



New Hope-Solebury School District

Public Budget Workshop

February 8, 2016 - 6:30 PM

District Office Conference Room

Attendance

- **School Board** – Mark Cowell (Chair), Maria Povacz, Adrienne Deussing
- **Administration** – Andrew Lechman, Steve Yanni
- **Public** – Ed Duffy, Alison Kingsley, Elizabeth Simon, Lesley Marino, Kate Lontchar, Stan Marcus, Tom Buck

The meeting was called to order by Mr. Cowell at 6:32PM.

New Business

- Mr. Cowell opened the meeting by stating the purpose of the budget workshops, which is to inform the board and the public of various areas of the budget. Board members must know what is in the budget and what may be cut from the budget prior to its adoption in June. Mr. Cowell thanked Mrs. Deussing and Mrs. Povacz for their attendance. Mr. Cowell noted that he is not in favor of cutting the educational programming, and that there will be a lot of work ahead of the district as we face our budget challenges.
- Dr. Yanni gave parameters for the meeting. The preliminary budget, inclusive of revenues and expenditures were reviewed. Dr. Yanni indicated that the purpose of the public budget workshop is to present on matters of the budget, not to make revisions to the budget during the meeting.
- Dr. Yanni noted that the major drivers of the budgetary increases from year to year are salary and all benefits. This is inclusive of employee retirement costs.
- Mr. Lechman reviewed the preliminary budget, including the current budget deficit of approximately \$4.1m dollars, which assumes no increases in revenue or decreases in expenditures.
- Mr. Lechman then showed the meeting attendees the impact of a 2.4% and a 4.8% increase in taxes on the budget, specifically on the fund balance. The Act 1 Index is 2.4% this year, and with exceptions for pension and special education costs, we could raise taxes up to 4.8%.
- Dr. Yanni noted that over the past few years taxes have been raised to the Act 1 Index, which changes each year. For reference, two years ago the preliminary budget was balanced, which prohibited us from seeking

exceptions. Last year we were in transition with business administrators, and the recommendation to seek exceptions was not brought forward.

- Mr. Lechman indicated that we may be able to seek exceptions in the future, but the exceptions will be less because of the rate at which the pension contributions are rising is leveling off.
- Mr. Buck asked if the district thought about going to a referendum to increase taxes. Dr. Yanni indicated that this possibility was explored with our solicitor. There have been no successful referenda for tax increases above the index and exceptions. There have been only two successful referenda, both of which have been for large-scale construction projects. If the district sought a referendum, the increase in taxes would need to be explained to all district stakeholders.
- Mr. Lechman reviewed the various function in the budget. Specifically, Mr. Lechman noted large increases and decreases. He explained that many of those large increases and decreases are due to correct posting of funds to correct accounts in the budget.
- Mr. Lechman and Dr. Yanni reviewed budget reductions to date, including three retirements and anticipated reductions in health care expenses. Other salary and personnel savings were discussed. Added to a tax increase, the deficit could be as low as \$2.1m.
- Finally, Mr. Lechman reviewed the timeline for the budget adoption. Final budget adoption will occur in June.

Public comment:

- Mrs. Marino asked if the district could accept donations and grant funding. Dr. Yanni indicated that we have policies that allow us to accept these types of funding. Further, Dr. Yanni indicated that he will be working with an individual who has a skill set of finding grant funding for district. He also noted that we will be seeking community involvement in this endeavor.
- Dr. Yanni noted that at the next meeting we will focus on the areas of the budget that have increased over last year.

Mr. Cowell adjourned the meeting at 7:47PM.

Respectfully submitted,

Steven M. Yanni, Ed.D.
Superintendent