

SCHOOL DISTRICT OF LANCASTER SCHOOL BOARD
Lancaster, Pennsylvania

Special Meeting – Adoption of 2011-2012 Final Budget
June 30, 2011

The School District of Lancaster School Board held a special meeting for the purpose of adopting a final budget for the 2011-2012 fiscal year on Thursday, June 30, 2011 at 6:00 p.m. in the Recital Hall at the J.P. McCaskey High School, 445 North Reservoir Street, Lancaster, Pennsylvania. Attendance of the Board is shown below:

Mr. Richard Caplan, President
Mr. Todd Heath, Vice President - Absent
Mrs. Barbara Boben
Mr. Charlie Crystle
Mrs. Stacey Marten
Mr. Harvey Miller
Mrs. Linda Troublefield Owens
Mr. Michael Rowen
Ms. Janelle M. Simms

Officers: Mr. Pedro Rivera, Superintendent
Mr. Matt Przywara, Treasurer
Mrs. Colleen Marshall, Secretary

Legal Counsel: Mr. Robert Frankhouser, Solicitor

6/30/2011: CALL TO ORDER: The meeting was called to order at 6:10 p.m. by President Caplan. Roll call was answered by: *Directors Boben, Caplan, Crystle, Marten, Miller, Owens, Rowen, and Simms – 8; Absent: Heath – 1.*

President Caplan announced the Board of School Directors met in Executive Session on June 30, 2011 for the purpose of discussing matters involving employment, appointment, termination of employment, terms and conditions of employment, evaluation of performance, promotion, or disciplining of specific or prospective officers or employees.

6/30/2011: PUBLIC COMMENTS:

Randolph Carney, Sherman Street, stated he has been attending meetings to get a better understanding of how the District operates. He had concerns with how decisions were made pertaining to the budget, including the librarian positions as well as the hiring of the consultant for the study that was recently completed for the District. He asked the Administration and School Board to look carefully at the issues. The Superintendent clarified that the reduction of positions such as the librarians and the Spanish teaching positions were introduced months ago in a powerpoint presentation as well as the last meeting in May in order to have a vote by the Board to allow the Administration to forward the recommendations to PDE for approval of the curtailment of those programs. The Superintendent stated he would review the presentations to be sure that verbage was not an issue or to see if there is a better way the information could have been presented to the public.

CALL TO ORDER

PUBLIC COMMENTS

Anna Smith, Springhouse Road, raised a question regarding the 11 administrative positions that were to be eliminated when only 3 were on the personnel list for approval. The Superintendent clarified that some of the individuals who were to be eliminated had signed up for early retirement. She is also concerned that there are many individuals who want to volunteer in the District but feels the volunteers are being chased away. In addition, she had concerns about the Board not starting their meetings on time and not wanting to hear from the public about their concerns.

Beverly Richardson, Waterford Court, raised a concern that the public is not being provided enough information and documentation and feels copies of presentations should be given to the public for their review. She feels that if documentation is not provided, the public cannot hold the Superintendent and the School Board accountable for their actions. The Superintendent clarified that all of the powerpoint presentations are available on the District website and if anyone is unable to access them, they can call the District Office and a copy will be provided. In addition, she had a concern that prisons have licensed librarians but the District does not have them. The Superintendent clarified that there will be librarians in schools that mandate the library science program.

6/30/2011: DISCUSSION/ACTION:

- A. Approval of Non-Reimbursable Projects
 - (1) Duke & Dauphin Building – \$25,000
- B. Approval of Bids Received for Duke & Dauphin/Steinman Building
 - (1) Dorgan and Zuck – \$24,770.00
- C. Approval of School Improvement Plan for Phoenix Academy
- D. Approval of Personnel Recommendations
- E. Approval of Act 93 Compensation Plan with exception of performance-based salary increases
- F. Decision on Custodial Staff Outsourcing
- G. Adoption of 2011-2012 Proposed Final Budget
 - (1) 2011-2012 Annual Budget and Tax Levy Resolution
 - (2) Resolution to Implement Homestead and Farmstead Exclusion for the 2011-2012 Fiscal Year

A motion to approve Item A. (1), Approval of Non-Reimbursable Projects, Duke and Dauphin Building was made by Director Owens and seconded by Director Rowen. The motion was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller, Owens, Rowen, and Simms – 8; Absent: Heath – 1.*

Director Miller made a motion, seconded by Director Simms, to approve Item B. (1), Approval of Bids Received by Dorgan and Zuck for Duke & Dauphin/Steinman Building in the amount of \$24,770.00. The motion was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller, Owens, Rowen, and Simms – 8; Absent: Heath – 1.*

Director Rowen made a motion, seconded by President Caplan, to approve Item C, Approval of the School Improvement Plan for Phoenix Academy. The motion was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller, Rowen, and Simms – 7; Absent: Heath – 1; Abstain: Owens – 1.*

PUBLIC COMMENTS
(cont.)

DISCUSSION/ACTION
Non-Reimbursable Projects

Bids for Duke & Dauphin

SIP for Phoenix Academy
Personnel Recommendations
Act 93 Compensation Plan

Custodial Outsourcing
Adoption of 2011-2012 Final
Budget

Director Simms made a motion, seconded by Director Crystle, to approve Item D, Personnel Recommendations. The motion was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller, Owens, Rowen, and Simms – 8; Absent: Heath – 1.*

DISCUSSION/ACTION
(cont.)

Director Miller raised the question regarding the midpoint salaries for Item J, Page 10 of 34 of the Act 93 Compensation Plan. Two of the salaries are listed at \$85,700 and the other four salaries are listed as \$83,600.

Director Miller made a motion, seconded by Director Marten, to approve Item E, Act 93 Compensation Plan with the exception of performance-based salary increases with the following item to be corrected: Item J, Page 10 of 34, midpoint salaries should all be \$85,700.00. The motion was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller, Owens, Rowen, and Simms – 8; Absent: Heath – 1.*

With respect to Item F, Decision on Custodial Staff Outsourcing, President Caplan informed the public that an agreement was reached with AFSCME Employees. It was then agreed that the Board would vote on Item F, Decision on Custodial Staff Outsourcing after the Board voted on the Item G, Adoption of the 2011-2012 Proposed Final Budget.

Adoption of 2011-2012 Final
Budget

Matt Przywara, Chief Financial Officer, gave a detailed review of the recommendations for the 2011-2012 Budget which included approval of the furloughs, a decision regarding the custodial staff and the final tax rate and final budget. Mr. Przywara reviewed the final budget summary which included medical and PSERS cost increases, reductions in the budget, elimination of positions, curtailment of programs and the outsourcing of Phoenix Academy.

Director Crystle asked what the deficit will be as of July 1st. Mr. Przywara stated that the projected deficit because of items such as PSERS costs, medical costs and utilities will be approximately \$5.2 million. Director Rowen stated that the Administration and Board need to start looking at the budget for next year as soon as possible because with this level of deficit again, it is going to be another difficult year. Superintendent Rivera agreed and that discussions will begin as early as September or October.

Director Crystle made a motion, seconded by Director Rowen to increase property taxes by 5%, not 2% as previously discussed. The motion was not approved as follows: *Aye: Director Crystle – 1; Nay: Directors Boben, Caplan, Marten, Miller, Owens, Rowen, and Simms – 7; Absent: Heath – 1.*

Director Miller made a motion, seconded by Director Marten, to approve the 2011-2012 Annual Budget as presented. The motion was approved as follows: *Aye: Directors Boben, Caplan, Marten, Miller, Rowen, and Simms – 6; Nay: Crystle and Owens – 2; Absent: Heath – 1.*

Director Rowen made a motion, seconded by Director Owens, to approve Item G. (1), the 2011-2012 Annual Budget and Tax Levy Resolution, which would increase property taxes by 2.0% to a millage rate of 24.6972 mills:

RESOLVED, that the budget of the School District of Lancaster, Lancaster County Pennsylvania, as was proposed at a meeting of the Board of School Directors of said District, held on the 30th day of June, 2011, be and the same is hereby finally adopted as the Annual Budget of School District of Lancaster, Lancaster County, Pennsylvania, for the fiscal year beginning July 1, 2011.

BE IT FURTHER RESOLVED, that the Board of School Directors of School District of Lancaster, Lancaster County, Pennsylvania, hereby authorize the appropriation and expenditure of funds as itemized in said budget during the fiscal year beginning July 1, 2011. The necessary revenue for the same shall be provided by the following taxes enacted pursuant to the provisions of the Act of the General Assembly No. 511, as approved December 31, 1965, provided for by the resolution imposing such taxes for the fiscal year beginning July 1, 2011, adopted concurrently herewith;

- (a) A Real Estate Transfer Tax of one percent (1%);
- (b) An Earned Income Tax of one percent (1%) on residents of the School District.

AND IN ADDITION THERETO, a tax imposed pursuant to the Public School Code of 1949, as amended, as follows:

- (a) A school tax on real estate at the rate of 24.6972 mills or at \$2.46 on each \$100.00 of assessed value of all real property taxable for school purposes in this School District.

By virtue of the fact that the City Council of the City of Lancaster and the Supervisors of the Township of Lancaster have enacted an Earned Income Tax similar to the Resolution imposing a like tax by the School District of Lancaster, the School District of Lancaster receives one-half (1/2) of the Earned Income Tax levied on School District residents. The School District will not tax non-residents.

This Resolution shall become effective and the taxes hereby imposed are for the fiscal year beginning July 1, 2011 (2011-2012 fiscal year).

The motion was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller, Owens, Rowen, and Simms – 8; Absent: Heath – 1.*

Director Marten made a motion to approve the Resolution to implement the Homestead and Farmstead Exclusion for the 2011-2012 fiscal year, which sets the maximum property tax relief available to each approved homestead and farmstead at \$425.00. Director Simms seconded the motion, and it was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller, Owens, Rowen, and Simms – 8; Absent: Heath – 1.*

President Caplan reviewed the terms of the proposed agreement with the AFSCME staff as follows:

1. Two year wage freeze for all collective bargaining employees;
2. Extend contract for one additional year;
3. New custodial and building engineer hires will be on a two year temporary contract;
4. Maintain adequate level of staffing at 86 full time employees;
5. District will withdraw the workers' compensation issue as part of this negotiation;

Adoption of 2011-2012 Final Budget (cont.)

Homestead and Farmstead Exclusion

Custodial Staff

6. District will withdraw the attendance policy issue as part of this negotiation;
7. Form a committee of support staff and administration to discuss future savings;
8. No outsourcing of jobs performed by the collective bargaining employees for duration of the agreement; and
9. AFSCME agrees to submit the above agreement to a vote of the members. Upon approval of the AFSCME members, the SDoL agrees to implement the terms of this agreement.

Adoption of 2011-2012 Final Budget (cont.)

Director Rowen thanked the AFSCME staff and commended all parties involved in assisting in the resolution of this matter. The issue was always about the cost involved and it was never in any way about the performance of the employees. President Caplan stated that even though the savings are less than what the District could obtain from an outside vendor, it was more important to save the jobs of the individuals who work so hard and so long for the District and some of who are taxpayers of the District. Director Crystle stated that the AFSME employees are some of the lowest paid employees in the District who gave up raises to help meet the budget. Director Rowen stated that school boards are regulated by the state and that the public must continue to be involved in how school boards function and how Pennsylvania is structured. President Caplan stated that if taxes were raised by 5% the impact on the community would have been substantially greater than a pay freeze that impacts a lot less people. Director Crystle felt that taxes should be increased by 5% in order to save programs such as art, music, etc.

Director Rowen made a motion for the Board to approve the framework of an amendment to the Collective Bargaining Agreement between AFSCME and the School District of Lancaster for the 2011-2012 and 2012-2013 school years, subject to the Board's final approval of the Amendment when prepared and reviewed by both parties and Counsel. The motion was seconded by Director Owens and it carried as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller, Owens, Rowen, and Simms – 8; Absent: Heath – 1.*

6/30/2011: NEW BUSINESS: None

NEW BUSINESS

6/30/2011: OLD BUSINESS: Director Crystle asked what the status was for the three current Principal vacancies in the District. The Superintendent stated that resumes were just received for the Hand and Reynolds positions and that there was a week left until the deadline for the Wickersham position. Director Owens stated she would like to see Board Members participate in both Rounds 1 and 2 of the interviews, not just Round 2. The Superintendent clarified that Round 1 is the content area and Round 2 is more the behavioral area. The Superintendent stated the process needs to be clean and he does not want anything to interfere with the process and practice and there has to be a full commitment by the Board Members to be at all the interviews if that is the decision that is made. Director Owens raised the concern as to whether we would be able to obtain the best applicants since it is the end of the school year. The Superintendent clarified that the positions were posted right away and if the applicants are not who we want to serve our children, we will not hire them. We would use retirees or others in the District to fill the positions until the right person has been hired.

OLD BUSINESS

After extensive discussion by the Board, Director Miller made a motion, seconded by Director Boben that Board Members participate in Round 2 of interviews for hiring of Principals in the District. The motion was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Marten, Miller and Rowen – 6; Nay: Owens and Simms – 2; Absent: Heath – 1.*

OLD BUSINESS
(cont.)

6/30/2011: INFORMATION: President Caplan announced that Four Day Work Weeks have started and will continue through the week of August 1st. District buildings will be open to the public between the hours of 7:30 A.M. through 5:00 P.M., Mondays through Thursdays.

INFORMATION

President Caplan also announced at this time there are no Committee Meetings or Board Meetings scheduled in the month of July. There is a possibility that the Board may need to meet in July depending on needs that may arise including the plans for Martin Elementary and if that is the case, appropriate notice would be given.

In addition, President Caplan stated that the Board is exploring the option of continuing to work with the District Management Council and that their final report is expected from them soon with respect to the work they have been doing for the District since February. The Board would like to meet with the District Management Council as soon as possible so that the recommendations that they make in their final report can be implemented.

Director Crystle reminded everyone of the Community Roundtable meetings that are scheduled for July as follows:

- July 13th - Business Partner Roundtable at 8:30 am at McCaskey East
- July 13th - Community Partner Roundtable at 4:30 pm at YWCA
- July 18th - Community Partner Roundtable at 5:30 pm at James Street Mennonite Church
- July 27th - Community Partner Roundtable at 11:00 am at Washington Elementary School
- July 28th - Community Partner Roundtable at 7:30 am at McCaskey East

6/30/2011: ADJOURNMENT: President Caplan adjourned the meeting at 7:55 p.m.

ADJOURNMENT

Attest:

Colleen R. Marshall
Board Secretary