

A Special Meeting of the Mohawk Area School District Board of Directors was called to order at 7:00 P.M. by the President, Ted Morrow, and commenced with the Pledge of Allegiance to the Flag followed by a moment of silence. The following members were present: Eugene A. Butch, Jr., James Capalbo, Stephen Cardella, Harry J. Curatola, Jr., Lori Griffin, Mark Hiler, and Scott Singer. Jonathan Laughner was excused. Kathleen Kwolek, Superintendent, Lorree Houk, Assistant to the Superintendent, Raymond Omer, High School Principal, George Sperdute, Assistant Elementary Principal, and Janet Crum, Board Secretary, also attended.

The minutes of the Regular Meeting on May 11, 2015, were approved as written on the motion of Mr. Hiler, seconded by Mr. Curatola, verbal vote, motion carried.

Mr. James McKim, retired teacher and member of the community addressed the Board. He first commented on the beautiful condition of the high school as he entered the building. He stated the halls look more like the first day of school is about to begin rather than the end of school quickly approaching. He commended the custodial staff for a job well done. On behalf of several residents, and in light of budget concerns, he questioned why the Board would table the approval of two volunteer coaches at their meeting last Monday. Mr. Cardella stated he had heard that one of them had made derogatory statements about the school on social media and he wanted to check into the matter further.

Consideration was given to the following resignation:

-- Miss Tara Hohmann – Spring Varsity Cheerleading Advisor and Fall Varsity Volunteer Cheerleading Advisor.

Resignation of
Tara Hohmann
as Varsity
Cheerleading
Advisor accepted

So moved by Mr. Singer, seconded by Mr. Curatola, verbal vote, motion carried.

Likewise, consideration was given to the following leave requests:

-- Mrs. Jill McConaughy – Cafeteria Employee – extension of leave through the end of the 2014-2015 school year.
-- Mrs. Mary Ann Henley – Bus Monitor – medical leave for the remainder of the 2014-2015 school year.
-- Mrs. Amy Lutz, Secondary Guidance Counselor, childrearing leave from approximately August 15 – October 1, 2015.

Approved leaves
as presented

So moved by Mr. Hilmer, seconded by Mr. Singer, verbal vote, motion carried.

Discussion:

-- **Bessemer Tax Collector** – Mrs. Crum informed the Board that Phyllis Retort had resigned from her position as Bessemer Tax Collector. The Borough has appointed Susan Criscito to temporarily fill the vacant position. Susan is interested in collecting real estate taxes for the School District as well. More information will follow.

-- **2015-16 General Operating Budget** - Dr. Kwolek presented an overview with slides and pointed out the following information:

1) Budget Discussion Workshops – since 2011 they have all been held towards the end of April.

2) PSERS Projected Rates & District Costs. Dr Kwolek showed the PSERS costs based on a payroll of \$10.3 million beginning in 2010-11 with an employer cost of 5.64% through 2019-20 with the employer cost rising to 26.96%.

3) How the PSERS costs affect the fund balance.

4) 2011-12 Budget. We anticipated revenues of \$19,340,145 and expenses of \$20,515,465 – the actual figures came in at revenues of \$20,701,530 and expenses of \$19,391,361, which added \$1,310,169 to the fund balance of \$11,670,356 bringing the total to \$12,980,525. Dr. Kwolek explained we did not replace seven teaching positions (through attrition) and salary freezes were accepted by all staff except teachers. In addition, we received an additional \$541,579 in basic education funding and the debt service decreased by \$128,683 due to the refinancing of a bond issue.

5) 2012-13 Budget. The fund balance was increased by \$996,279 due to the receipt of monies that weren't anticipated when putting together the budget. These included the gas lease, the accountability block grant and increased local income taxes due to changing over to a county-wide collection agency effective January 1, 2013.

6) 2013-14 Budget. Originally, we projected a deficit of \$836,737, which included some capital improvement projects. In addition, since the Elementary HVAC and lighting project was moved by the auditors to the 2013-14 school year, we actually had a deficit of \$2,187,462 which reduced the fund balance to \$11,789,342.

7) 2014-15 Budget. Dr. Kwolek reviewed the slide presentation of the 2014-15 budget workshop. She showed the Board the Salaries, Benefits and Debt Service, which make up the major portion of the budget. Also health care increased by 12%, the debt service nearly doubled and PSERS increased from 16.93% to 21.40%. Revenues were anticipated to be \$22,166,189 with expenditures of \$24,002,357

indicating a deficit of \$1,836,168. Dr. Kwolek also presented options and recommendations to reduce that deficit including a tax increase and the elimination of the teaching positions. The projected deficit for 2014-15 is currently \$1,788,819.

8) 2015-16 Budget. Current revenues are currently \$22,790,458 with no tax increase, and current expenses are \$25,016,499 showing a deficit of \$2,226,041. Dr. Kwolek offered ways to reduce the deficit including several different staffing options, a tax increase, and the possibility that we might receive additional funding from the state.

A lengthy discussion followed, and Dr. Kwolek pointed out that it is necessary for the Board to approve the first reading of the budget by May 29, 2015 in order to approve the second reading and final adoption by June 30, 2015. If no budget is in place by that time, the district cannot operate. Mrs. Crum confirmed that the budget will go on public display for 30 days and any necessary changes can be made between now and the final adoption. Mr. Butch motioned to approve the first reading of the 2015-16 general operating budget, seconded by Mr. Capalbo, roll call vote, all members present voting in the affirmative, 8 yes, 1 absent, motion carried.

First reading of
the 2015-2016
budget approved

At 8:55 P.M., the meeting was adjourned to Executive Session for the purpose of discussing personnel.

Janet L. Crum
Board Secretary