

**MARPLE NEWTOWN SCHOOL DISTRICT
BUDGET AND FINANCE COMMITTEE MEETING
TUESDAY, AUGUST 11, 2009
BOARD ROOM MINUTES**

PRESENT: **Committee:** Mr. Richard Sokorai, Mr. Michael Molinaro and Mr. Fred Dewey

Board: Mr. Ed Partridge, Dr. Jeff Shapiro, Mrs. Nancy Galbraith, Mr. Dave McGinley
 and Mrs. Dana Kauffman

Administration: Dr. Merle Horowitz, Mr. Joseph Driscoll, Mrs. Denise Land, Mr.
 Mike Dumin

Press: 0

Audience: 15

1. Call Meeting to Order and Pledge of Allegiance

Mr. Sokorai called the meeting to order at 7:35 pm and welcomed all in attendance.

2. Approval of the agenda

No additions were made to the agenda for August 11, 2009

3. Approval of June 9, 2009 meeting minutes

Mr. Sokorai made motion seconded by Mr. Molinaro to approve the minutes of the June 9, 2009 meeting.

4. Business Office/Finance Reporting

Monthly Financial Reports June 2009

Mr. Joseph Driscoll noted that the Financial Statements for June 2009 were not audited. The numbers would change due to the books still being open from the last fiscal year. The books will not be closed until the middle of September 2009. Mr. Driscoll went on to state that the preliminary projections from last year were pretty much on target, and that the total revenue came in over one million dollars under budget.

Treasurer's Report May and June 2009

Mr. Driscoll stated the Treasurer's Report is obviously winding down with the end of the year. The Bond and Capital Funds are included in the report. No one had any questions for Mr. Driscoll concerning the report.

Budget Transfers June EOY 2009

Mr. Driscoll spoke of the EOY transfers for Budget and planning along with the final expenses. He wanted everyone to know that this time of year is the transition time.

5. 2010-2011 Budget and Budget Process

Mr. Driscoll started by saying everyone must begin to look now at the Budget for 2010-2011. The new Budget should be in place and be able to go public by the end of December 2009. He stated the guidelines of Act 1 must be followed this year. He believes the Act 1 index will come in at approximately 2.8% or 2.9%. This estimate is a preliminary. Mr. Driscoll also stated the Board would need to act on the Preliminary Budget ASAP with the exceptions for Act 1 to be applied in January 2010.

Mr. Rich Sokorai stated the discussions for the new Budget must start right after the Labor Day weekend.

Mr. Dave McGinley stated, the current Board would just be “spinning its wheels” working on the new Budget with a new Board coming in December and voting on it in January. Mr. Sokorai stated that any new Board members who cared about their position should be following this process starting now.

Mr. Driscoll wanted to express his concern that getting started with the Budget Workshops in September and October would be too late. The Revenue Budget needs to be together in the next 3-4 weeks for the new Budget. The District still does not know what the State gave us for last year.

Mr. Driscoll gave the School Board a time line for the new 2010-2011 budget. He stated the tough decisions concerning the budget would have to be discussed in September and October. November and December would be the wrap-up months. The Budget would be available in January 2010 for public inspection.

Mr. Ed Partridge asked Mr. Driscoll what the Act 1 index is for next year. Mr. Driscoll stated it would be 2.8% or 2.9% unless something changed with the SAAW rate. Mr. Partridge also inquired what the current percentage of the Budget is for Salaries and Benefits. Mr. Driscoll stated it is still in the 70% range.

There was a discussion concerning a Zero Based Budget and its process. Mr. Sokorai stated he is discussing the process with administrators. Mr. Sokorai asked that everyone please e-mail him when they would be available to start the workshops concerning the Budget.

Dr. Shapiro asked Mr. Driscoll if we would be applying for every exception. Mr. Driscoll stated that would be his recommendation. Mr. McGinley asked Mr. Driscoll if he has heard of any concerns in other Districts regarding Act 1 causing districts to go into bankruptcy, or creating mergers with other Districts. Mr. Driscoll stated he believes Act 1 will affect districts at different time tables. To his knowledge, there are only two districts that merged in Western PA., and it was voluntary with approval by the State.

Mr. McGinley and Mr. Driscoll discussed the percentage of collections and Debt Service to the percentage of tax increases. Mr. McGinley stated his fear was if taxes keep going up, the collections will go down, he believes we should be looking for drastic changes throughout the district. He stated that in the beginning of this process, approximately four years ago, the district had had \$280,000.00 in the general fund balance. Eventually the fund balance exceeded five and a half million dollars. Mr. Driscoll announced that we have 2.9 to 3 million dollars in the fund currently.

Mr. McGinley stated we no longer have a savings account. He agrees we have done things throughout the district and worries the saving account is dwindling. The tax rate is going up and collectables are going down. Is it possible we are heading for bankruptcy? Mr. McGinley believes drastic means must be taken now, so we do not head down that road.

Mr. Partridge asked Mr. Driscoll if the Gauntlet Center is operating at a loss. Also discussed was possibility of merging the District into 3 elementary schools, from an educational stand point. Mr. Driscoll stated there

are 45 administrators and staff housed in the Gauntlet Center. If research is needed to be done on the above matters it should be now, not December.

6. High School Project – Network purchasing

Mr. Driscoll spoke briefly on the Network purchase for the MNHS project stating they could save over \$50,000.00 from the Capital Fund by purchasing the equipment now. Mr. Sokorai made the motion to move to the full Board on August 25, 2006. Motion Approved.

Meeting Adjourned.