

MINUTES
Committee of the Whole
February 4, 2002

The Penn Manor School Board met in Executive Session to discuss personnel and real estate matters at 6:00 p.m. on the above date in the Board Room of the Manor Middle School. The board adjourned Executive Session and convened as a Committee of the Whole at 7:07 p.m. Present were Mr. Anderson, Mr. H. Thomas Herr, Mr. C. Willis Herr, Mr. Kline, Mr. Kreider, Mr. Lyon, Mrs. Wert, and Mrs. Withum. Dr. Frerichs was absent. Present from the administrative staff were Mr. Stewart, Mrs. Griffis, and Mr. Skrocki. Dr. Campbell was absent due to illness. Also in attendance were Penn Manor residents, Mrs. Rhoades and Mrs. Warfel.

Mr. Willis Herr asked if there were any Citizen's Comments. He requested that any citizens present who wished to comment regarding the Eshleman Elementary School project please hold their questions until after the presentation being made by Mr. Stewart and Mr. Skrocki. Mr. Joel Supeck, 119 West Kendig Road, Willow Street, then introduced himself to those in attendance. He stated that he was running for the 41st state house seat and provided biographical background information.

Mr. Willis Herr asked the committee whether there were any additions or corrections to the Minutes of the January 7, 2002, Committee of the Whole Meeting. Hearing none, on a motion by Mrs. Withum, a second by Mr. Kline, and a unanimous voice vote, the minutes were approved as printed.

Mr. Stewart thanked the individuals in attendance, who had questions or concerns with regard to the proposed Eshleman project, for delaying their comments until after the presentation he and Mr. Skrocki were going to make. He stated that the administration would be asking the board to approve placing the scheduling of an Act 34 hearing for the project on the February 11 school board voting meeting agenda. Mr. Stewart explained that an Act 34 hearing is the legal and public action which puts in motion the process for school renovations. He stated that if the board approved placement of the scheduling of the Act 34 Hearing on the February 11 agenda at this meeting it would then be voted on at the February 11 meeting. Past history with regard to meetings held two years ago debating and

discussing the need for renovations at Letort and Eshleman was reviewed. The board decided at that time to move ahead with the Letort project and delay the Eshleman project for two years as Letort had a greater need for renovations. Letort students have made a successful move to the middle schools and the Letort project has gone well. Mr. Stewart stated that during this time progress has been made on plans for Eshleman renovations similar to those at Letort. He stated that economic factors last year allowed a zero tax increase in 2001 for the first time in 15 years. However, at the January board meeting the board learned about financial factors which would adversely be affecting Penn Manor School District. Some of these factors are specific to Penn Manor while others are due to changes in Pennsylvania laws/guidelines governing public schools or by national economic trends. Because of these facts, the board decided at the January meeting to delay scheduling of the Act 34 hearing at that time. Mr. Stewart stated that he felt the economic information provided the board at the January meeting made their decision to delay the scheduling of an Act 34 Hearing for the Eshleman project appropriate and prudent. He stated that board members have the responsibility of justifying to taxpayers decisions made regarding programs and facilities and this delay would give board members additional time to examine all the circumstances and variables. Further delay, however, would mean that the planned renovations at Eshleman would probably not be completed on the previously determined construction schedule. This would mean that the renovated school would not be available to students in August of 2003. Mr. Stewart said the administrative team is recommending that the school board proceed with plans for additions and renovation to Eshleman Elementary School and that the Act 34 Hearing be scheduled for March 6 at 7:00 p.m. in the Auditorium of the Manor Middle School. Mr. Stewart then summarized reasons for this recommendation. Mr. Skrocki then reviewed cost estimates and recommendations for the Eshleman building project. He informed those in attendance that the information he was about to present could be found on Penn Manor's web page. Gilbert cost estimates were reviewed. Mr. Skrocki said the previous total cost estimate was \$5,236,736 and the current total cost estimate is \$5,990,198 causing an increase of \$753,462 in the total cost of the project. He stated that the previous total construction costs was \$4,308,888 and the current total construction costs is \$4,920,893 for an increase of \$612,005. These increases were due to an increase in square footage, a BOCA required sprinkler system, refined scope in site costs, updated construction costs, furniture/equipment costs which were

updated, and updated soft costs. Mr. Skrocki stated that it is important for everyone to understand that these costs are based on the design philosophy of the leadership committee and not due to actions of the architects in any way. The leadership committee gives the architects direction and the above cited cost increases are a result of those directions. Mr. Skrocki then reviewed financial challenges that will need to be met due to these increases. He stated that there is \$400,000 in the Eshleman Capital Reserve Fund and \$4,859,508 bond proceeds from a bond floated for this project in 2001 for a total of \$5,259,508. The total project is currently estimated to cost \$5,990,198 for a shortfall of \$730,690. Mr. Skrocki said projected interest is expected to be \$150,000 which when deducted from the \$730,690 shortfall leaves a total shortfall of \$580,690. Options for dealing with the proposed Eshleman project were reviewed. Option 1 was the initial recommended option which would require proceeding with plans for additions and renovation to Eshleman Elementary School and funding the difference. He reviewed options for funding the difference which would include: a) increasing taxes in 2002/2003 to fund the shortfall, b) use \$400,000 from the Athletic Capital Reserve Account, c) a note for short term financing, or d) a through c using the fund balance. Mr. Skrocki reviewed the millage impact to Option 1 such as funding the project entirely from the General Fund. He stated that 1 mill of tax in Penn Manor equals approximately \$1,600,000. A shortfall of \$580,690 would require .36 mills to fund the shortfall from the General Fund. This would amount to a 2.55% tax increase. Mr. Skrocki stated that this would be a one-time expense as the project will be completed and therefore the tax increase would not occur again. If \$414,156 is used from the Athletic Capital Reserve Fund the shortfall would be reduced to \$166,534. This would require a .10 millage increase which is equal to a .71% tax increase to fund the shortfall. This would again be a one-time expense. Option 2 would delay the project for one year and re-evaluate the situation next year at this time. The administration is not recommending this option due to the fact that if current design plans remain the same there would be an increase in construction costs. Mr. Skrocki said this option should only be considered if a new design philosophy is implemented. Option 3 would delay the project indefinitely until such time financial conditions improve. The existing bond issue would be paid off in the interim or could be used for other district capital improvements. The administration does not recommend this option. Mr. Skrocki stated that the administrative recommendation is to proceed with renovations at Eshleman as planned and schedule the Act 34

Hearing for March 6, 2002, transfer \$414,156 from the Athletic Capital Reserve Account to the Eshleman Capital Reserve Account, and fund the remaining \$166,543 shortfall from the 2002/2003 fiscal year budget which would be a one-time expense. Mr. Willis Herr stated that the board has tried to be fiscally responsible as they are aware tax increases are very hard on residents. Mr. Anderson asked what the projected tax increase would be without the Eshleman project being considered. Mr. Skrocki stated that he hesitates to give an answer as the budget process has just begun. He stated that the budget is going to be impacted by factors such as the retirement rate going up, the reduction in interest earnings, cyber schools costs, Martic Elementary School improvements, the PP&L assessment case, Plancon J money, and little or no increase in state subsidy. He said the administration will be recommending utilizing a significant portion of the fund balance for next year's budget balancing. Mr. Skrocki said he anticipates recommending using 1.5 million dollars from the fund balance. Penn Manor would still have a fund balance in the range recommended by PSBA and the auditors. He stated that \$342,907 was used from the fund balance to balance the budget in 2001/2002. Mr. Skrocki stated that he anticipates a 4.32% tax increase using 1.5 million dollar fund balance and without any other increases such as salaries and benefits. Mr. Kline asked how long the district would have a bond interest expense if proceeding with the Eshleman project. Mr. Skrocki said it is a 10 year bond issue with the district paying interest for the first 8 years and the principal kicking in during the ninth and tenth year. Mrs. Withum recommended going ahead with the project due to the fact that money already paid toward the project would be thrown away otherwise. Mr. Anderson said he feels the only options are to go ahead with the project, spend the money, and raise taxes or say no to the project. He does not see delaying the project as an option. Mr. Anderson said he does not feel comfortable raising taxes to the degree suggested. He supports the community school concept but feels the board presently has a lot on its plate. Mr. Anderson said he serves on the planning team for the project and the school will be fantastic but he is concerned with spending 6 million dollars for a minor addition and fix ups. Mr. Herr asked if Mr. Anderson was recommending holding off for the time being. Mr. Anderson said that would be his recommendation but there are other board member recommendations to be considered. He stated that Letort was in worse condition than Eshleman and that Eshleman can still be used for teaching and learning. He stated that he is not saying not to do the project as he does not want to lose money on the bond issue but would

like to hold off in light of the current economic concerns. Mr. Anderson asked if any costs could be gained. Mr. Skrocki said \$145,000 has been spent to date on the Eshleman project on architectural and engineering costs plus interest expenses are still being paid on the bond issue. Mr. Kline asked if he was correct in assuming that the \$200,000 spent on interest expenses on the bond issue would continue to impact on taxes regardless of a decision made regarding the project. Mr. Skrocki said he was correct. Mr. Lyon stated that there are issues to be considered other than the economic impact renovating Eshleman would have. For instance, the current heating system at Eshleman, Penn Manor's commitment to technology and Eshleman being unable to meet this commitment due to lack of electrical outlets in the classrooms, and the need for the board to keep the trust gained from the board's commitment to the project made two years ago. Mr. Lyon said since something would need to be done to the Eshleman building 3-5 years from now if the project is not undertaken as planned he would like to see the board's commitment to the Eshleman parents kept now. Mr. Kline said he agrees that renovations will need to be done anyway so why not do them now. Mr. Kreider stated that he visited Eshleman and found it to be dark and dreary. He stated that there were improvements that could be made which would improve this situation - better lighting, painting of ceilings, upgraded electrical service. Mr. Kreider stated that he felt the roof would need replaced. He indicated he would like to see the project scaled back and proceeded with. Also discussed was the fact that the building should have been better maintained. Mr. Anderson agreed with Mr. Kreider. Mr. Kreider stated that there may not be a need to drill new wells. Mrs. Wert stated that she has the same concerns Mr. Anderson has regarding a tax increase. She stated that it is also hard to not do the renovations when all of the other schools in the district have been renovated. She said she would like it if the project could be done in a year or two but that doesn't appear to be prudent. Mrs. Wert stated that she is struggling with a decision regarding this project. Mr. Anderson said he has no doubt we could go back to the architects and save some money. He would like to go back and look at shaving some of the costs. He stated that a tax increase is anticipated without the cost of the Eshleman project due to other issues. Mr. Skrocki said a delay in a decision would mean the building could not be occupied by August of 2003 if redesign work is done. He also stated that if the board decides to redesign the project it will be moved back a year. Mr. Anderson stated that he felt redesigning the project would not save money. Mr. Kreider questioned the

necessity for the school. He stated that no board members were in favor of closing the school but was concerned that 6 million dollars may be sunk into a school that may not be needed. Mrs. Withum said she is concerned with the fact that often when an old building is not renovated completely all kinds of problems are encountered. She stated that this project has been planned for two years and money saved for it. She stated she doesn't see how the board can not go ahead with the project. Mr. Willis Herr said he made a commitment to the Eshleman project and even though there are fiscal problems he intends to vote in favor of continuing with the project. Mr. Stewart asked the board to approve placing the scheduling of the Act 34 Hearing on the February 11 School Board Agenda. Mr. James Miller, 110 Bridle Circle, stated that he looked at enrollment figures on the Penn Manor web site and elementary enrollments are down 90 students. He stated that projections indicate that within three years we will have one school we do not need. He questioned why, if projections say we would not need an elementary school, we would put 6 million dollars in this project. He indicated that if we are going to renovate the building he felt it should be done immediately but he questions that in three years we will possibly have an extra elementary school. Mr. Stewart indicated that elementary enrollment trends since 1997 show enrollments are down across the district - 16% in southern schools and 4% in northern schools. Enrollment projections indicate we will continue to lose elementary students across the district with a leveling off in 5 years per a study done by Gilbert Architects when considering renovations to Letort and/or Eshleman. Mr. Stewart said this decline in elementary enrollment will eventually move to the middle school and then the high school. Mrs. Withum said that eventually consideration of all day kindergarten and meeting early literacy needs would lead to a need for more classrooms. Mr. Harold Hart, 2204 Stratford Road, applauded the board for looking at finances. He stated he has two children at Eshleman. He stated that renovations on the building should go forward with costs being scaled back to suitable levels. Mr. Hart said Eshleman has systems that do not meet standards and compromise the safety of the children. He indicated he felt the building could be upgraded with the attitude of the students, staff, and parents being positively affected. Mr. Hart discussed the BOCA requirements and how these requirements could be met without a sprinkler system. He also suggested that cafeteria costs could be revisited with consideration being given to possibly leaving the kitchen where it is and build a gym and expand library instead. Mr. Hart stated that due to the current financial at-

mosphere he felt there might be an opportunity to get good bids. He also stated that the architects may be able to solve some of the problems with bid alternates. Mrs. Anne Land, 206 Charlotte Street, stated her concerns with teaching students in a closet. Mrs. Marie LeFever, Eshleman teacher of 28 years, stated that Eshleman is a wonderful school and she applauds the board for recognizing that. She said the staff and parents have worked hard to make Eshleman a positive learning environment but it is a tired building. Mrs. LeFever said you can only do so much to overcome that. She restated the fact that students are taught reading in a closet and stated her concerns for this situation. She said this situation is not fair to the children. Mrs. LeFever said she knows the board faces a difficult decision but Eshleman students, staff, and parents have worked in a difficult situation and it would be nice for them if the board would continue with the plan to renovate. Mrs. Jodi McClintock, 102 Circle Road, said the Eshleman staff is exemplary. She stated that she too finds it hard to throw money away but she helped pay for renovations to other buildings and the Eshleman students need nice facilities also. Mrs. McClintock stated she is also concerned about students and teachers working in closets. She stated that two years ago Eshleman parents supported renovating Letort because it needed to be done first but now Eshleman students, teachers and parents should have their building renovated. Mrs. Theresa Herr, 337 Windgate Court, said that if the proposed increase in taxes was broken down monthly over a year it would mean a slight cut back in spending for families. She indicated she would be willing to do that in order to have the renovation plans continue. She stated that the teachers, students, and parents are very close at Eshleman. Mrs. Herr stated that she felt waiting to renovate would not be a good idea. She said the decision to renovate needs to be made and stuck with. Mr. Stewart asked board members for approval to place scheduling of the Act 34 Hearing on the February 11 School Board Meeting Agenda. This item was approved for placement on the agenda on a motion by Mrs. Withum, a second by Mr. Lyon, and a unanimous voice vote.

Mr. Skrocki then reviewed Letort change orders totaling \$11,783.82. He stated that to date change orders amounting to \$8,500 have been authorized for this project with other change orders in the pipeline for presentation at a later date. Mr. Skrocki requested approval to place these change orders on the February School Board Meeting Agenda. Approval was granted on a motion by Mr. Anderson, a second by Mrs. Wert, and a una-

nimous voice vote.

Mr. Stewart reviewed the history of a request by the Softball Boosters to build two dugouts on the junior varsity softball field and two dugouts on the varsity softball field. He also reviewed the fact that the boosters requested permission to place advertising on the dugouts. Mr. Stewart referred board members to a copy of the policy which describes the type of advertising that could be placed on the dugouts. He showed drawings of the proposed dugouts and asked the board to grant the boosters approval to move ahead with the project. Board members questioned if there would be any liability for the district if someone was injured during construction of the dugouts. Mr. Stewart said the workers are going to sign a waiver saying no one is liable for any possible injuries. He stated that the district does not have insurance to cover volunteer workers. The board granted approval for the boosters to move ahead with construction of the dugouts on a motion by Mr. Kline, a second by Mrs. Withum, and a unanimous voice vote.

Mr. Stewart reviewed the proposed 2002/2003 school calendar. He said it is similar to the 2001/2002 except for the fact that students will attend for 181 days in 2002/2003 versus their attendance of 180 days in 2001/2002. The first semester will consist of 90 days and the second semester will consist of 91 days. He stated school will again begin for students before Labor Day. Mr. Stewart asked for approval for placement of the proposed calendar on the February School Board Meeting Agenda. Approval for placement of this item on the February School Board Meeting Agenda was granted on a motion by Mr. Kline, a second by Mr. Lyon, and a unanimous voice vote.

Mrs. Griffis stated that the administration is considering a transfer of entities of the high school life skills class. She stated that the administration is looking at the cost involved with the transfer and if there is going to be a savings to the district they will come back to the board in a month recommending proceeding with the transfer of entity. Mrs. Griffis then introduced Mr. Harris who stated that he would recommend taking over the program if there are enough students to support it for five years at a savings to the district. Mrs. Withum asked if the current teacher of this class would be kept. Mr. Harris stated that all indications are that she would stay.

Mr. Skrocki reviewed the Quarterly Activity Fund Reports. He reviewed the history behind these funds and the fact that they can be viewed on the Penn Manor web page.

Mr. Stewart informed board members that the administration is looking at a large scale police training practice activity following the school year. He said this exercise would involve 200 student volunteers, helicopters, fire, and police forces and would provide training with regard to handling emergency situations. He said a practice session was held on Martin Luther King Day at the high school. Nineteen student volunteers were involved with a training session being held for parents. Mr. Stewart said the police appreciated our cooperation. Penn Manor will continue to train with the police hoping we will never have to use what is learned but should an emergency occur we would be prepared to deal with it. Mr. Stewart stated that he felt a benefit of this exercise is that several local police officers were involved and as a result are now familiar with our facilities. Mr. Thomas Herr questioned if Penn Manor had liability insurance covering someone who might become injured during these events. Mr. Stewart said the parents of students involved signed a waiver. Mr. Robert May, 203 Skyline Drive, suggested involving EMS so they can become part of the exercise. Mr. Stewart said the district would like to include anyone who could possibly be involved in a real emergency. Mr. May commended the district on its foresight.

Mr. Stewart reviewed the fact that the YWCA provides before and after school child care programs in Penn Manor elementary schools. He stated that the YWCA wants to expand the program via a Summer Camp which could include 80 students. They requested the use of an elementary building near a swimming pool. Because of potential Eshleman renovations it was suggested that Conestoga Elementary School might be able to be used for the proposed program. Mr. Stewart said he supports this request as he sees the need for child care over the summer and feels the buildings should be used during this time period.

Mr. Skrocki informed board members that Penn Manor is planning a mock accident bus drill with Rawlinsville Fire Company and Solanco School District. The drill would take place on Wednesday, June 26, at Muddy Run Park. Bus drivers will attend the drill as a required in-service meeting.

This drill will provide a good opportunity for drivers to learn more about dealing with emergencies. Mrs. Wert asked why the drill is being held in conjunction with Solanco School District. Mr. Skrocki said Solanco and Penn Manor share the same bus contractor plus it was felt that greater media coverage would be gained with more than one district being involved. A press release will go out in May regarding this drill. More information will be provided board members in the future.

Mr. Stewart indicated that he was approached by Mr. Wagner and Mr. Herman representing the Coaches' Association with regard to the Sports Wall of Honor Banquet. The association manages and funds the banquet. Last year individual athletes and a football team were honored at a cost of \$2,400. The association funds the banquet and provides student scholarships via a fund raiser and proceeds from the Pepsi contract. Due not only to the expense of the banquet but also to the fact that the association does not want to quickly exhaust the number of athletes to be honored, they would like the option to hold the banquet every other year rather than every year. Mr. Stewart asked for board approval to schedule the banquet every other year. Board members indicated their approval.

Mrs. Withum informed fellow board members that she attended the Legislative Conference in Hershey and found it to be worthwhile. Financial reform being submitted to the legislature was discussed and Mrs. Withum stated she felt some of it looked very good.

Mr. Willis Herr informed fellow board members they were invited to the upcoming Girls' Basketball game and also their banquet on Sunday, February 17.

Mrs. Warfel, at the request of Mr. Willis Herr, read a letter from Secretary of Education, Mr. Charles B. Zogby, commending the Board of Directors and the administrative staff of the Penn Manor School District on an audit report that did not contain any findings or observations for the years ending June 30, 1997, 1998, 1999, and 2000.

The meeting adjourned at 8:38 p.m. on a motion by Mrs. Wert, a second by Mr. Kreider, and a unanimous voice vote.