

SCHOOL DISTRICT OF LANCASTER SCHOOL BOARD
Lancaster, Pennsylvania

Special Meeting – Adoption of 2010-2011 Final Budget
June 30, 2010

The School District of Lancaster School Board held a special meeting for the purpose of adopting a final budget for the 2010-2011 fiscal year on Wednesday, June 30, 2010 at 5:00 p.m. in the Board Room at the Scheffey Administrative Services Center, 1020 Lehigh Ave., Lancaster, Pennsylvania. Attendance of the Board is shown below:

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

Officers: Mr. Pedro Rivera, Superintendent
Mr. Matt Przywara, Treasurer
Mrs. Rita Balogh, Secretary

Legal Counsel: Mr. Robert Frankhouser, Solicitor

6/30/2010: CALL TO ORDER: The meeting was called to order at 5:04 p.m. by President Owens. Roll call was answered by: *Directors Boben, Caplan, Crystle, Heath, Miller, Marten, Owens, Rowen, and Simms – 9; Absent – 0.*

President Owens announced the Board of School Directors met in Executive Session on June 22 and June 29, 2010 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.

6/30/2010: PUBLIC COMMENTS:

Anna Smith, Springhouse Rd., reminded the Board she had given them a proposal for the operation of the concession stand, and she hoped everyone had a chance to read it. Her proposal wouldn't cost the District a cent, but the proposal from the District costs time for the Athletic Director and others.

6/30/2010: DISCUSSION/ACTION:

A motion to approve the following items from the Discussion/Action agenda was made by Director Heath and seconded by Director Marten:

- A. Personnel Recommendations
- B. Approval of Act 93 Compensation Plan with exception of performance-based salary increases

The motion was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Heath, Marten, Miller, Owens, Rowen, and Simms – 9; Nay – 0.*

CALL TO ORDER

PUBLIC COMMENTS

DISCUSSION/ACTION

Personnel Recommendations
Act 93 Compensation Plan

Director Rowen made a motion, seconded by Director Heath, to approve the following 2010-2011 Annual Budget and Tax Levy Resolution, which would increase property taxes by 4.1% to a millage rate of 24.213 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, 2010, 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, 2010.

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, 2010. 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, 2010, 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 24.213 mills or at \$ 2.42 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, 2010 (2010-2011 fiscal year).

At Director Crystle's request, Matt Przywara, Chief Financial Officer, reviewed the increase in the fund balance from the proposed final budget in May to the budget as presented tonight and noted the \$6.2 million balance equals 3.5% of the total budget.

Director Rowen commented he supports this budget. Although he is against tax increases, we have tried to keep the increase to a minimum. He is pleased to retain the fund balance, because the impending increases in the rate of PSERS retirement contributions will wipe out that balance.

President Owens stated she is unhappy with a 4.1% increase. She would prefer no increase, but could support a maximum of 3.3% to 3.5%. She is concerned about the burden to the community and feels the District needs to tighten its belt a lot further. In the end, she needs to be able to sleep with herself at night, and she fears we are taxing senior citizens and those on fixed incomes out of their homes.

Director Caplan noted this budget is based on assumptions that may change dramatically in the near future. He feels it is a good budget under bad circumstances

DISCUSSION/ACTION
(cont.)

Adoption of 2010-2011
Final Budget

in that it stands for the education of our kids. He feels it is shortsighted to reduce the increase from 4.1% to 3.3% or 3.5%, because next year's budget would require a larger tax increase, and the higher rate this year could allow for a larger fund balance next year. He would have trouble sleeping at night if students aren't being properly educated. The state budget is based on an assumption of continued receipt of stimulus funds, but without that, the state may need to make additional cuts. He explained if the state's assumption is incorrect, we would have ten days to reopen our budget to find the additional cuts necessary to balance the budget again.

Director Rowen stated in the private business world under similar circumstances, you would make cuts to salary increases and overtime. He suggested the Board should have the conversation since it may come to a choice of 25% of the staff gone or no increases in salary for anyone.

Director Heath agreed the Board will need to look at other areas for cost saving measures during the next year, but those savings don't apply to this discussion. He called for a vote on the motion.

The motion to adopt a final 2010-2011 budget with a 4.1% tax increase (0.9530 mills to 24.213 millage rate) was approved as follows: *Aye: Directors Boben, Caplan, Crystle, Heath, Marten, Miller, Rowen and Simms – 8; Nay: President Owens – 1.*

Director Heath made a motion to approve the Resolution to implement the Homestead and Farmstead Exclusion for the 2010-2011 fiscal year, which sets the maximum property tax relief available to each approved homestead and farmstead at \$433.86. Director Caplan seconded the motion, and it carried as follows: *Aye: Directors Boben, Caplan, Crystle, Heath, Marten, Miller, Owens, Rowen and Simms – 9; Nay – 0.*

Superintendent Rivera clarified the Concession Stand Policy was introduced at the June Committee-of-the-Whole meeting, but the Board decided at that time to table action until July. The Board has the option to reintroduce the policy for first reading in July or waive the first reading to allow approval at the regular July meeting. The Board's direction was to waive the first reading. The Athletic Director will accept proposals on operations of the Concession Stand.

Director Crystle detailed the Community Bicycle Program and explained tonight's action would allow the purchase of 150 bicycles from the City of Lancaster for the sum of \$1.00 and the donation of those bikes to the Boys and Girls Club. An organizational meeting, hosted by Two Dudes Painting, will be held later this evening. Director Crystle's motion to approve participation in the program was seconded by Director Heath. The motion carried by the following vote: *Aye: Directors Boben, Caplan, Crystle, Heath, Marten, Miller, Owens, Rowen and Simms – 9; Nay – 0.*

Superintendent Rivera stated the Service Agreement with the City of Lancaster for Policing is actually the SRO contract. It has already been approved by the City. Solicitor Bob Frankhouser noted the missing date for the blank on Page 2 of the agreement should be September 30, 2009. Director Miller's motion to approve the agreement was seconded by Director Heath and approved in a unanimous voice vote.

DISCUSSION/ACTION
(cont.)

Adoption of 2010-2011
Final Budget (cont.)

Homestead and Farmstead
Exclusion

Concession Stand
Procedures

Community Bicycle
Program

Service Agreement with the
City of Lancaster for
Policing

6/30/2010: NEW BUSINESS: None

NEW BUSINESS

6/30/2010: OLD BUSINESS: Anna Smith stated she has asked many people in the room including administrators and Board Directors about the concession stand policy. The policy you have put in place is to pacify one woman, and she doesn't understand why no one has the nerve to stand up to that individual. The District will look like fools over this issue.

OLD BUSINESS

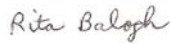
6/30/2010: INFORMATION: None

INFORMATION

6/30/2010: ADJOURNMENT: President Owens adjourned the meeting at 5:40 p.m.

ADJOURNMENT

Attest:



Rita Balogh
Board Secretary