

SHIKELLAMY SCHOOL DISTRICT
Sunbury, Pennsylvania

Work Session - February 7, 2013
Island Park Administration Center

A Work Session of the Shikellamy School District Board of Directors was held on Thursday, February 7, 2013 at 7:00 pm at the Island Park Administration Center.

Members Present were: Mrs. Garman, Mr. Garman, Dr. Hartman, Mr. Karpinski, Mr. Michaels, Mrs. Wiest, Mrs. Van Der Pool, Dr. Walter

Members Absent were: Mr. Kerstetter

Student Board Members present were: Miss Pehowic

Others Present: Mr. Patrick Kelley, District Superintendent
Attorney Jeffrey Apfelbaum, Solicitor
Mr. David M. Sinopoli, Business Manager
Mrs. Stephanie Michaels, Director of Special Education
Mrs. Abbey Walshaw-Wertz, Director of Education
Mr. Michael Hubicki, Shikellamy High School Principal
Mrs. Mary Murphy-Kahn, Shikellamy High School Assistant Principal
Mr. Brett Misavage, Chief Shikellamy Elementary Principal
Ms. Holly Judge, Oaklyn Elementary Principal
Mrs. Susan Giberson, Beck Elementary Principal
Mr. Doug Benick, Director of Buildings and Grounds
Mrs. Bethanne Zeigler, Board Recording Secretary

PUBLIC COMMENT

There was no public comment.

2011/12 ANNUAL AUDIT

Mrs. Laura Kerstetter, Forgett & Kerstetter, reviewed the audit report for the year ending June 30, 2012. Three auditor's reports comprised the information provided. Mrs. Kerstetter reviewed a summary of the report. Financial Statements showed an unqualified opinion, which is the highest opinion given. She reviewed the audit for Federal Awards. There are two sections to the audit; internal concern and compliance. There were some findings in this area, but none that affected the financial side. Financially, everything was fine; however procedures were not in place to avoid financial mistakes. Fortunately, there was no negative impact financially. Mrs. Kerstetter reviewed the findings and reported that the district has already put procedures in place to correct these findings. Mrs. Kerstetter reviewed information on governmental, proprietary and fiduciary funds. Board members were encouraged to review the report before the voting meeting. This item will be added to the February 12, 2013 Board agenda to accept and approve the audit report.

2013/14 PRELIMINARY GENERAL FUND BUDGET

Mr. Sinopoli reviewed information related to the 2012/13 preliminary general fund budget.

He went over revenues versus expenditures.

Estimated Revenues	\$38,164,616
Estimated Expenditures (4.65% increase)	(40,214,201)
Budget Deficit	(\$2,049,585)
2012-13 Budget at \$38,426,636	

Preliminary numbers are as follows:

Estimated Revenues	\$38,164,616
Estimated Expenditures	<u>(40,214,201)</u>
Budget Deficit	<u>(2,049,585)</u>
Unassigned Fund Balance @ 6/30/12*	4,983,438
Committed Fund Balance @ 6/30/12	822,282
Assigned Fund Balance @ 6/30/12	<u>1,174,236</u>
Available @ 6/30/12	<u>6,979,956</u>
Surplus Remaining @ 6/30/12	\$4,930,371
Maximum Unassigned Fund Balance Based on Budget *	\$3,217,136

Mr. Sinopoli explained referendum exceptions. The Pennsylvania Department of Education can only approve referendum exceptions if the school board demonstrates a need for exceptions by adopting a balanced preliminary budget that contains a tax rate increase in excess of the school district index.

Current Real Estate Tax Millage	78.0
Adjusted Index (Base Index 1.7%)	<u>2.4%</u>
Allowable Act 1 Increase	1.87
Estimated Referendum Exceptions:	
- Retirement \$294,320	
- Special Education -0-	1.79
Total Real Estate Millage Increase Available for Preliminary Budget Purposes	3.66 or \$602,242
1 Real Estate Mill = approximately \$164,547	

Mr. Sinopoli provided a comparison for the Board Members.

	Without Tax Increase	With Tax Increase
Estimated Revenues	\$38,164,616	\$38,766,858
Estimated Expenditures	<u>(40,214,201)</u>	<u>(40,214,201)</u>
Budget Deficit	(2,049,585)	(1,447,343)
Unassigned Fund Balance @ 6/30/12	<u>4,983,438</u>	<u>4,983,438</u>
Maximum Fund Balance Based on Budget \$3,217,136	\$2,933,853	\$3,536,095

Mr. Sinopoli reported that on Tuesday, the Governor unveiled his budget. On the basic education side, there is a 1.7 % increase, which amounts to \$187,000. The accountability block grant and

special education funding is the same as last year. It should be noted that special education has been flat funded for approximately eight years in a row. The Governor is also proposing the sale of state liquor sales and putting the money into grants that districts can apply in the form of block grants, which is typically a one-time infusion.

Mr. Kelley did a historical search of state funding and said it should be noted that the Shikellamy School District has been flat funded from 2008/09 through 2012/13. Additionally, he stated that he does not support the Governor's proposal for the sale of liquor sales, as the revenue from the sale will most likely dry up in four years.

SUN AREA TECHNICAL INSTITUTE PROPOSED 2013-14 GENERAL OPERATING BUDGET

Mr. Sinopoli reviewed the budget as proposed by the SUN Area Technical Institute. There is a \$54,844 increase for Shikellamy School District over 2012-13. The staff and administration have forgone their salary increases the last two years. After some discussion, it was agreed to add this item to the February 12, 2013 voting agenda.

DISTRICT COMPREHENSIVE PLAN

Mrs. Walsahw-Wertz gave a summary of each section of the plan. A copy of the plan will be on the district website and in each building for public review.

REPORT ON THE FEBRUARY 6, 2013 PROPERTY COMMITTEE

Mr. Garman reported on the discussion at the property committee meeting.

1. Discussed Field Management -
 - a. Concern with current field conditions at stadium
 - b. Football Booster has a long range goal (3 years) to solicit funds for a synthetic turf.
 - c. Representative from Penn State University and current service providers are gathering information and will be providing the district with a report. -*Should have answers within the next two or three weeks*

Mr. Kelley was asked to contact school districts with the synthetic turf to find out the cost of maintenance, as well as the time required for installation of the turf. Dr. Walter inquired as to what the problem is with the current fields.

2. Building Discussion
 - a. Options were narrowed down -
 - CWR - Renovations/additions
 - Chief as Middle School
 - Build a new middle school at CWR site
 - ✓ POSSIBLY - Have SMS operational for temporary fix
 - b. Bring in other architects gratis to look at the options, which would include making SMS operational

Mr. Kelley was directed to contact a few other architects, preferably with PlanCon experience, to review the discussed options. The Board provided some names of prospective architects. All of this will be gratis.

COMMUNITY FOUNDATION

Attorney Apfelbaum explained the purpose of the foundation. The Board would be created a perpetual fund. The purpose of the fund would be to improve the district or benefit economically disadvantaged students or Shikellamy graduates. A committee would be formed to sit for a three year term and would be operated on behalf of the district. A school director, Superintendent and other individuals of the community would make up the seven member committee. These members would be appointed by the Board of Education and would serve a three year term. The Board could re-appoint them. A fiduciary bonded bank would need to be named to oversee the finances. Logistics were discussed. Dr. Hartman encouraged Board members to read the document closely in preparation of discussion again at the March 7, 2013 work session.

REVIEW OF REGULAR BOARD MEETING ACTION ITEMS - MINUTES, BILLS, AND RESOLUTIONS

The February 12, 2013 agenda was reviewed.

OTHER

Mrs. Van Der Pool distributed CSIU January highlights.

Dr. Hartman directed attention of the Board to information regarding BoardDocs and asked that Board Members please read the information prior to the training scheduled for February 26, 2013 at 6:00 pm.

ADJOURNMENT

The meeting was adjourned at 8:46 pm and an executive session was called for personnel matters.