

**Minutes**  
Committee of the Whole  
May 24, 2004

The Penn Manor School Board met as a Committee of the Whole at 7:03 p.m. in the Board Room at Manor Middle School. Present were Mr. DeLuca, Dr. Frerichs, Mrs. Friedman, Mr. Geist, Mr. Herr, Mr. Kreider, Mr. Lyon, Mr. Rintz and Mrs. Wert. Present from the administrative staff were Mr. Stewart, Mrs. Griffis and Mr. Johnston. Also in attendance were Penn Manor Residents, Millersville students, Mrs. Rhoades and Mrs. Howard.

Mr. Willis Herr asked if there were any Citizen's Comments. There were none at this time.

Mr. Willis Herr asked the committee whether there were any additions or corrections to the Minutes of the May 10, 2004, Committee of the Whole Meeting. Hearing none, on a motion by Mr. Rintz, a second by Mrs. Friedman, and a unanimous voice vote, the Minutes were approved as printed.

Mr. Stewart announced that Penn Manor sent 3 teams to the Team America Rocketry Challenge this past weekend, 2 from the high school and 1 middle school team. Team #2 from the high school won the national championship and the three team members shared the \$8,000 prize money. The district received \$1,000 to support the science curriculum and rocket program and the sponsoring teacher, Barb Rathbone-Frank, will be given a scholarship for a one week stay at Space Camp. Mr. Stewart explained that to be successful in the competition the rocket must hit the target of 1250 feet and return 2 unblemished eggs to the ground. Team #2 was successful in hitting the target exactly. The middle school team was 20 feet off the target, finished seventh in the nation and they will share the \$3,000 prize money. The school will receive \$1000 and the teacher, Joe Castronova, will be eligible to go to Space Camp. The high school Team #1 was only 10 feet off the mark; however, were disqualified because they believe their egg broke as they were setting the rocket to launch. Mr. Stewart commented that if they had not broken the egg Penn Manor would have had 3 teams in the top 10. Mr. Stewart provided copies of the newspaper publicity and stated that he is trying to get the teams to visit the board on June 10. The New Era interviewed the students and WGAL has scheduled an interview and will film a launch on Wednesday. Mrs. Rhoades invited the board to attend the launch.

Mr. Stewart informed the board that Marticville Middle School students were sent home today at 9:45 due to a power outage. He explained the problem and PP&L's efforts to restore the power. Mr. Stewart indicated that possibly the power will be restored on Tuesday. He said that today's school day would not have to be made up. If school is cancelled on Tuesday it would be the third emergency day for Marticville, but they would still be okay as far as the state requirement for hours. Mr. Rintz asked if the power was not returned during the night would Mr. Stewart make the call in the morning to not have the students go to school, or make the decision when the students got to school. Mr. Stewart said he would have to wait until morning after talking with Mr. Coleman. Mr. Herr asked if generators would help. Mr. Stewart said it was a possibility but the building would need a lot of generators. He reported that calls to the media were made, signs were posted on the front doors of the elementary schools in the southern end had stating that Marticville Middle School was closed due to an emergency, and the staff was emailed. Mr. Stewart stated that during inclement weather people listen to the media; however, on a day like today people would not be inclined to listen for school closings. He stated that neither Mrs. Carroll nor he received a phone call from an upset parent who was not aware of the situation.

Mrs. Friedman commended Mr. Coleman and the maintenance crew that assisted at the post-prom. She said they were very helpful.

Mr. Stewart, for Mr. Coleman, reviewed the list of summer maintenance projects. He wanted the board to be informed of the magnitude of the projects that are being done this summer and the projects that are being deferred. He said that roofs at Hambright, Central Manor, Marticville and Martic are expiring from their warranty, and within the next three years the high school, Manor, Conestoga and Pequea will go out of warranty. Mr. Geist questioned the cost of brick repointing, and inquired if the vo-tech students could possibly do this work. Mr. Stewart stated that he would have Mr. Coleman explore that option. Mr. Stewart said that effective August 8 Pennsylvania will have a uniform permit code. He is hoping that the local municipalities would be able to issue one permit per year which would cover the small corrections and improvements in the buildings. Mr. Herr asked if the labor would have to be unionized or if our maintenance crew could do the work. Mr. Stewart said that the general maintenance would not have to be union. Mr. Herr questioned if the high school auditorium was listed on the capital projects list. It was stated that the auditorium is on the list of deferred projects. There was some discussion about the inability to get parts in the future for the heating systems. A comparison will be made to determine if it will be cost effective to stock pile parts, cancel the

maintenance contracts and have our own maintenance crew do the repairs, or continue with the contracts.

Mr. Johnston reviewed the capital reserve budget balances, the accounts where money would be transferred and the projects that were remaining to be taken out of the capital reserve funds. He stated that the capital reserve fund has 4 funds -- the Community and Economic Development Fund, Athletic Fund, Eshleman Capital Reserve Fund and PMSD Capital Reserve Fund. He reviewed the funding sources and expenditures for each fund. He explained that the money in the main capital reserve fund is from yearly transfers of the under spent budgeted money. At the end of the 2003-2004 school year money will not be transferred to the Capital Reserve Fund but will go back into the fund balance to help with the tax increase for next year. He reviewed that the 2004-2005 budgeted expenditures total \$809,500, and deferred projects amount to \$1,440,500. Approval for placement of 2004-2005 Capital Reserve Budget on the June School Board Meeting Agenda was approved on a motion by Dr. Frerichs, a second by Mr. Rintz, and a unanimous voice vote.

Mrs. Griffis presented an insider look of the spring hiring process. She asked the Millersville students who were attending the meeting if they were education majors. Dr. Frerichs stated they were in his class and they were secondary education majors. She stated that they were fortunate to be secondary education majors because there are over 400 elementary applications on file in the office and on-line over 1400. She explained that this is the main hiring season for all school districts and everyone is looking for the best candidates at the same time. To attract the best candidates a district needs to screen applicants for interviews, check references and make their offer early. She told the story about a German candidate that Dr. Frerichs felt was exceptional. Because she was offered a position in another district, the interview for this candidate was conducted before the scheduled interview date for German. The applicant was very qualified, wanted to work at Penn Manor and fortunately accepted the position. Mrs. Griffis stated that to date 41 hours have been spent interviewing for 9 new positions, 15 retirements and 10 sabbaticals. Transfer requests from 24 current staff members have indicated they would like to try another grade or position. As a result, 50 decisions will be made to fill all of the requests and vacant positions.

Mr. Johnston reviewed the preliminary budget and updates from the last board meeting with a power point presentation. He stated that there are minimal changes to the 2004-05 budget from the last board meeting and can be viewed at any time on the web site. He explained that overall expenses

increased 3.4%, building level budgets increased 2%, administrative functions decreased 4.4%, salaries and benefits are to be increased by 5.3% with benefits accounting for 12% and salaries 3%. Figures have been finalized on the accountability grant. Because some expenses have been moved there is a change in the grants and programs by 97.3%. He said the grant money will be \$644,000 higher than last year. The overall revenue has not changed except for the state revenue, which is the reimbursable amount for social security and retirement. The spending gap is still at 2.7 million caused in part by use of fund balance, and the uncertainty in real estate assessments and state funding. He said that the current year estimates will allow for an addition to the fund balance. The designated fund balance of \$772,194 will be used per the plan that was adopted in November. Additional monies will be proposed to be designated and used to offset rising healthcare costs. He said that 16.6% of the total fund balance will be used to offset the need for a larger tax increase. A 5% tax increase is recommended bringing the mills from 14.67 to 15.40 based on a mill net collectable of 1.7 million dollars. He stated that the objectives have been met to offer an educationally sound budget, prudently lowering the fund balance level over the next few years, and the budget increase is in line with the surrounding districts. In summary, the additions to the preliminary budget have amounted to \$115,350, deductions in the amount of \$142,535 leaving a net reduction of \$27,185. Approval for placement of 2004-2005 budget on the June School Board Meeting Agenda was approved on a motion by Mr. Lyon, a second by Mrs. Wert, and a unanimous voice vote.

Mr. Johnston explained, with a power point presentation, the reserved versus unreserved fund balance designations. A reserved fund balance is legally obligated to use as stated. Unreserved fund may indicate tentative plans but no specification is required. The unreserved fund has designated versus undesignated categories. Designated indicates segregated funds from the fund balance for a specific or tentative use. The undesignated fund is a pool of money in the fund balance that can be used for anything. He said the current fiscal year began with 9.4 million dollars, 2.9 million dollars was designated in November as unreserved, 6.4 million dollars for unreserved, undesignated funds. He explained that the Pennsylvania State budget for 2003-04, passed in December, had the 8% provision for undesignated, unreserved limit for fund balances for schools with budgets over 19 million dollars effective 2005-06. He said that the 2004-05 budget there is a 5.2 projected undesignated fund which is 10.3% of the budget. At some point funds will need to be re-designated to get to the 8% level; however, at this point it is too soon to do anything. He anticipates re-designating funds late in the audit process to get closer to the 8% target. He said that the retirement costs were much higher than originally projected but nothing has been

designated for the rising health care cost. Mr. Johnston stated that because Swaption is so new, rules for this have not been developed by the state. At this time there are two differing views on how to account for the Swaptions. One view is to handle the net gains from the transaction as part of the fund balance and designate part of the unreserved portion to handle the net gain over the ten years. The other view is to transfer all the net gains to the debt service fund. Dr. Frerichs asked why the retirement rate changed. Mr. Johnston explained the rate proposed was lowered and spread out over many years.

Mr. Stewart explained the IU supplemental contract for a student who was housed in a Penn Manor class and reassigned to an IU classroom. The child's educational needs required a part-time 1:1 paraeducator as a wrap aide. Approval for placement of 2004-2005 of this item on the June School Board Meeting Agenda was approved on a motion by Dr. Frerichs, a second by Mr. Lyon, and a unanimous voice vote.

Mr. Stewart stated that in 1998-99 Penn Manor entered into an agreement with the Janus School for educational needs a student. He requested continuing approval for the student's tuition at the Janus School. Approval for placement of 2004-2005 of this item on the June School Board Meeting Agenda was approved on a motion by Mrs. Wert, a second by Mr. DeLuca, and a unanimous voice vote.

Mrs. Wert asked if anyone had seen the recent articles in the newspaper about the Lancaster County Academy's tenth year celebration, and the service learning project that the Academy participated in the hanging baskets and planters in Lancaster. She passed the articles for members to read.

Dr. Frerichs reminded the board that the deadline for PSBA legislative items July 16. If they have any items they should be discussed at the June meeting.

Mr. Herr commented that Spring Fling was very nice and Mr. Stewart got dunked a few times in the dunking tank. Dr. Frerichs said that the fireworks were outstanding.

The Committee of the Whole adjourned at 7:53 p.m. on a motion by Mrs. Wert, a second by Dr. Frerichs, and a unanimous voice vote.