

Special Meeting, January 27, 2016

The January 27, 2016, meeting of the Moon Area Board of Education was held in the High School Board Meeting Room 7:00 p.m., for general purposes. The meeting was CALLED TO ORDER by President Jerry Testa. The following directors were present:

Mr. Testa	Mr. Hauser	Mr. Bogatay	Mr. Harper
Mrs. Wolowicz	Mrs. Zieger	Mr. Scappe (via phone)	

Mr. Bussard and Mr. LaRue were absent.

Also seated at the Board table: Dr. Milanovich and Mr. Bielby

Administrators present: Mr. Lanna, Mr. Daniels

There were approximately 5 people in the audience this evening.

Audience Recognition (Agenda Items Only)

None.

Approval of Preliminary General Fund Budget

IT WAS MOVED by Mr. Hauser, SECONDED by Mrs. Wolowicz, “that the Board of Education approve the preliminary 2016-17 General Fund Budget in accordance with the attached form PDE-2028 and the requirements of Special Sessions Act 1 of 2006. The following is a summary of the budget:

PRELIMINARY BUDGET SUMMARY
Fiscal Year 2016-2017

Estimated Fund Balance 07/01/16	\$ 2,075,410
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ESTIMATED REVENUE

6000 - Local Sources	53,235,044
7000 - State Sources	15,689,191
8000 - Federal Sources	1,473,566
9000 - Other Sources	<u>5,000</u>
Total Funds Available	<u>\$72,478,211</u>

APPROPRIATIONS

1100 - Regular Instruction	\$29,425,644
1200 - Special Instruction	9,035,108
1300 - Vocational Instruction	2,040,262
1400 - Other Instruction	308,440
1500 - Nonpublic School Programs	6,878

Special Meeting, January 27, 2016

1800 - Pre-Kindergarten	15,100
2100 - Pupil Personnel Services	1,799,633
2200 - Instructional Staff Services	1,941,974
2300 - Administrative Services	4,203,343
2400 - Pupil Health Services	706,915
2500 - Business Services	831,855
2600 - Operation/Maintenance of Plant	6,025,447
2700 - Student Transportation Services	3,176,846
2800 - Central Services	291,340
3200 - Student Activities	1,305,660
3300 - Community Services	372,890
5100 - Debt Service	657,110
5200 - Fund Transfers	9,155,056
5900 - Budgetary Reserve	<u>400,000</u>
Total Appropriations	<u>\$71,699,501</u>

Budgetary Fund Balance 06/30/17 \$ 778,710

Mr. Testa asked Mr. Bielby to clarify the fund balance will be \$2 million as of June 30, 2016; last year the final budget in June was \$4.8 million and on June 30, 2017, the fund budget will be \$778,000. This preliminary budget includes the maximum increase at this time. Mr. Bielby agreed and said that the numbers have been audited. Mr. Testa commented that 5% - 6% of your expenditures as a fund balance is a safe harbor. Four years ago we were at \$10.2 million. No one wants to raise taxes. We will need look at cutting spending where we can throughout the district. Mrs. Wolowicz commented that a lot of these items in the 1100 and 1200 sections are fixed costs. We have no control over a lot of the items in the budget. Mr. Bielby commented that we will need to look at each of these numbers with the superintendent, the board, etc. regarding the fixed costs, what we can and cannot control, charter schools and debt services.

Mr. Bogatay expressed his opinion on the prior board that in the interest of the public, targeting local politics is harmful taxes were not raised due to it being an election year. In his opinion, this task was put on the new board to raise taxes. Currently the numbers are not aligned. Members of the current board (who were also on the prior board) stated previously the fund balance was not important and that the purpose is to spend the fund balance. Actually it is a safety net to be used for necessary renovations. They did not need to max out borrowing. Centralized kitchens did not need to be done at this time due to costs. We could have taken our time and would still have a fund balance of \$10 million and have a legal argument if taxes need to be raised. Believes it is up to the board to look inward before we look to the taxpayers. Possibly land to be liquidated, vehicles owned, possibly have organizational restructuring, which has started, before we put the burden on the tax payers for an increase. We will need to take steps to justify the increase.

Mr. Hauser asked if we know what the state's share of school contributions will be in the coming year. Mr. Bielby commented that we do not know at this time. The state believes that what they give is sufficient until the end of June. Next year the governor will tell us what he will be giving us. We are due about \$8 million from the government. He cannot say when we will get all of that money at this time. That will also affect the millage rates.

Mr. Testa urged the public to talk to their legislatures to get the budget passed. If this doesn't pass we will have to borrow money just as many other school district in Pennsylvania have to do.

All directors voted in favor on a roll call vote.

Approval of Act 1 Exceptions

IT WAS MOVED by Mrs. Wolowicz, SECONDED by Mr. Bogatay, "that the Board of Education authorize the administration to file for exceptions to Act 1 index millage rate limitations with the Pennsylvania Department of Education."

Brief discussion was held regarding the Act 1 index millage rate. We will need to seek approval from the Pennsylvania Department of Education as required by Act 1 for an exception allowing increase of the real estate tax as reflected in the district's preliminary budget.

All directors voted in disfavor on a roll call vote.

Legal Counsel

IT WAS MOVED by Mr. Hauser, SECONDED by Mr. Bogatay, "that the Board of Education authorize the prior Solicitor Andrews & Beard and any of its attorneys working on school district matters, to speak with the current Solicitor and any of its agents regarding school related matters."

Mr. Bogatay commented that this is standard practice, need to resolve issues and tie up loose ends on behalf of the district. Any and all information with Andrews & Beard shared with the prior board will be shared with existing board.

All directors voted in favor on a roll call vote.

Settlement Agreement

IT WAS MOVED by Mrs. Wolowicz, SECONDED by Mr. Bogatay, "that the Board of Education approve a Settlement Agreement between the District and Special Education and Behavioral Connections, LLC for the lease of a portion of Hyde Elementary School, as attached."

Mr. Testa commented that this settlement is between two individuals and does not involve taxpayers' money. This is advantageous to the district. Prior to, we were locked into a lease precluding us to utilize Hyde as we see fit. It was a detrimental to the district.

All directors voted in favor on a roll call vote.

Audience Recognition (non-agenda items)

None.

Adjournment

IT WAS MOVED by Mr. Hauser, SECONDED by Mrs. Zieger, “that the Board of Education adjourn this meeting, 7:30 pm.”

All directors voted in favor on a voice vote.

Respectfully submitted,

Lisa Brown
Clerk, Board of Education

Lisa A. Wolowicz
Secretary, Board of Education