

**CENTENNIAL SCHOOL DISTRICT
Warminster, Pennsylvania**

**MINUTES OF SPECIAL BOARD MEETING
HELD JUNE 13, 2002**

CALL TO ORDER

A regular meeting of the Centennial School Board was held on June 13, 2002, in the Administration Building. The meeting was called to order by Mrs. Jankowsky at 8:42 p.m. The following people registered their attendance:

Board Members:

Scott Avery
Sina Baranski
Joseph Faust
Eugene Grossi
Al Hertenberger
Betty Huf
Joan Jankowsky
Jerry Locke
Harve Strouse

Administration:

David Blatt
Timothy Vail

CEA/Teachers:

None

Public:

Donna Marie Saul
Bobbi Loftus

PLEDGE OF ALLEGIANCE

Mrs. Jankowsky led the group in the Pledge of Allegiance.

ADOPTION OF 2002-2003 BUDGET

A motion was made by Mr. Grossi and seconded by Mr. Strouse to resolve that the Centennial School Board adopts the General Fund Budget for Fiscal Year 2002/03 in the amount of \$61,336,170, as presented per the attached supplement, and hereby authorizes the expenditures as set forth therein during the Fiscal Year 2002/03.

[The following is the language of the attached supplement, in its entirety.]

ADOPTS THE BUDGET FOR FISCAL YEAR 2002-2003 IN THE AMOUNT OF \$61,336,170 AS PRESENTED, AND HEREBY AUTHORIZES THE EXPENDITURES AS SET FORTH THEREIN DURING THE YEAR 2002-2003, AND LEVYING A TAX OF 269 MILLS PER \$1,000 OF ASSESSED REAL ESTATE VALUATION

<u>REVENUES</u>	<u>GENERAL FUND AMOUNT</u>	<u>% OF TOTAL</u>
Local Sources	\$42,867,075.00	69.9%
State Sources	\$16,051,365.00	26.2%
Federal Sources	\$ 1,957,730.00	3.2%
Other Revenues	\$ 460,000.00	0.7%
TOTAL REVENUES	\$61,336,170.00	100.0%
 <u>EXPENDITURES</u>		
Regular Education	\$26,945,804.00	43.9%
Special Education Instruction	\$ 9,272,715.00	15.1%
Vocational Education Instruction	\$ 1,322,415.00	2.2%
Other Instructional Programs	\$ 782,181.00	1.3%
Adult Continuing Education	\$ 25,638.00	0.0%
Pupil Personnel	\$ 2,566,933.00	4.2%
Support Service Instructional Staff	\$ 3,098,997.00	5.1%
Administration	\$ 4,166,475.00	6.8%
Pupil Health	\$ 1,012,769.00	1.7%
Support Services – Business	\$ 486,542.00	0.8%
Operation & Maintenance	\$ 6,194,861.00	10.1%
Student Transportation	\$ 2,857,041.00	4.7%
Support Services Central	\$ 348,367.00	0.6%
Other Support Services	\$ 39,731.00	0.1%
Student Activities & Athletics	\$ 910,104.00	1.5%
Community Services	\$ 35,395.00	0.1%
Debt Service	\$ 960,714.00	1.6%
Budgetary Reserve	\$ 309,488.00	0.5%
TOTAL EXPENDITURES	\$61,336,170.00	100.0%

The 2002-2003 Budget increases the Real Estate Millage by 19 mills for a total 2002-2003 rate of 269 Mills.

Further approves that the real estate tax for the 2002-2003 Fiscal Year be payable with a discount of 2% on or before August 31, 2002, and shall bear a penalty of 10% if paid on or after November 1, 2002.

BE IT FURTHER RESOLVED that the Centennial School Board reenacts the following taxes and rates as set forth in Act 511 of 1965:

The Mercantile Tax for Fiscal Year 2002-2003 of (a) One mill on wholesale sales, and (b) 1½ mills on retail sales, and a license fee of \$5. This tax is shared with Warminster Township, the Borough of Ivyland and Upper Southampton Township.

The 1% Realty Transfer Tax for Fiscal Year 2002-2003. This tax is shared with Warminster Township, the Borough of Ivyland, and Upper Southampton Township.

The Occupation Privilege Tax for Fiscal Year 2002-2003 at the rate of \$10 per person employed within the boundaries of the Centennial School District. This tax is shared with Warminster Township, the Borough of Ivyland, and Upper Southampton Township.

The Business Privilege Tax for Fiscal Year 2002-2003 of 1½ mills on gross receipts and a license fee of \$5. This tax is shared with Warminster Township and the Borough of Ivyland.

The Earned Income Tax and Net Profits Tax for Fiscal Year 2002~2003 at the rate of 1%. This tax is shared with Warminster Township, the Borough of Ivyland and Upper Southampton Township.

FINALLY, BE IT RESOLVED that the Administration is authorized and directed to advertise the adopted 2002-2003 Budget in accordance with the provisions of the School Code and to file a copy of the 2002-2003 Budget with the PA Department of Education.

Mr. Hertenberger stated that he felt the Committee had done a great job and spent a lot of time on the budget and that they had done the best they could. However, he felt that the Board could reduce the tax burden on the community at least four mills more and still be above the 5% that the State requires us to have. He also felt there was room to cut back the fund balance and was not in favor of passing this budget as it stands.

Mrs. Huf stated that she agreed with Mr. Hertenberger and also opposed the budget. She felt some of the fund balance could be used and that there should be monies coming in from the State and/or Federal Governments. She acknowledged that some of the Board members had done a lot of work on the budget but she still felt that the tax increase could be dropped a few more mills.

Mr. Grossi stated that maybe people misunderstood what the fund balance was about. He explained that on July 1st there were summer pays due to employees and that in the past money was borrowed to make those payments and, thus, interest had to be paid. After that, we developed a fund balance and became our own bankers. These are cash flow monies. When these get too low, our ability to control costs is decreased.

Mr. Faust stated that as a member of the Finance Committee, he supported the budget. He indicated that his concern was that when you start spending the fund balance for general operating costs, you are deferring a tax increase to the following year and you are actually compounding it. In good conscience, he could not do this. He stated that while he was not thrilled with a 19 mill increase, it was unfortunately necessary due to many circumstances beyond the Board's control. Mr. Faust advised that there were some things that could potentially help the budget that were still being worked on in Harrisburg.

Mrs. Baranski indicated that she agreed with 15 mills but could not agree to anything above that. She felt the Board needed to be very careful and look for ways to rebuild revenues.

Mr. Locke advised that he had attended some of the budget meetings and knew how hard some of the members of the budget team worked to shave off mills. These were not easy decisions. He felt that we were talking about an average increase to Centennial taxpayers of about \$150-\$160 per year, which was the equivalent of about a large custard ice cream cone per week.

Mr. Strouse indicated that he was in favor of the budget as presented. There were several things that happened over the past week that would indicate why there is a need for a fund balance. He gave several examples:

- we may need additional teachers
- we anticipated receiving funds from Erickson this budget year, which we will probably not get until next budget year
- while pension contributions have been reduced for the current year, they are not expecting the same types of decreases in the following years. There could be a 500% pension increase in the following year.

Therefore, Mr. Strouse felt we should retain the fund balance since it might be needed in the future.

Mr. Grossi stated that there were a number of things that he would like to see in the this budget that were removed, such as:

- We should have added a counselor at the high school.
- We could have reduced the budget by not funding some of the new program areas or buying textbooks.

He felt there were tough decisions that needed to be made.

Mrs. Baranski felt that there might be other items that could be cut.

Mr. Faust advised that the Finance Committee went through every line item and that everything was looked at. The decisions that the Board makes from August through June regarding programs, trips, etc., are things that affect the budget.

A motion was made by Mrs. Huf and seconded by Mr. Strouse to call the question.

As a point of order, Mr. Faust asked if, legally, the community had to be given the chance to comment.

The motion failed 3-6. (Mr. Avery, Mrs. Baranski, Mr. Faust, Mr. Grossi, Mr. Hertenberger and Mr. Locke were opposed.)

Donna Marie Saul of 589 Lowell Road, Warminster, stated that although she did not agree with the Board members on particular issues and although there might be opposition to certain programs before they are put in place, once they are approved they must be funded. She understood what the Board was doing and the work that the Finance Committee does. She believed that the Board had made every effort to make the budget as tight as possible.

Bobbi Loftus of Webber Road, Warminster, stated that the previous year's tax increase had a big effect on the people. She felt that the senior citizens would really be strapped with this increase since they just don't have the money. She stated that, with all due respect, she felt it was more than an ice cream cone.

Mrs. Jankowsky commented that to vote to increase taxes was not an easy decision. The Board tries to balance the needs of the children and the needs of the taxpaying community. She particularly believed that this year the Finance Committee had produced a sound financial plan to meet the District's needs. She concurred with Mr. Faust's opinion on not using the fund balance for operating costs. She advised that she would vote to approve the budget.

Mr. Grossi thanked all the Board members who participated in the Finance Committee meetings, as well as the Finance Committee members, Mr. Vail and Mr. Blatt. He felt that everyone had worked hard and that it was a demanding schedule.

There was a roll call vote on the motion, as follows:

<i>Mrs. Baranski</i>	<i>No</i>
<i>Mrs. Huf</i>	<i>No</i>
<i>Mr. Locke</i>	<i>Yes</i>
<i>Mr. Avery</i>	<i>Yes</i>
<i>Mr. Hertenberger</i>	<i>No</i>
<i>Mr. Grossi</i>	<i>Yes</i>
<i>Mr. Faust</i>	<i>Yes</i>
<i>Mr. Strouse</i>	<i>Yes</i>
<i>Mrs. Jankowsky</i>	<i>Yes</i>

The motion passed 6-3.

ADJOURNMENT

A motion was made by Mr. Strouse and seconded by Mr. Faust to adjourn the meeting. The motion passed 9-0. The meeting was adjourned at 9:20 p.m.

Respectfully submitted,

Vickie A. Detwiler
Board Secretary