

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION**

**SPECIAL MEETING FOR THE PURPOSE OF ADOPTING A 2011-2012 PRELIMINARY BUDGET AND
ACCEPTING THE RESIGNATION OF DONALD MOTTS AS SCHOOL DIRECTOR**

February 10, 2011

Carl T. Secor Administration Center – Board Room

7:00 p.m.

Minutes

- I. President Horace Cole called the meeting to order at 7:09 p.m. and led those present in the Pledge of Allegiance.
- II. Members present were: James Brunkard, Horace Cole, Robert Cooke, Douglas Freeman, Robert Gress, Bet Hays and Audrey Hocker. William Searfoss was absent.
- III. School personnel present: Susan Andrews, Michelle Arnold, Patricia Bader, David A. Baker, Joanne Bohrman, Brian Borosh, Anthony Calderone, Richard Carty, Maria Casciotta, Ann Catrillo, Dawn Dailey, Robert Dilliplane, Irene Duggins, Larry Dymond, Eric Forsyth, Constance Kishbaugh, Gail Kulick, Sharon Laverdure, Irene Livingston, Kristin Lord, Fred Mill, Carolina Rodriguez, John Rosado, Patricia Rosado, Paul H. Schmid, Jim Shearouse, Kim Stevens, Thomas J. Williams and Steve Zall. Also present was: Christopher Brown, Solicitor.
- IV. Community members present: Eileen Featherman, Ryan Kassis, Stephen Maklari, Mike Meachem, Verona Meachem, Nicholas Papa, Clarissa Santiago, Gary Summers and Luis Thomas

Media Guest Present: Christina Tatu, Pocono Record

V. APPROVAL OF AGENDA

ACTION BY THE BOARD:

Motion was made by Douglas Freeman to approve this agenda for February 10, 2011 (page 1), as submitted. Motion was seconded by Robert Cooke and carried unanimously, 7-0.

VI. ANNOUNCEMENTS BY THE BOARD

- A. Mrs. Laverdure stated that the next Regular School Board meeting will be on Monday, February 28th at 7:00 p.m. due to President's day. Mr. Cole stated that, normally, we meet on the third Monday but because of the President's holiday we had to push it back a week to February 28th.

VII. SUPERINTENDENT'S REPORT

- A. Mrs. Laverdure thanked everyone for coming this evening to review the Preliminary Budget. She stated that she would like, at this point, to turn that report over to Mrs. Patricia Bader. Mrs. Laverdure stated that she would like to remind everyone that this is a Preliminary Budget. She stated that according to Act 1, the budget from this point on any change that might need to occur in it can bring it down but cannot go up. Mrs. Laverdure stated that she will let Mrs. Bader explain.
- B. Mrs. Bader stated that the first page of her presentation is a reminder of our deadlines. She stated that, although we are almost done with the phases of the preliminary budget, you can see that the budget process continues to roll on until the final budget. Mrs. Bader stated that there are various dates such as in May, we will be presenting a proposed final budget and the adoption of the 2011-2012 final budget is planned for June 20th. She stated that she wanted to remind the Board of some of the steps we have taken to get to this point. Mrs. Bader stated that they issued targets to departments in September. She stated that instructional departments were given do not exceed totals which were the 2010-2011 targets less 1.5%. Mrs. Bader stated that various administration departments were given targets that were 1.5% less than the 2010-2011 budget. She stated that from there,

various department heads and building principals developed budgets. Mrs. Bader stated that in early November, the administrative team reviewed the building budgets. She stated that it took them about a month to put it all together and presented it in January. Mrs. Bader stated that from January, they made one change and reduced the tax rate down to 6.65%. She stated that on the second page, she presented a balanced budget of \$148,783,000. Mrs. Bader stated that balanced budget means that our revenues equal our expenditures. She stated that, again, the budget includes a projected tax increase that is combined of 6.65%. Mrs. Bader stated that we can lower this rate from this point on but we may not increase it. She stated that it also includes the use of approximately 4.3 million dollars in exceptions. Mrs. Bader stated that the exceptions are in an estimated amount in excess of the district's 1.9% index that was set by the State. She stated that, at this point, we do not know what the maximum legal allowable amount is in exceptions because it is calculated in the month of March. Mrs. Bader stated that even though the budget includes exceptions of 4.3 million dollars, we may not be legally allowed to raise our taxes that high. She stated that page 4 has reminders that there are items that, from this point forward, we need to take into consideration for the final budget. Mrs. Bader stated that the Governor will announce his budget on March 8, 2011. She stated that we have had some serious news about the four billion dollar deficit in the State budget and have heard rumors that the basic education funding, which is one of our main funding sources, may be set back to the 2006/2007 school year levels so that the State can balance their budget. Mrs. Bader stated that if this were to occur, we would have a loss in what she estimated for our preliminary budget of approximately 2.6 million dollars or it would be a 19.7% decrease in the revenues of what she projected in the preliminary budget. She stated that we are also waiting to hear what level of grant funding we could expect in the 2011/2012 school year. Mrs. Bader stated that we staff 76.5 positions with our grant funds; therefore, this is another very large item that we need to keep our eye on. She stated that for the final budget, we can take into consideration what our tax revenue collection percentage is. Mrs. Bader stated that the preliminary budget has a 90% collection rate and we can do further analysis on the delinquent tax revenue collection percentage. She stated that this means that the 10% that we turn over to the tax claim bureau, we can analyze it further to see if there is any way we can increase our estimate for the 2011/2012 school year in delinquent tax collections. Mrs. Bader stated that an option for us is always a reverse tax assessment appeal and she believes one or two Board members mentioned this in the past. She stated that this could be a tricky idea to do that now, with the market value so low; therefore, it might not be there for us. Mrs. Bader stated that we can also reevaluate the estimated transfer tax. She stated that this is fairly low levels and the preliminary budget has fairly low levels of transfer tax and earned income tax. Mrs. Bader stated that if we see that the economy is improving, we may be able to slightly increase that; however, if it seems that 2011-2012 will float along like 2010-2011, we will have to leave it as is. She stated that we can always take into consideration using our fund balance to lower our taxes. Mrs. Bader stated that it is not recommended by our State auditors but it is an option that we do have. She stated that some items for consideration on the final budget on the expenditures side are that we have to continue to analyze the brick and mortar student enrollment. Mrs. Bader stated that we see quite a lot of siphoning off of brick & mortar students to cyber schools. She stated that this is an area that we have to carefully monitor. Mrs. Bader stated that if we do lose quite a few students then it is an extra cost to us. She stated that we also have pending salary contract negotiations for the professional staff, support staff and Act 93 staff which have to be settled for the 2011/2012 school year budget. Mrs. Bader stated that we will continue to monitor staff retirement and resignation so that, as we are monitoring student enrollment, we can make the appropriate adjustments without any serious harm to any current employees. She stated that she put in a 6% increase for Healthcare care costs but was told that this is very unrealistic because it is more like 9% or higher. Mrs. Bader stated that this is something that we will have to monitor and see where our reserve balance is at the EBTEB trust. She stated that additional items that they will continue to examine for the final budget are the level of bus purchases, the level of technology initiatives, copiers, and overtime/other staffing costs. Mrs. Bader stated that we will be putting in a tax revenue anticipation note interest expense. She stated that we would like to consider a four day summer work week which, we believe, will have significant savings. Mrs. Bader stated that we do have a large capital reserve balance set forward; therefore, we can review the projects to see if we can move any of them to the future years. She stated that we can always take additional recommendations from the Board for areas that we can look for cuts, whether it is programming or anything else that the Board would like us to consider. Mrs. Bader stated that the final slide is nothing new but wanted to remind the Board about the impact on Monroe and Pike county assessments and where the millage is going to go. See below:

- Monroe County
 - STEB split of revenues is 75.73%
 - 2010-11 Millage is 174.53
 - 2011-12 Preliminary Millage is 186.31
 - Increase of 11.78 mills (6.7%)
 - On a \$25,000 assessment, the impact is \$24.54 per month or \$294.50 per year
 - 2010 Homestead/Farmstead Median Assessment is \$23,850

- Pike County
 - STEB split of revenues is 24.27%
 - 2010-11 Millage is 125.10
 - 2011-12 Preliminary Millage is 133.02
 - Increase of 7.92 mills (6.3%)
 - On a \$25,000 assessment, the impact is \$16.50 per month or \$198.00 per year
 - 2010 Homestead/Farmstead Median Assessment is \$27,430

Please Note: The assignment of revenue splitting between counties is performed and published by the PA State Tax Equalization Board. The number utilized is the STEB's definitive breakdown for the 2011-2012 budget.

- C. Ms. Hocker stated that she was cursing the snow because it had her practically a prisoner for two weeks in her home; however, she never had the opportunity to go through the budget the way it should have been gone through before but that time afforded her the opportunity. She stated that while she found a number of things she was supposed to find in her big binder book, it was not until she did this close investigation that she found that they were looking at something that they did not have a large portion of the overall budget for her to consider. Ms. Hocker stated that large portions that were missing were administration, athletic, cafeteria budgets (and still does not have this one). She stated that she started looking at justifications for monies being requested from the respective schools. Ms. Hocker stated that she knows as a teacher, they need supplies. She stated that when she looked at the justifications of things, she said to herself, how on earth can some of these things be submitted with what they put down. Ms. Hocker stated that now to begin to intelligently look at this budget as a layperson, because she is not an accountant, but she can count especially when she is paying her taxes, she does not see where we even started. She stated that she does not know what was left over from last year's lines. Ms. Hocker stated that she does not know in what category we overfunded, underfunded or we transferred money. She stated that there is no starting point. Ms. Hocker stated that it is almost like if you are in a void and see that they need something in a category but she went even closer to try to decipher the categories here. She stated that she said to herself, who is looking at this because she looked at some justifications that are so out there and she is still scratching her head about it. Ms. Hocker stated that she sees one justification that asks for \$3,300 and it says represents an increase of infinity because nothing was currently budgeted for this. She stated that she looked at the category which is under the 300 series for Contracted Professional Services. Ms. Hocker stated, first of all, she does not know what this means, "increase of infinity". She stated that if this is something that has never been in your budget before and at a time that we are asking you to pull in your belt, why would someone put this in there. Ms. Hocker stated that she looked further and it was like reading a surprise book. She stated that she said to herself, "Well this is like a little mystery and let me see what other foolishness I can find". Ms. Hocker stated that it is straight through where you have large amounts of monies being requested from respective departments and there is no explanation. She stated that this is our tax dollars and we have to be looking a little closer at what we are spending. Ms. Hocker stated that we are asking people to pull in or leave their job because we cannot pay them but we have these kinds of requests that come in. She stated that if we go further down, we will be here all evening and she does not want to do that. Ms. Hocker stated that she was looking at the ITEC Department and throughout the budget, they have requested over two million dollars. She stated that they said at a few meetings ago that it is for licensing, software, etc. Ms. Hocker stated that she then looked and in every department there is a budget for software. She asked why do we have an ITEC Department and why are they not buying all of the software for us. Ms. Hocker stated that this does not make sense because she looked at departments that had a large portion of their budget on just software and that should not even be ordered from there. She stated that she is saying there is something absolutely wrong here and she thinks that all of us really have to go back to the drawing board. Ms. Hocker stated that this is not a document that we should even be looking at and saying that it is the preliminary budget because it isn't. She stated that she is serious because she is looking at schools asking for Xerox operations projections. Ms. Hocker stated that she is looking at a school that has 394 students and for instructional budget on the Xerox project, they are asking for \$29,000 and that is only the instructional part of it because the principal budget portion is \$3,600, which is clearly about \$32,000 easily. Ms. Hocker stated that she then looked at a school that has about 30 children less and the instructional budget is \$13,000; what is this about? She stated that these are elementary schools and one high school is asking for \$133,172 for instructional budget for Xerox and the other is \$42,000. She stated that there is something wrong with this. Ms. Hocker stated that we have to go back to the drawing board because we are talking about our tax dollars. She stated that if there are high schools budgeting for Xerox, it should be for students. Ms. Hocker stated that somehow we are going to figure out a formula because this is arbitrary and capricious if you think about it. She stated "this is willy-nilly or they say that they need this or that". Ms. Hocker stated that she is not here to preach but she has pages and pages of this and does not want to take up any further time. She stated that she can go on and on. Ms. Hocker stated that she will be submitting this once she gets it together to the Business Office and is asking, as a Board member, to go back and ask these individuals for a real explanation for the money they are asking for because no one has money to throw away.

- D. Mr. Cole asked Ms. Hocker if she wanted to direct any of her questions to a specific administrator. Ms. Hocker stated that she does not want to single out any one person because, basically, there are several departments that she went through and only mentioned three. Ms. Hocker stated that she would be calling everyone that is out here and asking them what is this about. She stated that she did not go out into the other departments. Ms. Hocker stated that she cannot understand how we accept things so easily because it is underneath what they asked for. She stated that we are the Board and we know very well. Ms. Hocker stated that she quickly added up if we had this increase that we just mentioned here. She stated that she just had a mortgage reduction to try to pay her mortgage and this would be putting on another \$187.50 every month on that adjustment. Ms. Hocker stated that she has three people around her losing their homes and she lives in a relatively stable area of Smithfield. She stated that we have to start looking at this because we are the ones paying these taxes. Ms. Hocker stated that she is not trying to say that you are outsiders but she reads a lot of stuff and a lot of other people have analyzed this also. She stated that it is not a big secret because it is on the internet and in the newspaper. Ms. Hocker stated that we have to do something about it and cannot sit here and do business as usual because this is not a usual occasion. She stated that she is not going to pull out anybody specific to answer anything but wants this Business Department, administration and the Board to ask everybody to go back and look at what they put down here. Ms. Hocker stated that if she goes any further she can go and say that we have a maintenance and facility department which has a huge budget cut out there. She stated that it says from series 300-800 but where is it going and what is it doing. Ms. Hocker stated that you do not do that and not with her money.
- E. Mr. Cole stated that, in somewhat of a limited response to some of the things that Ms. Hocker is saying, we have been informed somewhat along the way of what the various timelines were that we need to meet. He stated that, unfortunately we are very close to one of those deadlines of having the actual approval of the preliminary budget which is scheduled for tonight. Mr. Cole stated that what you are saying is that we are a long way from adopting this preliminary budget because many of the things that are requested in this budget have very little explanation as to why the costs are what they are. He stated that he agrees with Ms. Hocker because it appears that we got from the 2010/2011 budget too quickly even though each department head and building principal spoke to us at an earlier meeting. Mr. Cole stated that they essentially were telling us that they were within the guidelines that they were told to be. He stated that what Ms. Hocker is saying is that those answers just do not cut it or suffice. Ms. Hocker stated that she is saying a step further because they should not have been given any guidelines. She stated that they should have been told that this is it and that is what you have. Ms. Hocker stated that you do not go and say that you have this amount of money and this is something that is raising the taxes at the same time. She stated that this is still not including the salary raises that are being negotiated at this time but nobody wants to back down from those raises. Ms. Hocker stated that she is saying that, in the real world, the money is not there. She stated that the economics that we are practicing here is going to kill us because each year we are cutting instructional staff instead of evening everything out and say we cannot afford this kind of increase this year. Ms. Hocker stated that the federal government and State did it but when it gets down to us, we cannot disturb the status quo. She stated that we have to start because we are not dealing with everybody on the staff's money but the East Stroudsburg residents that live here tax dollars. Ms. Hocker stated that she cannot afford it and knows too many people that cannot afford it either. She stated that she does not care what the date is but stated to get it right because we are talking dollars and cents here.
- F. Mr. Gress stated that some of the things Ms. Hocker said are true. He stated we have beaten the Xerox copiers issue to death. Mr. Gress stated that East Stroudsburg Elementary has no copper cost because we were told that it was built into the construction cost. He stated that we have to look at that because a month ago when we bought 2.5 million dollars worth of buses, he said don't buy it. Ms. Hocker said she did too. Mr. Gress stated that she said yes because it was a 9-0 vote so everyone voted for it. Ms. Hocker stated that she did not vote for it; therefore, someone counted it in and it should not be. She stated that there were no bids for it. Mr. Gress stated that we sent two people to California. He stated that we have no money and we are sending two Board members. Mr. Gress stated that he voted against and now we are cutting things. He stated that we need 1.3 million dollars for library books from a report. Mr. Gress stated that we are not buying library books for any schools. He stated that we have to cut and look but the buses were 2.5 million dollars. Mr. Gress stated that we already approved the contract and he does not know if we can get out of it or rescind it. Mrs. Bader stated that we can modify the purchase. Mrs. Laverdure stated that it is based on our needs. Mr. Gress stated that 2.5 million dollars is 8 mills of taxes to buy buses and we are looking to cut \$1,500 of school supplies or \$1,800 from that one and not buying \$300 dollars of whatever the justification was. Mr. Gress stated that the capital budget and building grounds have millions of dollars of improvement that are needed in the building. He stated that we can defer it because we deferred the parking lot last year and will probably defer it this year. Mr. Gress stated that instead of spending 90 or 100 thousand, in a couple of years, it will be half a million dollars. He stated that the sins of the past, you can only kick the can down the road so far, before it will come back to haunt you. Mr. Gress stated that he has said it

every year that he has been on the Board that we are living with some mistakes that were made and we have to adjust slowly to get to that point. Mr. Gress stated that the fund balance has been building up a little bit but we will have to delve into it to reduce the increase. He stated that we do not know what the State is going to do but there is a timeline. Mr. Gress stated that we had a meeting last month and no one said anything about what Ms. Hocker brought up. He stated that we had the budget meeting before Christmas and no one said anything except for the copiers and few other things that are in here. Mr. Gress stated that there is a timeline, whether we come back on Monday night to re-review it. He stated that we have the fund balance, buses to remove out and see what we can do from there, to see what the increase is. Mr. Gress stated that if the State cuts 19% or 20% of the basic education subsidy, then we are all in trouble. Ms. Hocker stated that we did not have the opportunity to say a lot of these things because we were not given a complete budget. She stated that how can we vote on anything with four or five major departments not even in there. Ms. Hocker stated that she had to request them; therefore, how is anybody intelligently here voting on this, even on these preliminary meetings. She asked, "What were you looking at?"

Mr. Brunkard stated that he is not being called on to answer but, year to year, we have the experience of what we spent from the year before and we go through the budgets at all times. He stated that he gets a plethora of information and when he has questions he questions it. Mr. Brunkard stated that he does not just want to take the counterpoint into this because it is simple. He stated that it is popular and sensible as a Board member to say to watch all the money as we spend it. Mr. Brunkard stated that he often finds himself in the position where he has to say that certain expenditures are cost savings in the long run like the sort of stuff that Mr. Gress was talking about, where we put off building maintenance and then later on we come up with hugher rebuilds. He stated that he knows that if when we had built High School North, had we put in the fieldhouse with its original plan with whatever the cost overrun was or anything else, we would have had extra years of use of that building and it would have come in about 20- 25% of the price that we finally paid to put it in as a separate entity. Mr. Brunkard stated that sometimes we make belt tightening decisions at the wrong time. He stated that the time to tighten your belt has to do with the meal that is in front of you and all that. Mr. Brunkard stated that there are just certain standards that we need to set. He stated that if you look at the item that Mrs. Bader produced, it is going to come through. Mr. Brunkard stated that the basic educational funding explains a lot where our taxes are going because the State is not supporting us to the level where they have supported us and all the school districts over the years because they plan to cut levels back. He stated that they are going to borrow a billion dollars this year from the Federal Government is the conjecture. Mr. Brunkard stated that they will end up with 500 school districts and if we were all equally situated, it will be 2 million dollars per school district. He stated that we are a little larger than that, so our cost of that shortfall from the State Government is projected here, like Ms. Bader said, for 2.6 million dollar. Mr. Brunkard stated that 2.6 million dollars will fall on our lap and we will have to pay that. He stated that when you get into the ideas that we have deliberated over as a body the things that we know about and as our principals came forward and told us what they are spending their money on, he really wishes that our principals and school teachers had more flexible funding because he thinks the several hundred dollars per teacher that we put into their hands would be better spent than anything we do on the large scale. He stated that as far as the other sorts of things, some of these things are cyclical. Mr. Brunkard stated that we go into the question of the ITEC expenditures, that budget is available to everybody. He stated that we look at it and we talk about it. Mr. Brunkard stated that it comes up and we have meetings all the times. He stated that people in the school district are approachable and he has never found that they hide things from me. Mr. Brunkard stated that the only thing that they ever seem to do is bury him in too much paperwork and give him too many details. He stated that at the end, he is swamped. Mr. Brunkard stated that the questions are there and the expenditures can be cyclical but what we put off one year, we might pay the next and might pay with interest or collateral damages. He stated that how we can figure, how can we construct our schools and where we spend our monies, are all things we discuss all times. Mr. Brunkard stated that he would love to have a functional back door on this building that would require one less employee that has to sit there to guard a 50 or 100 thousand dollar door that just cannot be locked. He stated to have an employee in place for one year and to fix the door will cost the same as if they would have built a new door in the first place. Mr. Brunkard stated that we make these decisions and cut things in place. He stated that we talk about 150 million dollars and it is hard to think about everything in particular when we don't have fixed expenses in place. Mr. Brunkard stated that we cannot be certain that our Governor's plan to cut costs is limited to the 2.6 million dollars. He stated that what if it turns out to be 3.4 million dollars. He asked where do we come up with the other \$800,000 if we do not pass a preliminary budget in advance that accounts for all that. Mr. Brunkard stated that he would have liked to have seen a little more fat on this budget before it comes in because between now and July, we are going to cut it. He stated that we cut it every year. Mr. Brunkard stated that he is hoping to stay on the Board long enough, or to participate long enough, to see some of the results of projects that we put off coming in and getting done. He stated that he does not like to see roofs half finished and hopes that we do not have a rainy season. Mr. Brunkard stated that his comments were not particularly directed to Ms. Hocker.

Ms. Hocker stated that what Mr. Brunkard said was very interesting but it does not answer what she just said. She asked how can we intelligently vote on something that we don't have major portions of. Ms. Hocker stated that Mr. Brunkard gave her all of this other stuff which a lot of it made a lot of sense. She stated that she can concur with what he said but when they are given a budget and you are told as a Board, because we have a fiduciary responsibility to our constituents, that we are supposed to look through this. Ms. Hocker stated that when we get it and we do not have 3 or 4 large departments, major departments, in there and we are sitting here rocking in a chair saying well we looked at the budget and it is fine. Ms. Hocker stated that it cannot be, because, how do you look at it, when it is not all there.

Mrs. Laverdure stated that they started in November and if you may all remember, all Board members were invited to come to review meetings. She stated that part of the process is, and to explain this to the public as well, when we started the process, we invited every department we had with the central office team to a review meeting. Mrs. Laverdure stated that this is where a lot of the justifications were discussed and talking occurred about what specific needs one building may have over another building. She stated that every Board member was invited to participate with that. Ms. Hocker asked what does she mean by saying this because she can see the justifications here. Mrs. Laverdure stated that she said this because she was concerned that Ms. Hocker did not understand. Ms. Hocker stated that she still does not understand and maybe she can get her answers here tonight. Mrs. Laverdure stated that in early November, they started a line by item review of answering questions and talking to the principals. Ms. Hocker stated that they did not have that information so they could not have been. Ms. Hocker stated that she was at every meeting except for one. Ms. Bader said that the meetings were during the day. Ms. Hocker stated that they should have let her know. Mrs. Laverdure stated that we did. Ms. Hocker stated that the people are here now and she is looking at High School South where they are looking for \$133,000; therefore why is the North not asking for something similar when they have about 200 students difference. Mrs. Bader asked what category is this. Ms. Hocker stated that it is the Xerox projection. She stated that in this school, it is \$133,000 and the administrative budget has Xerox budget and in every department they have a Xerox budget. Ms. Hocker stated that she is trying to figure out how is it that one high school is almost \$80,000 above in needs when they only have a few students apart. She stated then you have the situation with the elementary schools. Ms. Hocker stated that since the principals are here, they might as well answer why. She stated that J. M. Hill Elementary has 394 students and they are asking for \$29,000 in their Xerox projections and this is only one budget projection. Ms. Hocker stated that Smithfield Elementary has 364 students and are asking for \$13,200. She asked if they can tell her why is there a difference in usage.

Mrs. Bader stated that at High School South three copiers were bought for the Maple Avenue wing with bond proceeds, so they only have maintenance and usage cost. She stated that in addition, there was one copier that used to be housed in the Bunnell which is an extra copier over and above than what High School North had because that was another building that had its own copier. Mrs. Bader stated that it is on a five year lease, so when the building was torn down it was moved into High School South and it became part of that building. She stated that when the lease runs out, it will be eliminated. Mrs. Bader stated that in addition, High School North has fewer copiers because of how the school is laid out so it does not have that many copiers. She stated that at J. M. Hill Elementary, they have a large copier in the basement of their building. Mrs. Bader stated that this large copier was leased over five years ago when it had more students and the lease is still in effect. She stated that when it is up, they will get a smaller copier. Mrs. Bader stated that the district has changed so much that the copiers reflect a five-year ago history so we have to make adjustments to the process in the next go around and analyze who needs what. She stated that J. M. Hill Elementary also has an extra copier and they will be getting rid of it. Mrs. Bader stated that we are not allowing them to replace it. She stated that they have done a lot of analysis and have had angry people that came to Mrs. Laverdure and Mrs. Laverdure has had to say no to them. Mrs. Bader stated that it is part of this process and it is quite difficult. She stated that East Stroudsburg Elementary purchased all their copiers through the bonds so they only have maintenance at the moment plus usage. Mrs. Bader stated that Bushkill Elementary and Middle Smithfield Elementary have fewer copiers per student than the other smaller buildings due to the layout of the buildings. She stated that their staff seems to be able to get along with fewer copiers. Mrs. Bader stated that Smithfield Elementary has smaller copiers and she does not know why because it is a five-year old history that is still in place. Ms. Hocker stated that they should move the additional copier to the school that is in need or take it out. She asked why are we still paying for additional ones. Mrs. Bader stated that when you enter into a lease you are locked in for that period of time until it is up. Ms. Hocker asked why can this copier not be moved to a school that is in need of a copier. Mrs. Bader stated that it can be but this has not occurred because no one else needs another machine. Ms. Hocker stated that she knows we have beat this topic to death, like Mr. Gress said, but she is still of the opinion that this is an extraordinary amount of copying materials and expenses that are entailed with this. She stated that something tells her that we are not looking in a book but we are copying from it. Ms. Hocker stated that something needs to be

done about this because this is tremendous. She stated that she, personally, cannot vote for this and guesses the others will but it is not something that she can sign her name to or have a complete picture of. Ms. Hocker stated that she does not know how you can intelligently vote on something with that much money and they are saying they looked at it, yet they have the largest portion not even included. Mrs. Bader stated that we have an accounting manual that we have to follow that is online on the PDE website. She stated that there is an object code 650 and if you are looking at the big sheets and see down the side, it says 650 which is Education Technology/Software. Mrs. Bader stated that she wanted to read this to Ms. Hocker because she thinks this is what she is looking at and thinking that there is software in every building but there isn't software in every building. Ms. Hocker asked if she is referring to the ITEC budget. Mrs. Bader said no because there is not software in every building. Ms. Hocker said there is because they have a budget for it but she does not know how they have it but the way it is written is under those codes. Ms. Bader stated that the code 650 is in every building and it is listed as Education Technology/Software. She stated that what this is, is technology-related supplies which include supplies that are typically used in connection with technology related hardware or software such as CD flash drives, parallel cables and monitor stands. Mrs. Bader stated that it includes expenditures associated with educational software such as books, periodicals on video tapes, CD ROMs and audio CDs. She stated that it also includes all online course work reference material and educational services such as scholastic or classroom connected to this object code. She stated that it also includes the record of all software licensing fees related costs incurred to acquire the materials in this category. Mrs. Bader stated that every building does have cost in that category as defined by 650. Ms. Hocker stated that code 650 refers to products that should be in the ITEC budget. Mrs. Bader said it should not because it has to be in the building. Ms. Hocker asked what is the two million ITEC budget for then. Mr. Gress stated that it is in the green book that they received. He stated that he did not mean to cut in but he spoke to Brian Borosh and they talked about the Apple leases, ITEC materials and license agreements which we have to have, otherwise we are in violation of about \$150,000. Mr. Gress stated that it explains in detail everything here. He stated that he knows PSBA offers budgeting things over the years and it is just something that is a difficult thing. Mr. Gress stated that years ago, we wanted it broken down more by building and more details, so you can actually see the comparison. He stated that way, way back we could not compare building by building. Mr. Gress stated that it was all lumped into elementary school code 650. He stated that about 5-6 years ago it was broken up by building so you can look at it. Mr. Gress said you thought it was confusing now but it was really confusing then because you did not have the building by building breakdown. He stated that now it is broken down and we do have budget meetings up to this point and approve things over the year. Mr. Gress stated that he mentions that we are buying things that will go into next year's budget and it falls on deaf ears. He stated that they approve leases and technology things and this and that and guess what it is lopped into next year's budget because it is a fixed cost. Mr. Gress stated that, for the past two years, he normally says about any big purchases that it will go into next year's budget and it passes but we buy vans, buses, trucks and everybody votes for it. He stated that now it is time to reapprove the budget and you do not want to vote for it because we cannot afford it. Mr. Gress stated then we voted for the budget and everything starts rolling through. He stated that we then start buying leases and reissuing things. He stated that Ms. Hocker is right about it being a two million dollar technology initiative but this is what was already approved and he does not know how we can get out. Mr. Gress stated that some of it was for the Apple leases, Refresh Program and long term strategic plan that was approved 8-1. He stated that no one said wait we don't want technology in the classroom or in the schools. Ms. Hocker stated that it is not that we do not want it but we want an explanation or a breakdown. She stated that you just don't say that you want 2.1 million dollars and give it a 1% increase and see what you want later. Ms. Hocker stated that you don't do that, especially since we are almost in a state of depression. Mr. Gress stated that he does not disagree with what she is saying but this has been explained (the increases for the leases for computers and technology, etc.). Mr. Gress stated that it is needed in order to continue with the strategic plan that we submitted to the State, because this is what we said we are going to do to better the education of the East Stroudsburg Area School District. He stated that this is what the district approved and gave to Harrisburg and Harrisburg said okay for the plan to make the schools better. Mr. Gress stated that if we are not going to do that, then we have to reword it. He stated that Middle Smithfield Elementary finally got new computers after all these years and they were put off due to construction. Mr. Gress stated that it is a long term process and multi-year facet on why the budget is so high. He stated that they have to start slowing things down and put the break on things. Mr. Gress stated that it is not something that you will be able to turn the ship tomorrow. He said that is why a couple of years ago we looked at restructuring to get control of the debt service. Mr. Gress stated, "Thank God we did" because debt service was going to increase about 3-4 million dollars this year. He stated that we changed the structure of the debt. Mr. Gress stated, "just think" if we had another 2-3 million dollars in debt this year but we don't because it finally leveled out. He stated that this was a fight because no one wanted to do it but it was part of a long term planning. Mr. Gress stated that if you had a 2 million dollar spike in debt service, that is about 6-7 mils of taxes but we don't have that spike now. He stated that it is high enough but at least it is leveled. Mr. Gress stated that the ship is going one way and we have to slowly turn it

back to where we all want it. He stated, like he said in previous years, if you lessen the tax increase this year, the fixed costs will go up and next year's tax increase will double and so on.

Ms. Hocker stated that she does not go along with what he said. Mr. Gress said that is fine. Ms. Hocker stated that Mr. Gress said something very interesting when he said that we told Harrisburg what we will do but Harrisburg told us they do not have the money and we are sitting here waiting for them to send the money. She stated then we can turn around and tell them that we do not have the money to do it. Ms. Hocker stated that this is why we have the clerical staff to send that kind of correspondence.

Ms. Hays stated that she is glad that Ms. Hocker got snowbound to be able to go over everything. Ms. Hays stated that she appreciates the time Ms. Hocker put into it. She stated that over the last 11 or almost 12 years that she has been on the Board, the budget process has changed dramatically. Ms. Hays stated that she remembers sitting on her back porch with a large book and she thinks she understood it better even though it was that big. She stated that then they changed things on how they reported the budget and you see different numbers and it does get confusing. Ms. Hays stated that she looks at it like we hired all these administrators and they know their schools better than we do and their needs. She stated that she agrees with Ms. Hocker that it is tough times and people are losing jobs. Ms. Hays stated that she heard in the paper that the Pocono Mountain School District wants to cut 100 people from their staff. She stated that she was in shock but thought times are tough. She stated that she is willing to pass this preliminary budget because she knows the consequences are dire. Ms. Hays stated that she looked at everything and compared everything what we have spent over the past years and sees the increase after increase. Ms. Hays stated that she also sees the increase in real estate taxes and sees from year to the next that Mrs. Bader anticipates maybe collecting 7 million dollars more than the year before. Ms. Hays stated that she looks at this and sees that last year it was budgeted for \$140,400,000, the year before it was \$136,177,000, the year before that it was \$125,257,000 and now we are shooting up from \$140,000,000 to \$150,000,000 which is an increase of \$10,000,000. Ms. Hays stated that what she would really like to see is that the budget stays the same from this school year. She stated that she knows what always happens around this time is that they freeze the budget and then it goes into the fund balance. Ms. Hays stated that she just thinks we need to work on this more because she really believes in public education. She stated that she thinks we have tried not to lay off people but wait for people to retire. Ms. Hays stated that we really need to grab a hold on this and she knows everything is going up. Ms. Hays stated that people are in dire straits and being in real estate, she sees it even more. Ms. Hays stated that she always says every year, if somebody is paying \$5,000 in taxes and the other is paying \$10,000 and if we increase the taxes by 10% the one paying \$5,000 would pay \$500 more and the one paying \$10,000 would pay \$1,000 more. She stated that the next year it is going to be further and further apart and this is what is happening in taxes because they are doing it by percentages. Ms. Hays stated that the people who are paying less are never going to catch up to the people that are paying more in taxes. She stated that she knows if the whole county would re-assess, the people down here would jump dramatically, so it would be shocking to them. Ms. Hays stated that her thoughts are to keep it the same that it was last year. She stated that she hopes and prays that our district can do that and cut \$10,000,000 between this preliminary budget to when we actually approve the final budget.

Mr. Cole stated that it appears that Ms. Hays is essentially saying that she would like to see a 0% increase. Ms. Hays stated that it would be wonderful. She stated that she has been on the Board this long and she has never seen that happen. Ms. Hays stated that when she looks at this and remembers in the past that they would see ten years of budget which would be educational. She stated that she likes the old way because she could see more in the budget and could analyze it. Ms. Hays stated that she got a better feel but this way does not do it for her. She stated that when she came on the Board and saw the history of special education, she saw the jumps and saw how much it rose. Ms. Hays stated that she cannot see that on here. She stated that she could see a trend of what was happening and where money was going but she just looks at this and thinks, maybe 11 years ago, it was \$53,000,000. Ms. Hays stated that now we are talking about \$150,000,000. She stated that this is the longevity that she has been on this Board and looked at numbers. Ms. Hays stated that she would really love to see us say 0% increase. She stated that she thinks this recession has been occurring for three years. Ms. Hays stated that in those three years, she knows we have certain things that we are obligated to when we, throughout the year, vote on it. She stated that we rose the budget \$4,000,000 last year and now it jumps \$10,000,000. Ms. Hays stated that since 2008 it rose \$25,000,000. She stated that she does not necessarily see the growth in our district in student numbers. Ms. Hays stated that she read what other districts are doing with their budget which makes a great headline. She stated that she hopes we don't have a camera or a photographer because if someone from the Board makes a gesture, they will make it on the front page of the paper. Ms. Hays stated that she hates to see us have to do that. Ms. Hays stated that one thing they did talk about, and they have talked about it for several years, is to look at how much we spend on sending all these kids out and we have to pay for their misbehavior because that is the law. She stated that we often talked about the numbers of students that have not grown. Ms. Hays stated

that we need to reassess how we use our facilities. She stated that we should consolidate some of our schools. Ms. Hays stated that we talked about forming our own school to send students that get sent elsewhere. She stated that she would like to see us do a cost analysis of that. Ms. Hays stated that she does not want to disrupt people but she does not want to see us continually, year after year, raising our taxes. She stated that it is to the point that it has gotten out of hand. Ms. Hays stated that the State goes "off with your head" and we have to do that budget before we know what we are going to get. She stated that it is unfair, too, but it is the fact of life and we have to do it because it is not going to change. Ms. Hays stated that we have to live with that part but she does not want to see more people losing their houses because they cannot afford their taxes. She stated that we have seen a lot of stuff in our area. Ms. Hays stated that Mr. Freeman probably sees it too and has the information that she has.

Mr. Freeman stated that he has the information that has been given but we cannot discuss it because we are in negotiations. He stated that on March 28, everything will be made public and that is when everyone will find out what is going on. Mr. Freeman stated that one of the major costs is personnel and benefits which is about 62-68% of our budget. He stated that this happened when the people negotiated five years ago. Mr. Freeman stated that the inflationary cost could have been stopped five years ago. He stated that right now we are in the midst of it and it is very difficult and personal to everyone here. Mr. Freeman stated that we have to wait to see how it comes out and should be a cost savings if everything goes the way it is supposed to go. He stated that we need a preliminary budget because we are mandated to do it. Mr. Freeman stated that our hands are tied from the State in so many things. He stated that we have to say yes and work on it the best we can.

Mr. Cole stated that what Mr. Freeman is referring to, for those in the audience or any Board member that is not quite sure, is that we are currently in fact finding with the professional staff. He stated that it has been a lengthy set of negotiations and their contract expired in August 2010. Mr. Cole stated that they have been working without a new contract which is being negotiated. He stated that if this is not bad enough, sort to speak, we started support staff negotiations.

Ms. Hays said that when Mr. Freeman blamed someone five years ago it is unfair to do. She stated that five years ago when people were negotiating, they were not given the information but three years after they found out that there was a letter that they did not get. Ms. Hays stated that in the past, when things were negotiated, the Business Office, our present Business Manager was not involved, they would actually get what they would negotiate with whatever party and it would tell them what it would mean to the district. She stated that they were not given what they should have been given five years ago. Ms. Hays stated that somebody looked at it later and said this could bankrupt the district. She stated that the Board was not given that information and she found out about it later on. Ms. Hays stated that she hopes they are seeing that now when they are negotiating. Mr. Freeman stated that what he is saying did not happen today or yesterday but five years ago and he does not know who was on that committee. Ms. Hays stated that this is what happened five years ago and it was really upsetting, after the fact, and after they already approved it. Mr. Freeman stated that this is what they are trying to change now but we cannot change the past but move forward into the future. Mr. Cole stated that they are in support staff negotiations and the first meeting that was scheduled for this past month was weathered out; therefore, they plan to meet this Wednesday. He stated that we also have coming up Act 93 discussions and we have a lot of things on our plate that can affect the current budget. Mr. Cole stated that he certainly agrees with the fact that it would be nice if we could have a 0 base 2011/2012 budget. He stated that he does not think it is practical but we need to pare this \$148,000,000 budget down to make the tax increase less. Mr. Cole stated that there is absolutely no question that we will have a millage increase in our district but hopes it is something tolerable to allow us to continue to conduct the business of the school in a satisfactory manner.

Mr. Cooke stated since he is about the only one that has not spoken this evening and his feeling is that we are obligated to go ahead and pass this preliminary budget. He stated that then he thinks they need to go at some of this investigation that they have discussed so thoroughly here tonight very level headed and very thoroughly without emotion. He stated that they need to pare down the budget to the point where it is acceptable to them. Mr. Cooke stated that they need to sit down cooperatively and pare down the budget as much as they can.

Mr. Cole stated that Mr. Cooke gave some good advice and hopes they are up to the challenge.

VIII. PUBLIC PARTICIPATION -- LIMITED TO AGENDA ITEMS

- A. Mrs. Ann Catrillo, High School South teacher and parent, stated that she is here, basically, to say thank you to the missing Board member who has resigned, Don Motts. She stated that he has served on the Board for 13 years and she thought it would be remised for all of them if they did not thank him publically for his years of service. Mrs. Catrillo stated that he has been a dedicated public servant. She stated that we know all of you serve freely

and we want you to know that we appreciate that as citizens of our community as well as a parent and teacher. Mrs. Catrillo stated that she knows many of you have obviously made comments of the negotiations that we are under and fact finding. She stated that many of you may not know that she is also the Association President. Mrs. Catrillo stated that we are working cooperatively and will continue to do so. She stated that her main reason for being here is to thank Don Motts and to thank all the Board because at some point and time their service will be up and they will be asking for other people of the community to step forward. Mrs. Catrillo stated that whether they agree or disagree on items as they come forward, they all have to recognize that we are here to serve our students. She stated that she thinks we do this well and as long as we keep this on the forefront of our minds everything will go well. Mrs. Catrillo stated that her parting words are, "Thank you to all of you for your service and especially Don Motts for his 13 years because she knows he does not have a selfish bone in his body and for giving his time to all of us". She stated that they are very appreciative of it.

- B. Mr. Mike Meachem stated that just to echo up what Mrs. Catrillo said and he is not going to be sheepish about it because he has been very critical of the Board at times, but he definitely wants them to recognize that he realizes that they do sit in tough positions and there are decisions that have to be made sometimes that are tough. He stated that he recognizes this; nonetheless, what is going to happen, and he does believe that he is expressing a public sentiment that sometimes is taken for granted, but in that course, obviously, he does believe that although he and Mr. Motts have not always agreed on everything, he thinks he is going to be missed. Mr. Meachem stated that he does not feel that bad because he has run into him more since he resigned than when he was on the Board. He stated that Mr. Motts looked pretty happy the other day when he saw him.

Mr. Meachem stated that when Mrs. Bader spoke early on, she stated that with the departure of children from the mortar and brick schools to cyber schools it will cost us a lot of money. He stated that he is not clear on how this will happen. Mr. Meachem stated that he also wanted to ask about the number of books that are passed around that explain a lot of the behind the scene activities. He asked if these books are available to the public. Ms. Hays asked if they are on the website. Mr. Meachem stated they are not because he looked. Ms. Hays asked if he is speaking about the book that Mrs. Bader was speaking about and asked if it is on the website. Mr. Meachem said that what Mrs. Bader spoke about is on the PDE website. Mrs. Bader asked what book he is speaking of. Mrs. Laverdure said that he is speaking about the budget. Mr. Meachem said he is talking about the green budget book. He stated that if Ms. Hays does not need it anymore he would be the guardian of it. Ms. Hays stated that she has to be a watch dog of it because she needs to refer back to it. Mr. Meachem stated that these are the kinds of things that the public finds trepidatious. He stated that there are some times when many members of the public think that it is a tough job and they would be willing to step in and help them out. Mr. Meachem stated that they also heard, this evening, discussion about the concept that we entered into contracts. He stated that the economy is such that there are many, many companies that go back and renegotiate contracts with vendors that they have when they run into financial difficulty. Mr. Meachem stated that mortgages are being renegotiated and contracts of all sorts are being renegotiated. Mr. Meachem stated that for some reason or other he does not hear that we are trying to do that. He stated that he understands that you made a decision but your circumstances have changed. Mr. Meachem stated that he does not know if the Business Office is forced to sign contracts in blood but if they are, he would not do it anymore because tomorrow is not promised.

Mr. Cole said that it would not be a unique thing to approach the groups that we negotiate with about considering the circumstances that we are experiencing in our economy today to see if they would consider taking less money or consider doing this or that. Mr. Meachem stated that we would want to entertain that with all of our vendors. He stated that his parting thought this evening would be is that he thinks this is a pretty sturdy and plucky body; therefore, he thinks that tonight they could make a resolution to bring in that 0 budget here and now.

- C. Mr. Gary Summers stated he has a couple of "what if" scenarios. He asked if they vote on the budget tonight as it is presented at 148 million dollars using the assumptions of a 4.28 million dollars exceptions, then if the district only gets 3.328 million dollars worth of exceptions that would mean that the district would have to lower the final budget by at least 1 million dollars. He asked if he is working that one right. Mrs. Laverdure said, "Yes". Mr. Summers asked if the district gets 2.6 million dollars less in basic education funding as Mrs. Bader indicated here the district would have to lower the budget again. Mr. Summers stated that there is a lot of risk associated with it and he just wanted to understand what the issues were. Mrs. Laverdure stated that this is why they are coming in with the preliminary budget where it is.
- D. Mr. Larry Dymond stated that one of the things that gets missed in the conversation and that bothers him to no end is that other districts across the states primarily in Philadelphia, Pittsburgh and surrounding areas get so much more per student in reimbursement. He stated that he just thinks that a student is a student is a student and we should take the number of children in Pennsylvania and divide it out and if you have X many students, that is

what you should get. Mr. Dymond stated that he cannot understand with all the hardships that we have and every East Stroudsburg Area School District's taxpayer's State money goes to the State at the same percentage as in Philadelphia and all other areas and we never get it back. Mr. Dymond stated that he thinks we should battle this, especially with the new regime of politicians that we have. He stated that he thinks it is time to take a stand on that. Mr. Dymond stated that the State has cheated this community at least 20 years and it has gotten bigger every year. He stated that if this would have been addressed to some degree 20 years ago, our debt would be next to nothing in comparison. Mr. Dymond stated that like Mr. Gress said, we would not have procrastinated on projects and we would not have bought portables. He stated that we could afford to update the schools, put additions on and put in technology that would have pretty much paid for itself as we go. Mr. Dymond stated that this is one of the big things that has killed us. He stated that he has been pressed for time having to work two jobs or more to pay his taxes and eat and he still does not break even. Mr. Dymond stated that he had a chance to look at some of the budget and go online to compare it. He stated that he had this discussion that we are one of the highest taxed places around. We are spending a considerable amount more than a lot of districts throughout the State per student. Mr. Dymond stated that, from years of business budgets, he thinks we can do a zero budget. He stated, just like Mr. Meachem stated, he can remember back when Lehigh Valley was having a big recession when steel mills were moving out. Mr. Dymond stated that he knows a lot of companies granted 15 - 20 % reductions to keep their business and to try to compete in the tough times.

- E. Mrs. Laverdure stated that one thing that we are learning is that one of the main issues from the new Governor is that there is a strong possibility that he will be looking at the subsidy formula. She stated that there is a lot of information that is just starting to come out of the Governor's office. Mrs. Laverdure stated that it has been pretty quiet which is kind of interesting to watch. She stated that this is another one of the district's concerns which has been shared with us recently and it will be in the forefront down the road.
- F. Mrs. Bader stated that when children leave our brick and mortar schools and go to cyber schools, we have to pay the cyber school our tuition rate. She stated that we have to maintain their transportation seat and the teachers that are in the building as well as the supplies that are there for them. Mrs. Bader stated that they can come and go as they wish. She stated that we have to slowly phase out the staffing and it is just a siphoning off of additional expenditures to us. Mrs. Bader stated that when cyber schools advertise that a child can go there, we have to pay them for that child. She stated that if they live in your district, we pay that to the cyber school.

Mr. Meachem said he understands that but he does not understand how this is costing us more. Mrs. Bader stated that because we have to maintain a brick and mortar school, we are not allowed to downsize teachers for economic reasons. Mr. Meachem asked if the schools are being compensated at 100% rate. Mrs. Bader said they are at our tuition rate. Mr. Meachem stated that what is happening, the revenue that are paid by the taxpayers are not expended as 100% of the tuition or are they. Mrs. Bader said she does understand what he is saying. Mr. Gress stated that the money goes to the cyber school. Mr. Meachem said it goes to the cyber school but they are not getting the 100% of the revenue we are getting. Mrs. Bader said it is double the cost. Mr. Gress said if it is 12,000, they are getting that. Mrs. Laverdure said they are getting that per student. Ms. Hocker asked if it is the same of the charter school because she knows when kids leave here to go to a charter school, we maintain a great deal of the money in the district and the charter school only get's a percentage of it. Ms. Hocker asked if it is any different for the virtual. Mrs. Laverdure stated that the charter school gets 100% of the money. Ms. Hocker said no because she got some records on that not too long ago. Mrs. Laverdure stated that she wants to make sure she gets the information correct. She stated that when a student is enrolled in a cyber charter school, we are billed that amount of money that our student would have cost us to educate that child. She stated that if it is special education, it is double. Mrs. Laverdure stated that part of the issue is unfair that there is no control or oversight. She stated that there are a lot of issues. Mrs. Laverdure stated that the other concern is that we could be in a voucher system where there could be open enrollment and we would have to transport to get those kids where they want to go. She stated that there are so many unknowns with our new Governor and with some of his philosophies of where we are going.

Mr. Cole stated that, as we all know, over the years we have built what we anticipated to be our school enrollment year after year and it took some time. He stated that we now have those buildings pretty much in shape and funded but when we lose somebody to the virtual charter school, we still have the building. Mr. Cole stated that we cannot take down a piece of the building when a number of students have left and it is a costly thing. He stated that even when addressing the class size, you certainly cannot do it immediately because you have to do it in a very practical way over time. It is a tremendous loss when we lose students. Mrs. Laverdure stated that she would be remised not to say or remind them that we have our own virtual academy high school. Ms. Hays stated that she was just going to say that she believes we should make our virtual academy as attractive if not more so than what is out there. She stated that if they are giving computers or giving whatever it is, we need to give as

much or more because in the long run we would be keeping that money here in our district. Mrs. Laverdure stated absolutely and we are looking at opportunities as we speak. She stated that we will be speaking more as we approach it. Mrs. Bader stated that the hard work from Mrs. Duggins, Mrs. Prefontaine and teachers that do the cyber teaching have been able to keep 25 students from going to cyber charter school which does save money for the district. Mrs. Laverdure stated that we are looking to expand from grades 9-12 to grades 7-12. She stated that every time we can save one child, you save a lot of money. Mrs. Laverdure stated that the biggest concern is that they graduate with 21 credits and we graduate with 28. She stated that it seems that it is more attractive for the cyber charter students to get out sooner.

IX. BOARD MEMBER RESIGNATION

ACTION BY THE BOARD:

Motion was made by Douglas Freeman to approve the resignation, with regrets, of Board member Donald Motts for the term ending December 2013, effective immediately. Motion was seconded by Robert Cooke and carried unanimously, 7-0.

Mr. Christopher Brown stated that what is going to happen is that Mr. Motts' seat will be up for election this year in the Primary in May and the General Election in November. He stated that, however, until the reorganization meeting in the first week of December, someone needs to fill that seat and it is going to be up to the Board to make that appointment. Mr. Brown stated that a couple of statutory requirements need to be kept in mind is that the Board has 30 days from today to fill that position, which is about March 12. Mr. Brown stated that we only have one meeting from then on, the February 28 Regular Board Meeting. He stated that unless they call a special Board meeting, an appointment needs to be voted on and approved on the 28th. Mr. Brown stated that we need five votes to do that so if we have seven members there on the 28th, it cannot be a 4-3 vote because we need five votes. Mr. Cole asked if there are any recommended procedures to follow as far as advertising it. Mr. Brown stated that there is no requirement that this appointment vacancy be advertised. He stated that the Board has advertised and not advertised these vacancies in the past. Mr. Brown stated that it is up to the Board to decide. Mr. Cole suggested that we accept immediately if we have not received any letters yet, letters of interest from the public. He stated that you have to live within the school district and be at least 18 years of age in order to be eligible for that position. Mr. Cole asked if this person can be running for a four-year seat come May or if they have the appointment, must they run for two years. Mr. Brown stated that they can run for the two-year or four-year seat. Mr. Cole stated that there are currently five directors that are up for replacement in the May election, so Mr. Motts' seat would be a two-year seat making it a sixth applicant. He stated that the individual who applies for the appointment to fill Don Mott's vacancy through the end of November can make up their own mind as to which way they want to go in regards to filing for the two-year seat or four-year seat. Mr. Cole suggested that we accept letters and have them directed to the Superintendent's office indicating their interest to fill Don Mott's seat through the end of November. He stated that there does not necessarily need to be interviews but have the names on file and then the Board can consider them as a Board. Mr. Cole stated that the replacement will be elected by the majority of the eight Board members. Mr. Brown stated that another thing to keep in mind is that the Sunshine Law does apply to this appointment, so any discussion that the Board has regarding the replacement for Mr. Motts has to take place at a public meeting. He stated that they can either have a full discussion on the 28th or the Board can consider having a meeting before the 28th to discuss any letters that come in. Mr. Brown stated that his main concern is to make sure that this gets done before the March 12th deadline. He stated that if they cannot get five votes together for a single candidate before the 28th, then they will certainly be calling a special meeting before March 12th to make sure they get it done.

Ms. Hocker asked if it is possible in this election, since it is going to be done publically, to get the applicants name and put them in a bowl and let somebody from the public pick the person. She stated how transparent can this be.

Mr. Freeman stated that he does not think picking an elected official should be done in a fish bowl. He stated that it should be up to discussion for everyone. Ms. Hocker stated that she does not want him to make trivial of what she said. She stated that the people that are considered, if you have them of equal status, why don't they just arbitrarily pick one of those three names. Ms. Hocker stated that she knows that last time there was a replacement, and she did not know the person at all, but this person had been on the Board before and they brought him back again and again. Ms. Hocker stated that she thinks, maybe, the public needs to have some fresh blood. She stated that sometimes and if people, in your opinion, have the credibility, because how much did we have because the requirements were stated. Mr. Freeman stated that we ran and spoke to people. He stated that picking someone's name out of a bowl or hat or whatever is not the way to do this. Mr. Brunkard stated that he would also find this totally "malapropos". Ms. Hocker said she was speaking and he cut across. She stated that

what she said was, and she wants this clarified because she does not want him to make little of what she is saying here, to put the eligible people's name in there that they feel as a Board member they could work with them and not just somebody that five or six people on the Board know for years and say "well let us bring this one or that one back". Mr. Freeman stated that this is why they have the power to vote for the person. He stated everyone has their vote and we will decide that way. Ms. Hocker asked doesn't the vote that even places them here come from the public. Mr. Freeman said yes and they are representing the public and not representing picking someone out of a hat.

Mr. Freeman asked how are they going to advertise it so that everyone has the chance to be in it. He suggested the website and to place an ad in the papers that letters must be in by a certain time. Mr. Brown stated that they can certainly do that. He suggested that they have a motion and a vote to authorize that advertisement. Mr. Brown stated that if the Board wants it in the paper that is no problem at all. Mr. Brown stated, like he said before, with some appointments this has been done in the past and sometimes it was not. He stated that it is whatever the Board decides. Mr. Freeman stated that this makes the public know what is going on. He stated that also because a lot of people do not know that Don Motts resigned from the Board. Mr. Freeman stated that he thinks the public should be aware and have the right to put their own names in if they like. Mr. Brown stated that they should also set a deadline now since they will be voting on the 28th, so they need to get these in very quickly.

Mr. Freeman made the following motion for the deadline be the 20th:

Mr. Brunkard suggested the 25th.

Ms. Hays stated that they should see all the applicants before the meeting on the 28th.

Mrs. Laverdure stated that the deadline be the 24th.

X. BOARD MEMBER RESIGNATION ADVERTISEMENT

ACTION BY THE BOARD:

Motion was made by Douglas Freeman to advertise in the Pocono Record, Pike County Dispatch and on the East Stroudsburg Area School District website that letters of intent for the Board member vacancy be submitted to the Superintendent's office on or before February 24, 2011 for consideration at the February 28, 2011 Regular School Board Meeting. Motion was seconded by James Brunkard and carried unanimously, 7-0.

Ms. Hocker asked what do they do after they receive the letters. Mr. Cole stated that he visualizes, at this point, and they can certainly can talk about this, that they will know in advance from the Superintendent who the individuals are that officially submitted the letters on or before the deadline. He stated that the Board can then make up their own minds before they even come into the meeting on the 28th on who they are going to vote on. Mr. Cole stated that a simple majority of the eight would be required. Mr. Brown said you need 5 out of 8, regardless of who comes in that night. Mr. Brown stated that the only difference is if only five people come, they all will need to vote on it. Mr. Brown stated that we should have public comment on this. Mr. Brunkard asked, now that there will be six seats available in the upcoming election, how does it work. Mr. Brown stated that it is going to be interesting because there are five four-year terms and if you run, you run for any of those. He stated that; however, there is another two-year term. Mr. Brown stated that anyone who wants to run for just the two-year term they have to run specifically for that spot. He stated that if you sign your name up for running for a four-year term, you are not running for the two-year term and vice versa. Ms. Hays asked if you can run for both at the same time like how they cross file Democrat and Republican. Mr. Brown stated that you may be able to do that. Mr. Gress stated that he thinks you can because Supervisors have done it in the past and they had a gentlemen running for both seats on the ballot. Mr. Brown stated that it works differently in the sense that there are five seats with eight candidates but the sixth seat is by itself. Mr. Brunkard stated that having the experience of having been elected like the rest of us for four years, he thinks that a two-year term sounds twice as good.

Public Participation

- A. Mr. Mike Meachem stated that it should be no secret to the Board that he has been a resident of this community for 11 years and he thinks that in 7 years he has missed 3 meetings. He stated that he has spoken on this subject previously that there has never been anybody that lived north of Municipal Drive that sat on this Board. Mr. Meachem stated that he would just like to bring this to the Board's attention. He stated that in all of the years that he has been a part of this district, there has never been a member of Pike County that served on this Board. Mr. Meachem stated that there are already 38 people that tried to defect and go into Lake Wallenpaupack. He stated that just so the Board knows, they have not let the subject die. Mr. Cole stated that there was a Mr. Turn on the Board. Mr. Gress stated that there was Steve Lastra, too. Mr. Meachem stated that this was before he got here 11 years ago. Mr. Meachem stated that there is a decided animosity. Ms. Hays said that there is not. Mr. Meachem said he lives in Pike County and not her. Ms.

Hays stated that when she got on the Board, she did a history and at times this Board was represented by more people that lived in Pike County than in Monroe County. Ms. Hays stated that it is up to them to run. She stated that they all have equal opportunities to be voted and elected. She stated that it is not their fault who gets elected. Mr. Meachem stated that he is telling you that this is not the case and that there is a deep seated animosity. He stated that he is just bringing it to the Board's attention but it is up to them to ignore it if they so choose. Mr. Meachem stated that he felt that it would be fair to let them know that there is an animosity. Ms. Hays stated that there always have been and she does not know why. Mr. Meachem stated that he will share the animosity with her off line because he does not think it is appropriate. Ms. Hays stated that if they got out and voted then people from there would be on this Board. Mr. Meachem stated that if they would get out and vote they would be on the Board. He stated that is what you said. Mr. Meachem said "Not a problem, I want them to know that you feel that way". Ms. Hays stated that she always welcomes that. Mr. Cole stated that Mr. Meachem's comments are well taken and recorded.

- B. Mr. Dymond asked if they can advertise it in the Pike County newspaper. Mr. Cole stated that he does not feel that would be a problem. He stated that it is a weekly paper but it should not be a problem.
- C. Mrs. Eileen Featherman stated that she is interested in serving on the Board. She stated that, as many of you know, her husband served on the Board for 30 years. She stated that she read most of the agendas for 30 years, therefore, she is well equipped, she believes, to serve on the Board. Mrs. Featherman stated that she will be more than happy to attend the educational programs to bring her up to date on the court decisions, learn new laws and anything of the sort. She stated that since there are so many people running for the Board like she plans to do, she would appreciate their vote on the 28th.
- D. Mrs. Meachem asked why the letters of interest are not going directly to the Board. Mr. Brown stated that he assumes that Mrs. Laverdure will provide them directly to the Board when she gets them. Mrs. Laverdure stated that she will be the conduit to the Board. Mrs. Meachem asked why would that be and not have them go directly to the Board. Mrs. Meachem asked why do they need a conduit through Mrs. Laverdure to the Board. Mr. Gress stated that he may not get them and some may not say they did not get them. He stated that he would rather that it go to a central point because if someone sends it to his house, sometimes he does not get all his mail. Mr. Gress stated that there have been people to complain that they do not get mail at their house or do not check their post office box. He stated that he knows that every Friday night he gets something from the school district, it is at his house and he knows it is there. Mr. Gress stated that some may say they did not get this letter or that letter like from Ms. Featherman or Mr. Meachem. He stated that at least if it is sent to this building, everyone knows where it is and they can drop it off here. Mr. Gress stated that he does not want anyone walking in his front door either. Mr. Cole stated that there is no hidden agenda but it seems to be a common sense way to go. Mrs. Meachem stated that she is just asking why would it not go to the Board. Mr. Gress stated that they would have to mail it out to 8 people at 44 cents; therefore, it would make more sense to have them go to one place.

XI. FISCAL ITEM

(The following item(s) are to be deleted from the consensus motion at Board Member(s) request.)

ACTION BY THE BOARD:

Motion was made by James Brunkard to approve the submission of the 2011-2012 Preliminary Budget in the amount of \$148,783,000 to the Pennsylvania Department of Education in order to comply with the requirements of Act 1 of 2006. Motion was seconded by Douglas Freeman. A roll call vote was taken and passed 6-1. James Brunkard, Horace Cole, Robert Cooke, Douglas Freeman, Robert Gress and Bet Hays voted yes. Audrey Hocker voted no.

- A. Mr. Gress stated that the things they discussed tonight, they should on February 28th, come up with dates to discuss things that they discussed like copiers, buses, alternative schools, etc. He stated that they can either meet on a Saturday or other nights to pare this down. Mr. Gress stated that it could be after the Governor's release on the 8th. He stated that they should be scheduled sooner than later and written down in a synchronized fashion. Mrs. Laverdure stated that we need to wait for the Governor's budget. Mr. Gress stated that we can set dates in the meantime.
- B. Mr. Cole stated that in the event this does not pass with five votes, they would have to meet on February 14th to discuss the preliminary budget to pass it prior to the deadline on Wednesday, February 16th.

XII. ANNOUNCEMENTS/INFORMATION

- A. Mr. Cole stated that they will, at a later date, deal with electing a new Vice President for the balance of this particular year to replace Mr. Motts.
- B. Mrs. Laverdure thanked the Board for passing the preliminary budget. She stated that she appreciates their support. Mrs. Laverdure stated that they will go to work to see what they can do.

XIII. ADJOURNMENT 8:53 p.m.

Respectfully Submitted,

Patricia L. Rosado
Board Secretary