

POTTSVILLE AREA SCHOOL DISTRICT

Board of Directors Work Session May 3, 2017 D. H.H. Lengel Middle School Auditorium 7:30 p.m.	Present:	Mr. Boran, Mrs. Blankenhorn, Dr. Cardamone, Dr. Davidson, Dr. DiCello, Mr. Moran, Atty. Rismiller, Mr. Thomas, Mr. Wagner, Dr. Zwiebel, Superintendent; Mrs. Lombel, Assistant Business Manager/ Acting Board Secretary; Mr. Thornburg, Solicitor; Mrs. Kalovcak, Ms. Amy Marciano, Republican Herald
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The meeting was called to order at 7:30 p.m. by President John Boran.

After the Pledge of Allegiance, Mr. Boran welcomed everyone and asked if anyone would like to address the Board.

Amy Babcock, Lead Teacher of the English Department, PAHS graduate, parent of 2 children in this District and Secretary of the Pottsville Area School District Education Association, spoke on the Association's behalf.

Amy said at the Board Meeting on April 19, 2017, they heard many impassioned speeches from teachers, parents, and students. Two weeks later, she said not much has changed. Teachers are still unsure of their futures at Pottsville Area, parents and community members are still confused about the facts surrounding the District's budget and finances, and the words "blame" and "fault" are still at the forefront of the discussions.

She continued, as teachers, the members of the Association would rather focus on solutions, because we solve difficult problems on a daily basis, we hope to show our students how to do the same.

Mrs. Babcock said, however, solutions are difficult when the only communication between the Board and the teachers occurs in vague emails, statements at Board meetings, or press releases to the media. Except for the usual greeting to the staff on the first day of In-Service, not one Board member has sat down with the teachers as a group at any point during this difficult school year. She said, any time the teachers have been informed about the District's budgetary problems, staffing issues, or the potential furloughs – it has come from the Executive Committee of the Association. The Board has not addressed the teachers as a group, nor asked them how these potential cuts will affect them. The Board relied on Dr. Zwiebel to ask the Administrators in each building to look for savings. While our Administrators have done the best they can to work through these difficult problems, the teachers of this District deserve face to face interaction with Board Members outside of Board meetings.

Mrs. Babcock added that it is the Association's Executive Committee who has to take the bits of information they are given and disseminate it to our members. She noted it was the Association's Executive Committee who sat with Dr. Zwiebel and notified teachers who are being potentially furloughed, no Board members were present at those hurtful and emotional meetings. Mrs. Babcock added that it is the Association Negotiating Team who is working hard to get the solutions proposed by our members to Dr. Zwiebel and the Board. She said our first exchange of these ideas is only happening now.

She continued that the Board is now asking questions of Dr. Zwiebel and Administration about the proposed cuts—which are important questions. Mrs. Babcock said, even if they believed that the Board only found out about these cuts since the Executive Session on April 5, 2017, why wasn't the Board asking those questions then? Why wasn't the Board asking about the consequences of potential furloughs long before the eight people were notified? Why wasn't the Board meeting with teachers from each building on a regular basis to ask questions long before April 5, 2017?

Mrs. Babcock said she fears the time for asking and answering questions is growing short since a budget must be passed very soon. She said the students of this District are the ones who will unfortunately provide your answers, they may be the ones who have fewer teachers, fewer mentors, and fewer class offerings. She said she fears the answers will be overworked teachers, students with a less rich education, and possibly even lower test scores.

Mrs. Babcock asked the Board to avoid furloughing any teachers and asked them to use the teachers of this District as a valuable resource, rather than ignore those whose daily dedication makes this District proud every single day.

Deidre Anchorstar addressed the Board as a concerned taxpayer, community member and voter. She said she knows many of the Board members in various ways and has always respected them along with other individuals that choose to run for political offices, especially for local offices, such as the School Board. Mrs. Anchorstar said when elections come around her husband would ask her, "Why do people run for these offices because they don't get paid and they have to deal with a lot on nonsense." She said her response would typically be, they do it for the kids; they want the children of the community to have the best education possible; they want the kids to be proud of the things they get to experience in school; they value education and they want what is best for the kids. She said she has always felt that in this community, but not lately. She said the kids are not at the forefront, but unfortunately egos and elections are front and center. Mrs. Anchorstar said pictures of student achievements and school announcements that once appeared genuine now appear fake or overshadowed by tit-for-tat posts. She said Facebook has become a place where grown-ups are bullying one another, trying to find the next dagger to throw and stick in someone's back. She said it's no longer about the kids; it's about one-upping the last person that said something mean. Mrs. Anchorstar said most of those posts appear malicious, not informational. Informational, would be an itemized ledger highlighting how millions of

dollars were spent and which Board member voted for each expense. Informational, would be informing everyone exactly what went wrong with the former business manager and how much his settlement will cost the district.

She said she is only one person, one voter, but can assure you, the majority of people that will vote would have more respect for the Board Member who openly admits and apologizes for their part in the financial situation that this district is facing and then offer to help fix it.

She asked the Board if any of them chose to take the opportunity to say these things, please don't follow it with a BUT, please don't say, "I played a part in this mess, BUT others did too. Or I played a part, BUT I wasn't here as long as Mr. or Mrs. So and So. BUTs in apologies completely destroy the apology. Everyone needs to start focusing on the more important thing – being role models and examples for the youth of this community. She said show them how to be accountable and sincere. Show them how to look someone in the eye even when the decision YOU helped make may not have been the best decisions. Mrs. Anchorstar said our children deserve that. Respect is earned and it can get an individual much farther in life than any political title.

A man from the audience approached the microphone to ask if the Board would answer the previous woman's questions.

John Boran answered Mrs. Anchorstar's question as to why he would want to run for the office of School Board. He said because Milton Hershey taught him to give back to his community and because he values our education system. He said he had misgivings about running for the Board because he has been here a number of years and his children are grown but said he felt he played a part in what is going on in the District and wanted to stay and fix it.

On motion of Dr. DiCello, seconded by Dr. Davidson, an Executive Session of the Board was announced at 7:40 p.m. to discuss Personnel matters.

The meeting reconvened at 7:55 p.m.

Unfinished Business, Atty. Thornburg noted that at the meeting on Monday, May 1, 2017, all of the Board Members voted to accept the mediator's recommendation to resolve the Stephen Curran matter which is now produced in writing. Attorney Thornburg said that according to federal and state law the details of the agreement cannot be released unless a valid "Right-to-Know" request is submitted.

On the recommendation of Atty. Thornburg and on motion of Mrs. Blankenhorn, seconded by Mr. Thomas, the Board accepted and approved the agreement between Stephen Curran and the Pottsville Area School District. Motion carried by roll call vote: Mrs. Blankenhorn, Dr. Cardamone, Dr. Davidson, Dr. DiCello, Mr. Moran, Mr. Thomas; Mr. Wagner, and Mr. Boran, Aye; Atty. Rismiller, Abstained.

On the recommendation of Mr. Thornburg, Solicitor, and on motion of Mr. Moran, seconded by Mr. Wagner, the Board approved a Family Medical Leave for two employees of the school district according to the terms of the request. Atty. Thornburg noted that the proper paperwork was in order. Motion carried.

On the recommendation of the Committee on Finance and on motion of Atty. Rismiller seconded by Mr. Moran, the Board authorized the proper officers to make withdrawals from the various commencement award funds to provide the awards for the 2017 Class Day. Motion carried.

Mr. Boran announced the final adoption of the proposed 2017-2018 budget will be on June 21, 2017.

Dr. Zwiebel provided a PowerPoint presentation to the Board of Education describing the following budget reductions and the projected savings for their consideration: Miscellaneous items \$226,880; Extra-curricular reductions - \$11,500; Outsource transportation - \$600,000 over three years; Administrative positions – salary and benefits \$298,964; Secretarial positions - \$148,554; Not filling teaching positions that become open because of retirements or resignations - Each opening will be reviewed on a case-by-case basis and savings would vary; Reduction of teaching positions through eight potential furloughs/curtailment of programs and one retirement - \$780,829. Dr. Zwiebel said the Board negotiations team is currently negotiating with the Teachers' Union for their next contract. Both sides are working to try and save the District additional funds. He said our goal is to retain quality educational programming and non-educational cuts must have priority.

Dr. Zwiebel introduced Mr. Charlie Mannello, and asked him to give a brief overview to the Board and public of the tentative 2017-2018 budget. Dr. Zwiebel said that Mr. Manello has been helping us out since January in the business office. He said Mr. Mannello is a retired Business Manager and has helped several other school districts in the surrounding communities. Dr. Zwiebel noted that Mr Mannello brings a lot of experience and is a retired state auditor and has done a lot of work for us which he appreciates.

Mr. Mannello described to those in attendance all the projected budget cuts and increased revenue ideas because the District is in trouble. Mr. Mannello gave a brief overview starting with 2015-2016; he said, the District had budget expenditures of \$44 million dollars but at the end of that year the District lost \$5 million dollars. He continued that the 2016-2017 school year budget was reduced with expenditures to about \$41,700,000 dollars. He said in the 2017-2018 school year the proposed budget expenditures are looking to be \$40,756,932 dollars with projected revenue of \$40,625,423 dollars so at this point the District is short approximately \$130,909 dollars but last year the budget was short 2.2 million dollars. Mr. Mannello suggested cuts of a million dollars although there still were areas where the costs went up. He said people do not realize the amount of money that goes out of the District to educate students elsewhere between Cyber Schools, Charter Schools, Gillingham Charter, the I.U. and

other school districts for approximately 3.5 million dollars. He said that is a lot of money going out of the District to educate our children, which can't be helped because there is nothing we can do about Special Education. He said we need to take care of these kids and we need to educate them. Mr. Mannello said when he arrived at Pottsville, the local auditors were auditing the books, and they were concerned if the District was going to exist next year. He said that this was a huge question since we lost \$4 million dollars in one year, \$5 million dollars the next year. He noted the fund balance went from \$18 million dollars down to approximately \$975,000 dollars. The expenditures are increasing but the revenue does not. He said unfortunately this is a scary situation and the School District is in very bad shape. Mr. Mannello said we are hoping to make it to the end of this school year without borrowing any money. He said the District was able to get a subsidy advance in order to make some of the payments prior to the end of this year. Mr. Mannello noted that when he was asked who was to blame, he answered, blame goes around to everyone; Administration, the Board for approving the bills and the budget but now we are all going to work together to fix it. The Auditors were told that we developed a plan to mitigate with the following increased revenue plans, increased real estate millage to the allowable indexes; increasing the occupation assessment taxes 10% and pursuing increased collection of delinquent real estate and personal taxes because there are \$4 million dollars of delinquent taxes out there to be collected. Mr. Mannello said in addition the District has developed the following cost reduction methods, curtailing all excess non-essential expenditures, potential elimination of programs and staff reductions and also pursued short term financing options to support our cash flow. He said the District has secured a million dollar line of credit, if we should need money, and should be proposed to the Board at the next meeting and become effective July 1, 2017. Hopefully the budget will be approved on time and if we can hold off paying some of this year's bills until July when the tax money comes in. He said if these things work out we should be okay.

Mr. Mannello said for the expenditure side, the regular education, salary, benefits, and every other type of purchased services (tuition) is money going out the door that we cannot control. He said for the plan to reduce the 2017-2018 budget, he is proposing cuts of 1.1 million dollars. Mr. Mannello said the Special Education Program budget is seven million dollars and that budget is going to increase \$250,000 dollars basically because of tuition costs are increasing. He said the Vocational Education Program will pretty much remain the same with the exception of the building roof repair. The Alternative Education-Prison program will increase by a few dollars, again because of tuition increases. The line item for support is showing an increase of approximately \$522,000 because of the lease payment for the iPads. Student activities are going down \$141,000; Community Services is increasing \$58,000 and overall the expenditures are going down \$989,000. Mr. Mannello said unfortunately we are still \$130,000 short. He said he agrees with Dr. Zwiebel regarding the outsourcing of the transportation. The RFP's received could save the District \$600,000 over the three years. He said by outsourcing transportation we would receive money by selling the fleet and investing the money, the District could pay towards the contract, which would then give us a balanced budget.

Atty. Rismiller asked about the rate of retirement and how often are the payments due. Mr. Mannello answered that the rate is 32.57% next year and payments are due quarterly. He said the District was able to get an extension of the PSERS payment that was due in March for about 1.5 million dollars. Mr. Mannello explained for an employee earning \$50,000 until you add the retirement, social security and benefits it would cost the district approximately \$100,000. He said those numbers are scary and that PSERS is killing the Districts. Atty. Rismiller added that about a quarter of the budget is going out the door and not servicing any students.

Mr. John Powers questioned Mr. Mannello and the Board as to what the teachers had to do with the pension and why was it their fault. Mr. Mannello answered that it has nothing to do with the teacher's contributions, every teacher has the money withheld and it is then sent to Harrisburg, the school has to pay their portion to Harrisburg. He said about nine years ago the State reduced the rate to zero so the schools did not have to pay, because they said there was enough money in the fund, but then all of a sudden the stock market fell and then they had to raise the rate. He said if they would have kept it level funded we would have been okay but instead we went from a zero contribution to 32.57%. It was not the teachers but the Legislatures that messed that up. Mr. Powers said he just wanted to make that clear because previously it was said that teachers were to blame.

Mr. Boran said the State was notified back in early winter and they projected the District would be depleted of funds by the end of this past January. He said even though we received an advancement of our subsidy we would have been fine without it. We are ahead of the projections and are working very hard to keep the fund balance in a positive number. Mr. Boran said he thinks that everyone there has worked together to try to get those numbers in and said the State was surprised to see the progress the District is making. He told Mr. Powers that he doesn't think anyone is trying to blame anyone else but everyone is working together. He congratulated everyone on the team for staying ahead of the projections.

Mrs. Josephine Kwiatkoski questioned the Board if the settlement for Stephen Curran was built into the budget. Mr. Boran answered that it was not in this year's budget and referred further questions to the solicitor.

Mr. Quandel asked why these cuts and revenue enhancements were not done five years prior. Mr. Boran answered by saying there has been escalating costs that we have been dealing with and the Board has been working very hard. He said the Board wants what is best for the students of this District.

Atty. Rismiller also replied saying that because we had a very healthy fund balance we were prohibited from raising taxes. We can't have money saved and still go out and raise taxes. She continued that over the years we contemplated the bare necessities based on the changes of our population so we have actually examined where the District could save money without impacting the students.

Mr. Moran stated that the negotiation team is continuing to work with the Association and the next meeting is scheduled for Thursday, May 11th.

Mrs. Blankenhorn, Chairperson for the Drug and Alcohol Coalition stated the next meeting is scheduled to be held in the D.H.H. Lengel Middle School Auditorium on May 15, 2017. They will be discussing Tide Task Force and the annual end of year Bar-B-Q. She said they want to regroup because there are many issues. Mrs. Blankenhorn said at the first regrouping meeting they discussed public education for surrounding preventative strategies.

On the recommendation of the Committee on Personnel and on motion of Atty. Rismiller, seconded by Dr. DiCello, the Board approved the following employees for summer cleaning, carpentry/maintenance and outside crew, as appended. Motion carried by roll call vote: Mrs. Blankenhorn, Dr. Cardamone, Dr. Davidson, Dr. DiCello, Mr. Moran, Atty. Rismiller, Mr. Wagner, and Mr. Boran, Aye; Mr. Thomas, Abstained.

Atty. Rismiller said in an effort to be more cost effective for the retirees of the Pottsville Area School District who are Medicare eligible and for the Pottsville Area School District, based on the advice of the Reschini Group, recommended the following:

On the recommendation of Atty. Rismiller, Chairperson for the Committee on Personnel, seconded by Dr. DiCello, the Board terminated, on June 30, 2017, the Senior Medical Plans and Senior Prescription Plans as provided through the Multi County Health Care Insurance Consortium. Motion carried by roll call vote: Mrs. Blankenhorn, Dr. Cardamone, Dr. Davidson, Dr. DiCello, Mr. Moran, Atty. Rismiller, Mr. Thomas, Mr. Wagner, and Mr. Boran, Aye.

On further recommendation of Atty. Rismiller, Chairperson for the Committee on Personnel, seconded by Dr. DiCello, instructed the administration to notify all retirees on the Senior Medical Plans and Senior Prescription Plans of the Board's action to terminate said plans and beginning on July 1, 2017 their right to be covered under the plans offered through PSERS Health Option Plan. It was further recommended to hold a meeting with all retirees affected by this decision to outline the changes and their rights to join the PSERS Health Option Program. Motion carried by roll call vote: Mrs. Blankenhorn, Dr. Cardamone, Dr. Davidson, Dr. DiCello, Mr. Moran, Atty. Rismiller, Mr. Thomas, Mr. Wagner, and Mr. Boran, Aye.

On the recommendation of Mrs. Lombel, Assistant Business Manager, and on motion of Mr. Moran, seconded by Dr. Davidson, the Board approved the following Use of Facilities:

D.H.H.L. Middle School

1. Schuylkill Achieve After-School Program, Summer Program, July 11, 2017 – August 3, 2017 (Tue/Wed/Thur.), 8:30 – 11:30 am, MS Auditorium, Martz Hall, Classrooms, Library, Pool.
2. Schuylkill YMCA, Swim Meet, June 28, 2017, 4:00 – 8:00 pm, MS Pool and Caf.

3. PAHS Guidance, Sch. Co. Regional College Fair, October 5, 2017, 7:00 – 3:00 pm (Set-up Oct. 4th @ 3:00 pm), Martz Hall.
4. Pottsville Youth Soccer Assoc., Soccer Registration, May 18, 2017, 6 – 7:30 pm, MS Caf.
5. PAHS Softball Boosters, Softball Banquet, June 5, 2017, 4:00 – 7:00 pm, MS Caf/ Aud.

P.A.H.S.

6. PAHS Guidance, Various Events, August 9 and 14, September 20, 2017, January 9 and 10, 2018, 6:00 – 9:00 pm, HS Aud.
7. PAHS Guidance, FAFSA Night, October 2, 2017, 6:00 – 9:00 pm, HS Computer Lab.
8. PAHS Student Council and PBIS, Charity Dodgeball Tournament, May 15, 2017, 6:00 – 9:00 pm, HS Boys and Girls Gym.

J.S.C

9. JSC PTO Meeting and Basket prep, May 3, 2017, 5:00 – 8:30 pm, JSC Gym.


Academic Center

10. PAHS Guidance, New Student and Freshman Registration, December 4 – 5, 2017, 6:30 – 8:00 pm, Academic Center.

Veteran's Stadium

11. PAHS Football Boosters, All Fall Sports Pep Rally, August 24, 2017, 5:30 – 7:30 pm, HS Football Stadium. (Martz Hall if rain)

There being no further new business, on motion of Mr. Thomas, seconded by Dr. DiCello, the meeting adjourned at 8:35 pm.


Patricia A. Lombel (Date)
Acting Board Secretary