

**Minutes**  
Committee of the Whole  
May 2, 2005

The Penn Manor School Board met as a Committee of the Whole at 7:06 p.m. in the Board Room at Manor Middle School. Present were Mr. DeLuca, Dr. Frerichs, Mrs. Friedman, Mr. Geist, Mr. C. Willis Herr, Mr. Kreider, Mr. Lyon, Mr. Rintz and Mrs. Wert. Present from the administrative staff were Mr. Stewart, Mrs. Griffis, Mr. Johnston and Mr. Skrocki. Also in attendance were a Penn Manor resident, student, Mrs. Rhoades and Mrs. Howard.

High school student, Lauren Shaffer, distributed invitations to the board for the Festival of Learning on Friday, May 6 at the high school. Mr. Stewart asked Lauren to explain the Festival of Learning. She said it's a time to showcase student and class projects and achievements. This year the festival is being combined with a sports night for sixth, seventh and eighth graders. The purpose is to introduce middle school and high school sports and athletics to the students.

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

Mr. Herr asked the committee whether there were any additions or corrections to the Minutes of the April 11, 2005, Committee of the Whole Meeting. Hearing none, on a motion by Mrs. Friedman a second by Mr. Lyon, and a unanimous voice vote, the Minutes were approved as printed.

Mr. Stewart updated the board on the cost of solicitor fees for the district. He presented a chart comparing Penn Manor to other districts, which use the same solicitor Hartman, Underhill Brubaker, for a four year period. He stated that some of the districts use this solicitor for all or only part of their legal services. Penn Manor uses Hartman, Underhill Brubaker for all of the legal services. The four year history indicates that school districts have experienced dramatic swings in the legal fees. He pointed out that Penn Manor's fee increases last year were below the average of the school districts the firm represented. He reported in the first quarter of this year the legal fees for Penn Manor were \$41,735. If that should remain the case for the remainder of the year the legal fees could total over \$160,000. He noted the first quarter was dramatically impacted by one specific case which resulted in a due process hearing and additional fees for a hearing officer and stenographer. If the legal fees continue to climb the total cost will be up 22% at the end of 2005. Mr. Stewart said that Mr. Johnston has budgeted accordingly for 2005-06.

Mr. Johnston presented the bulk fuel bids. He explained the bidding was for low sulfur diesel fuel used to fuel the school busses, gasoline used for the smaller busses and vans and the #2 heating fuel used as the main heating source in 5 schools. He reviewed the annual gallon requirements for the fuel. The current year bid was done as part of the IU 13 joint purchasing bid and has been done that way for many years. Mr. Johnston reviewed the differences in the bids between the IU13 and Central Pennsylvania Energy Consortium (ECPEC.) He stated that the IU bid was rejected and there were a number of "no bid" items. Penn Manor School District will pursue using CPEC for the bulk fuel

bid. He explained that CPEC was originally set up in 1997 for non-profits located in eight counties. Currently there are 370 separate entities enrolled in the CPEC program. He remarked that in the past two years fuel prices have nearly doubled and a recent article discussed the possibility that energy costs have not yet reached the ceiling. Mr. Johnston said the Act 72 implications are similar to the healthcare considerations. As costs rise higher than the index, costs must be cut someplace else to stay under the allowable increase. Mr. Johnston said he increased the budget 24% for fuel and 12% for utilities for 2005-06. He also said cost cutting fuel measures will be explored in Penn Manor such as lowering the heat. Mr. Kreider inquired if there was a legal temperature required for classrooms. Mr. Johnston was not aware of a requirement but will check with Mr. Coleman. Mr. Rintz questioned if the bussing contracts include fuel. Mr. Johnston said they do. Mr. Geist reported that Pennsylvania has a program to give grant money to convert school busses to LP gas. He inquired if Eshbach Transportation has looked into that or asked if it would it be up to Penn Manor to initiate. Mr. Johnston stated he will check with Eshbach's.

Mr. Johnston presented an update of the student and athletic activity accounts. He said most of the student fund money, \$167,700.35, is in the main club accounts. The athletic fund has a balance of just over \$75,000. He stated that most of the revenue for the athletic account is produced during the fall season through football gate receipts. Details of the accounts can be found online. Mrs. Friedman inquired if Mr. Johnston monitors the PTO and Booster Club accounts. Mr. Stewart stated that the auditor recommended that the district should not get involved with the accounts for these organizations. Mr. Johnston stated that these funds are outside of the district jurisdiction. There was some general discussion about the PTO and Booster groups and the funds.

Dr. Frerichs encouraged the board to vote for the nominees to the IU 13 Board of Directors. He stated that all of the people have been nominated by their individual districts. A ballot was at each board member's place.

Mrs. Griffis explained Scholars in Residence program. Each year the school board chooses an elementary and secondary outstanding educator. The outstanding educator picks a team of 2 or 3 other educators to go to Millersville University to speak to approximately 200 sophomore education majors in the fall and the spring. This year the elementary team included Larisa Garpstas, Nancy Kaufhold and Lisa RothWalter. The secondary team incorporated Lisa Bitler, Anne Carroll and Jan Fisher. The opening session is a panel discussion on professionalism. Other topics the groups spoke about in break out sessions include special education, classroom management and higher level questioning/thinking. Mrs. Griffis reported an evaluation is provided to the Millersville students and the feedback has been positive. She stated the program is a good bridge between Millersville and Penn Manor. She said the program just finished for this year.

Mrs. Griffis reported on a current change in Act 48. According to Act 48 each professional employee must complete 180 hours of professional development in a five year period. A requirement of Act 48 states that professionals after four years were to be notified by mail their Act 48 status. Notices were not sent out by PDE after the four year period. She said this week over 143,000 educators will receive letters from PDE

notifying them of their Act 48 status. These educators did not receive written four-year notices as scheduled by law and are in danger of not completing the required 180 hours. Because the letters were not sent as required, PDE will be offering the educators a grace period until April 30, 2006 to complete the required 180 hours. Mrs. Griffis reported that she and Jim Ziegler in August personally notified all of Penn Manor's teachers in danger of not meeting the requirements. She added, as of this date, all Penn Manor educators have fulfilled the required 180 hours. She also said the law states that an educator with an inactive certificate cannot be employed in a public school, except as a temporary substitute. Many of the current substitutes have not fulfilled the requirements. Mrs. Griffis stated that the substitutes have been invited to participate in the district in-service offerings but many have not taken advantage of the opportunity. Some questions were asked for clarification.

Mr. Stewart requested permission to place on the May agenda the continued employment of Mr. Quay Hanna. Currently Mr. Hanna is employed for 600 hours per year at a rate of \$35 per hour and is instrumental at the high school in counseling and problem-solving. He also stated Mr. Hanna is now emergency certified and will be able to do home bound instruction for students and is also going back to school for school counselor certification. Approval for placement of the continued employment of Mr. Hanna on the May School Board Meeting Agenda was approved on a motion by Dr. Frerichs, a second by Mr. Lyon and a unanimous voice vote.

Mr. Stewart reminded the board that action for Act 72 is slated for May 23. He and Mr. Johnston attended a Millersville Borough Council meeting and listened to a report from Dennis Yablonsky, the State Secretary of Community and Economic Developments. Mr. Stewart felt that Mr. Yablonsky was encouraging the borough council to think positively about the advantage of Act 72 for the citizens. Mr. Stewart asked Mr. Yablonsky if there was any insight how the legislation will respond if 50-80% of the school districts do not opt into Act 72. Mr. Yablonsky offered no opinion or insight. After general discussion about Act 72 and the budget, it was decided the board will take action on Act 72 at a voting meeting following the Committee of the Whole meeting on May 23. It was noted that at the May 23 meeting a recommendation may be made to move the approval of the 2005-2006 budget to June 7.

The updated preliminary 2005-2006 budget was discussed. Mr. Stewart reviewed budget items that were cut to reach the original preliminary 6.6% tax increase. He stated the cut items were proposed additions to the budget and not cuts in programs. He stated the 6.6% tax increase has now been reduced to 5.9%. To arrive at the 5.9% some areas were reduced, approximately 1.6 million will be used from the fund balance for the operations budget and a substitute administrator was eliminated. If the board would like to achieve a 4.9% budget Mr. Stewart provided a list of recommended cuts for consideration. Mr. Herr questioned if it was wise to use that much of the fund balance. Questions were asked for clarification about some items on the budget. Discussion ensued regarding if a referendum should be passed as a result of the Act 72 decision and the fund balance. Mr. Stewart explained some budget options if additional reductions are found before the budget approval vote on June 9. At this point a tax increase of 5.9% increase is being

recommended. Mr. Lyon stated Mr. Johnston has worked very hard to get the budget to a 5.9% increase.

Mr. Skrocki reported on the current system for delinquent tax collection. Currently, the delinquent taxes are turned over to the Lancaster County Tax Claim Bureau by January 15. Any amount collected by the tax bureau is subject to a 5% commission which is deducted from the collected amounts. Mr. Skrocki reviewed some concerns with the current system. He said it's expensive and once the information is turned over to the tax claim bureau, the district has no control. Because the bureau is short staffed, the collection effort is limited and involves just sending out a letter. He also said there is a long time lag from when the delinquent taxes are turned over until the receipt of the funds and there is a disincentive for timely payments. Mr. Skrocki reviewed the number of delinquent parcels and the total amount collected for a five year period. Mr. Skrocki presented an alternative to using the current system. The proposed plan includes a reduction in fees resulting in a savings of over \$23,000 per year. The taxpayer would pay any collection costs so there would be no cost to the district. Collection efforts would be enhanced so the school district would receive more money and sooner. Monthly distributions would be made to the school district increasing the cash flow and interest earning capabilities. The district would retain control with parameters set by the school district allowing for fair treatment of taxpayers. Mr. Skrocki proposed using the services of BMF Law Group. They are currently servicing three school districts in Berks County. He reviewed the steps that would be involved for collecting delinquent taxes. Step one involves the school district submitting the delinquent tax data in January. BMF would send a certified letter to the taxpayer giving the taxpayer a 30 day grace period. No commission would be charged to the district but the taxpayer would be charged a \$25 fee for the certified mail. Mr. Skrocki stated that a large percentage of the taxes are collected in the 30 day period. In step two, if the taxes are still not paid after the 30 day grace period, a civil complaint is filed. The taxpayer would now pay 33 1/3% of the taxes owed for attorney fees. If payment is still not made, a judgment would be sent to the Sheriff's office and the judgment could be enforced with a Sheriff sale. Mr. Skrocki reviewed the options for pursuing the services of the BMF Law Group. He stated the solicitor has reviewed the contract and made some suggestions for changes. After discussion about the timeline, notifying taxpayers and special situations it was agreed that Mr. Skrocki would present a revised contract at the June board meeting.

Mr. Stewart explained that during discussions about Act 72 a concern was brought up about individuals who may lose their home without the tax reductions. He reported that Elizabethtown School District and other districts in the state have instituted a volunteer program for senior citizens. The senior citizens could reduce property taxes by volunteering in the district and reducing their property tax. Mr. Stewart asked Mr. Skrocki to explore the program for Penn Manor. Mr. Skrocki said a tax relief program was explored in 2000. He provided the board with senior volunteer information from Fleetwood Area and Elizabethtown School Districts and a letter stating concerns from the district solicitor. After some general discussion Mr. Stewart was given permission to pursue this program as an option in Penn Manor.

Mr. Kreider reported the Career and Technology Center's scholarship banquet was recently catered by the culinary arts students. Ground has been broken for the Child Development Center. Bids were requested for the center; however, they were too high so bids will be requested again. Part of the project will be done by the CTC students.

Dr. Frerichs stated that he went to a PSBA meeting with Mr. Herr. He reported PSBA is starting a book on Effective School Governance including setting standards for board members. Dr. Frerichs distributed copies of the responses to a PSBA survey sent to board members.

The Committee of the Whole adjourned at 9:06 p.m. on a motion by Mr. Lyon, a second by Mrs. Wert, and a unanimous voice vote.