

**MARPLE NEWTOWN SCHOOL DISTRICT
BUDGET AND FINANCE COMMITTEE MEETING
TUESDAY, OCTOBER 13, 2009
BOARD ROOM
MINUTES**

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

Board: Mrs. Nancy Galbraith, Dr. Jeffrey Shapiro, Mr. David McGinley

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

Press: 0

Audience: 23

Call Meeting to Order and Pledge of Allegiance

Mr. Richard Sokorai called the meeting to order at 6:33 p.m. and led the Pledge of Allegiance.

1. Call for additions to the Agenda

The agenda was approved as presented.

2. Approval of the September 8, 2009 meeting minutes

Mr. Michael Molinaro made a motion to approve the September 8, 2009 meeting minutes, seconded by Mr. David McGinley. With no further discussion, motion passed unanimously.

3. Business Office Finance Reporting

Bills for Payment

MOTION: To take to the full Board for approval the General Fund, Capital Reserve, and Capital Fund bills for August 2009

- **Monthly Finance Reports –
August 2009
Informational – September 2009**
- **Treasurer’s Report – July and August**
- **Budget Transfers – October, 2009**
- **Investment Schedule**

Mr. Sokorai asked Mr. Driscoll to comment on the state of the bills. Mr. Driscoll referred the members to the attachment showing the figures for Capital Reserve and the Capital Fund,

reflecting costs of the High School renovation project. He stated that the final copy of the food bills would be available by the October general meeting. He stated that the Treasurer's Report will show the cash status of the District after an evaluation of the revenue vs. expenses is completed for the first quarter. He also pointed out that no budget transfers are done until after the first ninety days of the school year.

Mr. Sokorai asked for an evaluation of the interest in regards to the Capital Fund. Mr. Driscoll responded that we have done a nice job maximizing interest, and that PLIGIT has been very effective for the District.

The biggest transfer in the budget would be moving benefits to salaries to keep everything in its correct section.

Mr. Molinaro asked if the about real estate taxes, and if this year's delinquencies will be next year's revenues. Mr. Driscoll responded yes; most delinquencies are one year in arrears, and then are paid off.

Mr. McGinley asked what was budgeted for last year's collection rate. Mr. Driscoll responded that the budgeted figure was 97.75%, and we collected 96.5%. Mr. McGinley asked how that was reflected in real money. Mr. Driscoll responded that we under-collected approximately 1.5 million dollars.

Dr. Jeffrey Shapiro asked if the district had any say in what programs were used to complete collections. Mr. Driscoll responded that we didn't. Dr. Shapiro then asked if it would be possible to publish the names of those who are in arrears for longer than a year. Mr. McGinley asked how much money has been uncollected for longer than a year. Mr. Driscoll responded approximately \$300,000.00

Mr. McGinley asked if we experienced any great loss through assessments. Mr. Driscoll stated that we didn't; there was an increase in assessment appeals, but both residential and business assessments stayed somewhat steady, with the exception of one large pending appeal that may translate into approximately one hundred thousand dollars.

Mr. Sokorai moved the Motion to approve the General Fund Bills for August 2009, including the monthly Financial Reports for August 2009, Informational Reports for September, 2009, Treasurer's Report for July and August, 2009, Budget Transfers for October, 2009, and Investment Schedule to the regular agenda for October.

4. 2008-2009 Annual Audit Presentation – Draft Report provided by auditors Major & Mastro, CPA's

The auditors presented a draft report of the audit, including their financial opinion that the audit is clean. Mr. Driscoll stated that the final report will be on the October agenda after legal confirmation.

5. Bond Issue Refunding

Mr. Driscoll stated that we are looking at two old debt service issues for refunding to maximize our savings on funding interest rates.

6. 2010-2011 Budget

Mr. Driscoll stated that Administration is still working on the budget. Mr. McGinley asked for a PSER'S update. Mr. Driscoll stated that the cost for PSER's has doubled, from 4.7% to 8.4%. That is equivalent to an increase of approximately six hundred thousand dollars. He also stated that the costs will continue to rise – the expectation over the next four to five years is an increase of 32%.

Mr. McGinley asked what would happen if we don't pay. Mr. Driscoll did not know the answer to that, but did state that the increases have the potential to bankrupt some districts. Mr. McGinley asked if there were any applicable Act 1 exceptions. Mr. Driscoll stated that some might help us, where the increase exceeds our index, but it is impossible to tell currently. Mr. Sokorai asked how the projections are made. Mr. Driscoll replied that the Pension Board generates that information.

7. New or additional business

There was no new or additional business.

8. Adjournment

The meeting was adjourned by Chairperson Richard Sokorai at 7:16 p.m. At the request of the audience, it was re-opened for questions and comments from the public.

Ms. Joan Tobin of Newtown Square asked if the District would be filing for exceptions. Mr. David McGinley responded that we would; however it is impossible to say what will or won't be approved by the State. Mr. Richard Sokorai stated that we needed an exception to help pay for the high school renovation project.

Ms. Maria Henderson of Broomall stated that the Board decisions regarding funding should support the highest quality of education and strategic direction. She is distressed that there has been no raise in taxes at the expense of valuable programs. The district should focus on education, not tax rates. "Parents are willing to pay for an excellent education; if we don't fund that, our entire future is in trouble."

Mr. Sokorai thanked everyone for their interest and participation, and adjourned the meeting at 7:29 p.m.