is a matter of conscience. Mr. Giove stated that there needs to be another way to make taxes more equitable, not just based on property alone, but on income. After people retire they are on fixed incomes. Mr. Giove fails to see how seniors can continue to pay the increase in taxes on property. Mr. Giove stated that this is the first time he has seen something that is actually trying to be done for the elderly and retired citizens. Mr. Giove is asking the School Board to vote "Yes" on Act 72. Give it a try. The burden is being put upon the School Board, but this is a matter of conscience. Many seniors may not have mortgages, but they have other expenses, medical, drugs, etc.

Mr. Marvin Dickler, Langhorne, PA, stated that he sat through several meetings and he heard that one of the objections to putting in the earned income tax is the amount of money that would be collected would just about cover the expenses of collecting same. Mr. Dickler was recently told that there are inserted into this bill the fact that Middletown residents that work out of the area, primarily Philadelphia, that money will be returned from Philadelphia to the community, and if that is in fact true, it will be a major portion of dollars coming back into our community. Mr. Dickler also heard that the board did not want to increase the 1% because one-half would go back to the Township.

If the board would increase just that $\frac{1}{2}$ % you would be liable to collect the money that is now being paid into Philadelphia and the district is losing. Mr. Dickler feels that if the board has good conscience about the people that live in this community, the board will definitely take a vote on Act 72.

Mrs. Marianne O'Connor, Langhorne, PA stated that she is concerned about the seniors, but also the rest of the citizens of the community. The majority is raising families, paying mortgages, putting children through college, etc. and is no where near done. Mrs. O'Connor is concerned that the majority of the district will be

hurt. Mrs. O'Connor stated that she will loose with either situation. The amount that will be taken out of her salary will be more than her taxes going up in a year. The school board will hurt the majority of the people if it imposes the ½%. Anyone who is earning and working is going to loose. Mrs. O'Connor stated that everyone needs to be looked out for. This is not a good idea. Mrs. O'Connor noted that each person of gambling age would need to loose about \$500 out of their pocket every year. Why would a person loose \$500, take another ½% of their earnings, only to get \$200 back? Mrs. O'Connor stated that everyone is paying more for everything in their households: gas, food, car insurance, health insurance, etc. It is costing the district the same higher expenses to run the district. Mrs. O'Connor is concerned that if the district will be forced to send issues to referendum like the state of New Jersey, the education system will suffer. People are voting down issues, left and right. No one likes to see money being spent and their taxes increasing. Mrs. O'Connor noted that if it costs the average homeowner more to run their household, it will cost the district more to run the district. Mrs. O'Connor does not feel that any board has been extravagant. Mrs. O'Connor feels that this Board has tried very hard to make sure the community gets the most for their money. Mrs. O'Connor noted that over 80% of this community is still working and raising their families. Mrs. O'Connor stated that everyone should take their energy and go to Harrisburg and ask them why the people of the state don't get a chance to vote on how they spend the state money, and why they are not providing more money for programs that they are mandating. Everyone wants to go to the local level because it is convenient and easy. Mrs. O'Connor suggested that people spend as much time as they do at school board meetings and go to Harrisburg and demand responsibility from them and how they spend our money. Harrisburg is not spending our money wisely. Don't be angry with your School Board, but be angry with your legislators in Harrisburg.

Ms. Helene Ratner, Langhorne, PA agreed with Mrs. O'Connor and thinks that the state legislators should give back their cars and gas allowances and donate that to the school districts. Ms. Ratner wanted to thank Mr. Emig and the administration regarding lacrosse. Ms. Ratner is an advocate of doing for the students and keeping them off the streets and finding activities for them. The fact is that the parents and staff are raising the money for lacrosse. Ms. Ratner also gave a check to support the sport and is very proud of what is being done. Ms. Ratner knows that there are students in her neighborhood participating in lacrosse and she wishes that lacrosse was a sport when she attended high school. Ms. Ratner is glad the school board is supporting them. Ms. Ratner commended the parents for spending the time, the students for participating in same.

Ms. Drioli commented that Mrs. Ivers has provided an ultimatum from Governor Rendell. The school board has been threatened. Ms. Drioli is concerned that if the school board does not do this then the Governor will do same and the districts will not receive anything.

5. Items for Discussion

a. Short Term Borrowing for Blue Cross Prepayment

Mr. Paradise advised that Blue Cross has contacted the district regarding the prepayment of the insurance premium. The district needs to respond in writing to provide Blue Cross with a commitment that Neshaminy will participate in the prepayment program. The district will be saving approximately 4.5% on the annual premium. The district would be doing a Tax Revenue Anticipation Note in June, 2005 for the amount of the premium and it would be borrowed for approximately four (4) months until the tax revenues begin to come into the district. Mr. Paradise noted that last year the district netted approximately \$650,000 in savings. Mr. Paradise noted that in the Working Draft Budget the district is including approximately an 11% increase in premiums.

There was Board consensus for the Blue Cross Prepayment.

6. Items for Approval

a) Overnight Trips

Trip information distributed prior for the following trips was self-explanatory.

- I. Neshaminy High School's Environmental team – State Championship - Bloomsburg University – May 23 – 24, 2005
- II. Neshaminy High School and Maple Point Middle School – Future Problem Solving Teams – International Level of Competition – Lexington, KY - June 2 to 5, 2005

There was Board consensus for the two trips.

b. Approval of 2005-2006 Preliminary Budget

Mr. Wilson stated that the Board's consensus is needed for the 2005-2006 Preliminary Budget in order to provide same to the public thirty days prior to the approval of the final budget.

c. 2005-2006 Capital Budget

Mr. Paradise provided Board members with a handout. Mr. Paradise noted that the capital projects are to be funded from the \$25M Capital Projects Bond Issue and are in accordance with the original plan with some adjustments due to pressing needs.

The total of \$9.3M is the most of any year during this term due to the Poquessing Middle renovations.

Mr. Eccles inquired regarding the Neshaminy Middle boilers and pumps that are scheduled for replacement. There is a probability that the school will be closed in upcoming years. Mr. Paradise responded that the logic in this case is that the boilers and pumps are a necessity and will only make the building more marketable for a tenant.

d. Appointment of Treasurer

Mr. Paradise advised that there will be a motion at the May 18, 2005 meeting to reappoint himself as Treasurer.

e. Appointment of Board Secretary and Assistant Board Secretary

Mr. Wilson advised that there will be a motion at the May 18, 2005 meeting to appoint Mrs. Walls as Board Secretary and Mrs. Spadaccino as Assistant Board Secretary.

f. Possible Tax Relief Alternatives

- ✓ **Financial Exoneration for Per Capita Taxes**
- ✓ **Financial Exoneration for Occupational Privilege Tax**

Mr. Paradise advised that the district is in the process of printing the bills for next year. If the district is going to change the financial exoneration limit this is time sensitive and it needs to be completed this month. Mr. Paradise noted that the law has changed and a higher financial exoneration limit from all sources from \$5,000 to \$12,000.

Mr. Paradise noted that the Occupational Privilege Tax is a tax that an employer is required to deduct from an employee's paycheck. Anyone who works within Neshaminy School District is required to pay \$10.00 per calendar year, and if the employee earns less then \$5,000 per year they may apply for a refund.

Mr. Paradise requested the Board's direction as to whether they would like to increase the Financial Exoneration for Per Capita Taxes and the Financial Exoneration for Occupational Privilege Tax.

Mr. Paradise noted that it would need to be on the May agenda if the Board would like it to be applicable for the upcoming year.

Mr. Eccles would like to take a vote on Act 72 and make decisions.

g. Approval of Revised Board Policy #550 – Networked Information Resources Procedures for Students

Mrs. Rattigan provided Board members with a draft of Policy #550. Mrs. Rattigan noted that it is not a new policy, just revised due to additions in the No Child Left Behind Act.

Mrs. Rattigan pointed out to Board members where additions to the policy occurred.

Ms. Drioli requested that a black bar copy be provided to school board members in order that they may be alerted to the changes.

h. Bids/Budget Transfers

Information distributed prior to the meeting. Mr. Paradise advised that there are no bids. Mr. Paradise reviewed the following budget transfer:

Budget Transfer Report 05-4 - Contains three budget transfer items.

Mr. Paradise noted that at the Public Meeting a special motion will be presented regarding the Poquessing issue, since the Board Secretary will need to execute documents in order to move it forward.

7. Superintendents Report

Mr. Wilson was at Everitt Elementary because Walmart provided an award to Teacher of the Year, Paula Davis. Walmart gave \$1,000 to the school for Mrs. Davis' efforts.

Mr. Wilson noted that five physical education teachers that have been recognized and will be honored at the Physical Education Convention in Chicago:

Richard Grafius	Heckman Elementary School
Amy Keating	Maple Point Middle School
Jane Gibbons	Maple Point Middle School
Bob Emery	Neshaminy Middle School
Theresa Martian	Sandburg Middle School

Mr. Wilson advised that nine schools have been named nationally and Neshaminy has four of the schools. Mr. Charles Schmidt is the lead teacher.

Mr. Wilson further noted that Utah is the first state to pull out of No Child Left Behind. The Governor signed the bill and it says that Utah state standards will supersede the No Child Left Behind Act.

Mr. Wilson noted that the superintendents have banded together to send the President a bill for unfunded IDEA. It will be put on an invoice and every state will participate.

8. Committee Reports

a) Board Policies

Mr. Bowman advised that a meeting took place on April 21, 2005 and Policy #550 was discussed. Also the weapons policy and professional services bidding was discussed. The drug policy will also be looked at further.

b) Educational Development

Dr. Spitz advised that a meeting is scheduled for Monday, May 9, 2005 at 6:30 p.m.

c) **Finance/Facilities**

Mr. Webb advised that a meeting is scheduled for Wednesday, May 11, 2005 at 7:00 p.m. Mr. Webb advised that the primary discussion will be the budget.

d) **IU Board**

Ms. Drioli advised that there was no report.

e) **Educational Foundation**

Mr. Cummings advised that the next meeting is scheduled for Monday, May 9, 2005 at 8:00 a.m. The Spring Fundraiser is still going. The Phillie basket is being circulated throughout the schools.

f) **Technical School**

Dr. Spitz advised that Thursday, May 12, 2005 is the Semi-annual Joint Board Convention at which time the tech school budget is voted upon. Dr. Spitz is reluctantly recommending that the district vote to approve same. The budget increases are primarily due to special education. Neshaminy sends more special education students to the tech school than any other sending district.

Dr. Spitz urged Board members to be in attendance to place a vote.

g) **Technology**

No report.

9. Future Topics

Mr. Webb received a memo from Friends of Idlewood regarding the use of all terrain vehicles and that at this point in time, Idlewood is heading in the direction of a new "Atco Park." Mr. Webb suggested that a few board members take a tour of the area and make a decision regarding same.

10. Agenda Development for the May 18, 2005 Public Meeting

Mr. Webb would like to see Act 72 placed on the agenda and given consideration.

Mr. Webb advised that he would like to clarify misinformation:

- Under Act 72 any tax that the voter's would approve the local municipality could not take.
- Under 511 that tax would be voted upon by the Board and the local municipality could take ½ of 1%.
- If other states attempt to raise their taxes by 1 mil they require a referendum, but in PA the state would provide an index (3% of 520 mils) which would allow the district to raise taxes without the necessity of referendum.
- 96% of the school districts have done nothing and are waiting for May 30.
- 20 schools have voted upon Act 72 and ½ have opted in and ½ have opted out.
- Income from Act 72 would go strictly to reducing taxes.
- 511 would allow the districts to use the money for paying other expenses.
- Act 72 has no bearing on this current year's budget.

Mr. Wilson advised that the County has changed the assessment which has affected the millage. The mill is worth more money. Right now the increase with the preliminary budget at this time is 8 mils. This 8 mils needs to be multiplied by 4 which is 32 mils, the number we are accustomed too.

Dr. Spitz made the following points:

- The school district is going to have certain expenditures.
- Act 72 will not give property tax relief for approximately 3 years.
- Under 511 the district would raise for the district approximately \$4M (imposed for only ½ of the year).

- Property taxes could be reduced by 21 mills if the earned income tax is imposed.
- Every Board is required to do their job.
- If the district enacted an earned income tax for next year it would raise approximately \$7M.

Mr. Eccles noted that there is no way that when the funds from the earned income tax were received by the districts that the districts were not going to spend same. Unless there are mandates in place spending will occur.

Mr. Eccles further noted that why would someone opt into a program where there is no absolute way of property tax relief.

Mr. Eccles noted that there are 13 school districts in our area and he questioned whether any of them have ever returned any money to the taxpayers. Ten districts have an earned income tax in place.

Mrs. Cummings is concerned that if the district needs to go to referendum what programs would be cut if the referendum would fail.

Ms. Drioli stated that the Governor has shifted the burden of Act 72 upon the school districts. If the Districts do not opt into Act 72, the Governor will probably take it upon himself and enact Act 72.

Board discussion ensued further regarding Act 72 and the earned income tax.

Dr. Spitz questioned Mr. Profy regarding how many votes are needed to pass Act 72. Mr. Profy stated that five (5) votes are required.

Mr. Eccles feels that Act 72 should be placed on the agenda for May 18, 2005 as an Item for Approval.

Mr. Eccles requested a roll call vote be taken to make Act 72 an agenda item for the May 18th meeting. The roll call tally indicated that Act 72 would be an agenda item with six ayes, Mrs. Barrett, Mr. Webb, Mr. Bowman, Ms. Drioli, Mr. Eccles, Dr. Spitz, and one nay, Mrs. Cummings. Mrs. Bostwick and Mrs. Jowett were not present.

11. Other Board Business

None.

12. Adjournment of Meeting

Mr. Bowman moved the meeting be adjourned and Mrs. Cummings seconded the motion. The Board approved the motion with seven ayes. Mr. Eccles adjourned the meeting at 9:15 p.m.

Respectfully submitted,

Anita E. Walls
Secretary