

May 4, 2020

The regular meeting of the South Williamsport Area School Board was called to order at 7:00 PM as a virtual meeting on the Zoom platform by the President, Nathan Miller.

The meeting opened with a Moment of Silence and Pledge to the Flag.

Board Members Present: Bachman, Bingham, Bowman, Cramer, Engel, McGinn, Miller and Molino.

Others Present: Mark Stamm – Superintendent, Fred Holland – Solicitor, and Jamie Mowrey – Business Manager.

Visitors: Brenda Trimble, Connie McLaughlin, Christine Pinkerton, Elizabeth Steppe, Ellen Koser, Emily Wagner, Hilarie German, Ikenna Udeagha, Jesse Smith, Jessi Ross, Jessica Kaledas, JoAnn Kennedy, Julie Marzzacco, Kathy Flerlage, Kevin Eck, Kristen Manikowski, Kristin Bastian, Lauren Reynolds, Matt Eisley, Matt Krach, Melanie Shephard, Melissa Bradley, Melissa Ogden, Mike Allison, Michele Loomis, Nicole Person, Patti Schick, Pat Moore, Rob Houseknecht, Robyn Rummings, Ryan Carper, Sandy Hess, Scott Hill, Selena Loiselle, Stephanie Fortin, Steve Rupert, Susan Zaydell, Tara McGlensey, Tina Pulver, Amy Pregent, Andrea Kremser, Becky Swinehart, Bill Reifsnyder, Grace Hicks, Chris Lusk, Chris Molino, Lisa Arp, Lisa Laidacker, Melissa Stahl, Deanna Dincher, Cindy Sullivan, Adam Dincher, Agnes Coder and Mike Reuther – SunGazette.

APPROVE TREASURER'S REPORT

A motion to approve the Treasurer's Report for March 2020 was moved by Bingham, second by Engel. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

APPROVE GENERAL FUND BILLS

A motion to approve the payment of bills from the General Fund in the amount of \$1,038,774.84 as funds become available was moved by Bachman, seconded by Bingham. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

APPROVE CAPITAL RESERVE BILLS

A motion to approve the payment of bills from the Capital Reserve Fund in the amount of \$138,622.62 as funds become available was moved by McGinn, seconded by Bachman. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

Board Member Fiorini arrived at 7:03PM.

APPROVE MINUTES

A motion to approve the minutes of April 6, 2020, as written was moved by Engel, seconded by Cramer. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-yes, Fiorini-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

SUPERINTENDENT RECOMMENDATIONS

The Superintendent provided an update to the board on recent activities with students and staff since schools closed on March 13, 2020.

APPROVE MEMORANDUM OF UNDERSTANDING

A motion to approve a memorandum of understanding with the South Williamsport Area Education Association to amend Section 5.16 Retirement Benefits (a) Requirements to allow employees with at least 30 years of service with the South Williamsport Area School District to receive the retirement benefits set forth in the Collective Bargaining Agreement, despite the fact that he/she does not meet the minimum age requirement of Section 5.16(a) was moved by Engel, seconded by McGinn. This MOU will expire on June 30, 2020. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-yes, Fiorini-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

RETIREMENT

A motion to accept the letter of resignation for retirement purposes from Sandra Hess from her position as high school physical education teacher on June 9, 2020 was moved by Bingham, seconded by Cramer. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-yes, Fiorini-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

CHANGE TO THE ACADEMIC CALENDAR

A motion to modify the district's academic calendar to end the student's school year on Friday, May 15, 2020 and extend teachers, administrators and support staff's work year to Tuesday, June 9, 2020 was moved by Fiorini, seconded by McGinn. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-no, Fiorini-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

2020 GRADUATION LIST

A motion to approve the list of graduate candidates for the Class of 2020 was moved by Cramer, seconded by Fiorini. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-yes, Fiorini-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

Dr. Stamm provided an update on commencement plans. The district has three commencement plans in motion. (1) Regular commencement on Friday June 5 at 7:00 PM if Lycoming County is in "Green"; (2) Virtual commencement aired Friday June 5 at 7:00 PM if Lycoming County remains in "Yellow"; and (3) Regular commencement at a later date this summer when Lycoming County moves to "Green" and all seniors are still available. The virtual commencement will be pre-recorded in segments on June 1 and 2.

BUDGET AND DEBT DISCUSSION

Jamie Mowrey, Business Manager presented the 2020-2021 proposed final budget. Budgeted revenues are \$19,083,260 and budgeted expenses are \$19,349,835, resulting in a deficit of \$266,575. Since the preliminary budget that was presented to the Board in January, revenues were decreased by \$200,849. The majority of this decrease was a result of real estate tax collection rate dropping from 94% to 93%, assuming an earned income taxes decrease of 5% due to COVID-19, and decrease in state share of FICA and PSERS due to decreasing wages in expenses. The 5% decrease in earned income tax is a guess; more information is needed to determine how COVID-19 will impact our local revenues. Expenses decreased by \$228,213 from the preliminary budget due to various changes made throughout the various expense accounts. Based on the 2019-2020 budget, ending fund balance at June 30, 2020 will be \$817,107. With a deficit of \$266,575 for 2020-2021, fund balance would drop to \$550,532 at June 30, 2021.

Many articles and projections are in the news regarding the impact of COVID-19 on school district finances. Per a PASBO statewide model, it shows that South Williamsport Area School District could lose between \$574,000 and \$696,000 in revenue. Our budget cannot absorb the impact of lost revenue of that magnitude. We have two more school years until our existing debt is paid off. Approximately \$1,300,000 is due in 2020-2021 and \$400,000 is due in 2021-2022. We have the ability to refinance our debt. This would allow us to lower the amount due to help offset a drop in revenue. Under a hypothetical refinancing scenario, we could extend payments for a year, having payments of \$500,000 in 2020-2021, \$750,000 in 2021-2022, and \$533,000 in 2022-2023. In 2020-2021, this would free up \$800,000 to cover the loss of revenue. If revenues do not drop by \$800,000, I suggest that we transfer the difference to Capital Reserve for future building maintenance or projects. The excess should not cover everyday operations.

Our next steps include: May 18, 2020 board meeting: discuss debt refinancing with Audrey Bear from Piper Jaffrey; June 1, 2020 board meeting: discuss any budget changes from the Proposed Final budget; June 15, 2020 board meeting: approve the 2020-2021 final budget, adopt the 2020-2021 tax levies, and approve the 2020 Homestead and Farmstead exclusion resolution.

ADOPTION OF THE PROPOSED FINAL BUDGET FOR 2020-2021

A motion to approve the 2020-2021 proposed final budget was moved by Fiorini, seconded by Engel. Budgeted revenues are \$19,083,260 and budgeted expenditures are \$19,349,835. The taxes to support the budget numbers are real estate millage of 16.78 mills, earned income rate of 1.1%, and real estate transfer tax of .5%. Roll call: Bachman-yes, Bingham-yes, Bowman-yes, Cramer-yes, Engel-yes, Fiorini-yes, McGinn-yes, Miller-yes, and Molino-yes, motion carried.

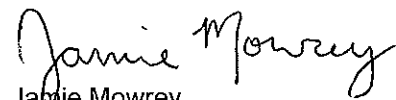
COURTESY TO THE FLOOR

The following topics were discussed by the following individuals:

Patty Schick – commencement
Melissa Bradley - commencement

A motion to adjourn the meeting was made by Fiorini, seconded by Bachman. All members present voting yes, the meeting was adjourned at 8:32 PM.

Attest


Jamie Mowrey
Board Secretary