

NESHAMINY

Budget approved with \$170 average tax hike

The mortgage crisis and soaring energy costs have produced an estimated \$8.6 million deficit for the next school year.

By RACHEL CANELLI
COURIER TIMES

Rachel Canelli can be reached at 215-949-4191 or .

It's a first in years.

But even though the Neshaminy School District will be spending less next year, the average taxpayer will still be paying a bit more.

The Neshaminy school board Monday night approved 6-2 the approximately \$163 million spending plan for the 2008-09 school year. Board President Richard Eccles was not present for the vote, and Ritchie Webb and Frank Koziol voted no.

The final budget figure is less than the current year's \$164.4 million allocation, administrators said.

With revenues projected at roughly \$154.4 million, an \$8.6 million deficit would remain. Officials recommended using about \$3.6 million of the district's fund balance, or savings account — almost half of what has been allocated in recent years.

What helped Neshaminy cut costs were more than 50 retirees leaving at the end of this month, and another 20 departing in January. The district will also save \$4 million by closing Neshaminy Middle School a year earlier than planned, according to business administrator Joseph Paradise.

"This is a significant and important accomplishment in keeping our operating costs low so that we may maintain the integrity of our educational programs," Paradise said.

Although officials will be working with a lower spending plan, administrators said they still need to raise taxes because of declining revenues caused by the mortgage crisis and increases in the cost of energy.

In Neshaminy, 1 mill equals \$774,779. The current millage rate is 142.3. So another 6.3 mills would be needed, or a 4.4 percent increase as limited by state Act 1 and the board's goal. On a home with an average assessment at \$27,080 with a \$3,853 tax bill, that would mean a \$170 increase, or a total of \$4,023, officials said.

While Superintendent Paul Kadri commended the administration's efforts and referred to the figures as a cause for celebration, Webb had some concerns.

"I've had no time to review the list of [expense] cuts," said Webb. "I can't vote on what I haven't studied."

Webb pointed out that the Tawanka Learning Center will remain open to serve about 50 students in a building that could hold more than 500. He added that more dollars should be contributed to the capital fund in order to save money to repair schools.

Board member William Spitz, though, congratulated administrators for meeting the board's goal. Board member William O'Connor also said that officials aren't leaving the capital fund "bone dry," since monies can be allocated elsewhere to take care of buildings.

However, Paradise reminded the board members that their job isn't finished. In the near future, officials will still need to address under utilization in the elementary schools, which could mean more closures, or reorganizing the grade levels, he said.

Administrators also said that they should work on reducing energy consumption, and decreasing the growth of salaries, benefits and retirement incentives while maintaining a plan for renovations.