

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

**SPECIAL BOARD MEETING TO DISCUSS THE 2012-2013 BUDGET AND RELATED FISCAL ISSUES**

**MARCH 12, 2012**

**Carl T. Secor Administration Center – Board Room  
7:00 P.M.**

**MINUTES**

- I. President William Searfoss called the meeting to order at 7:03 p.m. and led those present in the Pledge of Allegiance. Interim Secretary, Debra Wisotsky called the roll.
- II. **Members present were:** Ronald Bradley, Robert Cooke, Eileen Featherman, Robert Gress, Marjorie James, Michael Meachem, William Searfoss. Douglas Freeman and Roy Horton were absent.
- III. **School members present:** Andronikki Andrews, Michelle Arnold, Patricia Bader, David Baker, Ann Banks, Maria Bartolotta, Brian Borosh, Mark Brown, John Burrus, Anthony Calderone, Tara Caplette, Richard Carty, Maria Casciotta, Ann Catrillo, Mike Catrillo, Patricia Chestnut, Adam Coffman, Adam Cole, Mary Conklin, Sue Czahor, Casandra Dietz, Robert Dilliplane, Irene Duggins, Larry Dymond, Eric Forsyth, Carol Geiges, Jill Greenwood, Heather Gress, Erin Gurry, Sue Hegarty, Kim Holcomb, Lynda Hopkins, Jeremy Judd, Paul Kernan, Alisa Keiper, Barry Krammes, Gail Kulick, Robert LaBar, Sherwood LaBar, Sharon Laverdure, Phil Lazowsky, Wendy LeDuc, Jacilyn Leonard, Joyce Leonard, Kristin Lord, Carla Mathiesen, Bailey McCue, Catherine McCue, Scott Moskovitz, Kevin Nace, Tina Parke, Kathy Parrish, Deanne Patrick, Rose Perkins, Michele Reese, Carolina Rodriguez, Maria Rogers, Vicki Sayer, Paul Schmid, James Shearouse, Donna Smith, Jennifer Spece, Kim Stevens, Deanna Sutton, Terry Toth, Tim Wagner, James Ware, Laura Weeks, Matt Whitney, Thomas Williams, Linda Wisneiski, Debra Wisotsky, Nadia Worobij, Lois Yarnell, Lisa Zabriskie, Ann Zanella
- IV. **Community members present:** Chris Baj, Mia Baj, Richard Berkowitz, Sean Boyar, Beverly Brown, B.A. Cook, David Czahor, Jonathan Davis, Devin Day, Patrick Dykiert, Patrick Forney, Kier Gibson, Mary Herb, Amanda Jackson, Kevin Kennedy, Diane Krupski, Shyannah Lee, Michael Leonard, Sr., Gail Mahoney, Joe Mahoney, Sharon Maly-Cramer, Rob McLaughlin, Paul Miller, Anthony Nace, Michael Perez, Michal Peterson, Ann Pohlman, Robert Pohlman, Nancy Robilotta, Maria Rowe, Paul Shemansky, Michael Silvoy, Robert Smith, Al Stewart, Karen Strobel, Wayne, Strobel, Jeff Sullivan, Judy Summers, Gary Summers, Cindy Taliaferri, Robert Weseloh, Ray White, Oscar Woerlein, Linda Yeagel, Emily Zabriskie. Also present was Thomas Dirvonas, Solicitor.
- V. **APPROVAL OF AGENDA**

**ACTION BY THE BOARD:**

Motion was made by Robert Cooke to approve this agenda for March 12, 2012 (page 1) as submitted. Motion was seconded by Eileen Featherman and carried unanimously 7-0.

- VI. **ANNOUNCEMENT OF EXECUTIVE SESSION** -- An executive session was held this evening before this meeting for the purpose of discussing personnel, litigation and negotiations.

VII. **SUSPENSION OF RULES**

**ACTION BY THE BOARD:**

Motion was made by Robert Cooke to suspend the rules of the day to permit discussion of budgetary items to be presented by the administration or members of the Board and the public concerning review of the 2012-2013 budget and related fiscal issues without the necessity of a motion and second being previously made. Motion was seconded by Eileen Featherman and carried unanimously 7-0.

## VIII. PRESENTATION OF INFORMATION BY THE ADMINISTRATION

- A. Mrs. Laverdure stated I really don't have a formal presentation, but more of an update for some information we did not have at our last meeting. We have, at this time, 15 professional staff members that have indicated and sent their letter of intent to retire at the end of this school year. We have 7 support staff that have issued letters of intent to retire and we have 37 professional non-tenured professional staff members that could be furloughed because they are not tenured, various different categories across the board so we would have to look at programming to make sure how that would impact. We also have two administrators that have given their letters of intent as well. Just wanted to give you an update on where we are with staffing.

## IX. BOARD COMMENTS

- A. Mr. Searfoss stated that we have a packet that Mrs. Bader had given us at our last meeting for us to look at different items that she had and I'm hoping that most of us have reviewed them and we can have discussion on these items either singularly or in a group.
- B. Mrs. Featherman asked about Item #5-Reduce the EBTEP Health Insurance Contribution. Have we decided on what we are going to pay for that next year? Mrs. Bader stated, at this point, I don't see any savings in that area. She stated I have reported to the Board previously that we had increased our contribution by 12% and that was over a contribution this year of a 9% increase and I thought that perhaps that was being too aggressive but our results are coming in right around that area, so I don't think we're going to generate any savings there. Mrs. Bader stated healthcare costs are rising rapidly. Mrs. Featherman stated so it will be 12%? Mrs. Bader stated, yes.
- C. Mr. Meachem stated I would like to start out with Item #6-Reduce the Workers Comp Premium. We want to reduce the workers comp premium and we are looking at that as a potential savings of \$100,000. The first question that I have got for that area there is, how many workers compensation claims have we had in the last year and how does that rate over the last five years and what are these compensation claims resulting out of. Mrs. Bader asked are you looking for that information tonight, Mr. Meachem. Mr. Meachem stated, well, we were asked to look this over and I did. This is just one area. I have several questions. This is just a start on #6 and this is one of the areas we are looking at. I would like to know how we are reviewing the workers compensation claims and in my personal experience, I've had some experience in working with these types of claims. Do we have a malingerers committee? Mrs. Bader stated we have a safety committee. We meet once a month and we do review the claims, without names by building a position and the safety committee tries to make recommendations to the staff on additional trainings on behaviors that would be encouraged to promote safety. The reason I have recommended that there is a possible reduction there is because our safety efforts have resulted in a premium decrease and will we never know exactly what that is going to be until the premium comes in. We do believe our efforts have been fruitful and we will see something there. Mr. Searfoss asked, so this isn't just a thought, we have actually been in contact with them thinking our rates will go down because we have been doing better. Mrs. Bader stated yes, absolutely. Mr. Searfoss stated, thank you Mike, that's a question that I also had.
- D. Mr. Meachem stated now one of the things that I am absolutely going to resist is, what I am looking at in the presentations that have been offered to us, are for the most part the three areas that we always look at. Reduction in educational standards, furloughing the least senior people and raising taxes. For the most part in looking at this, we're pretty much in the same place. When you talk about with the negotiation with the professional staff on freezing their salaries, where are we with that? What discussions have we had with that? You see because what I understood from what I read in the paper, didn't the Governor expect that all those Act 93 people would forego their raises? So that's kind of a non-issue. We're putting that there. Negotiating the tuition reimbursement, have we actually sat down with the union and say, hey guys we don't want you to do this? When we're looking these things, I think we're kind of going around the bend again. What I'm looking for is things we haven't spoken about before. When are we going to talk about concretely about doing away with the in-district mileage program, because in the investigations that I have looked at; I am deeply concerned for our employees because the reporting process we are using is not up to snuff? Mr. Searfoss stated, before you go forward can I interject one thing. We received a letter on Friday from the professional staff union asking basically with a formality to move forward which speaks to Item #1—Negotiate Professional Staff Salary Freeze—One Year. Just so you are aware of that, I just received the letter and I need to answer her. Just so you know before you go further with your concerns. Mr. Meachem stated, that being said, do we have an update on Item #4 then?—Negotiate Support Staff Salary Freeze—One Year. He stated, being there was discussion on Item #1 that I didn't know about, negotiation with the support staff, has there been discussion on that

level? Mr. Searfoss stated I have not received anything. Mr. Meachem stated, okay, that is way I skipped down there. In light of talking about those things, there are other things that I would like to look at. Mrs. Laverdure stated, Mike, I think it would be fair to say, since we are in negotiations with support staff, they are basically on a freeze right now. Just so you are aware of that. Mr. Meachem stated, then for further update, I don't know where we are in that process and I'm embarrassed to say that, because I'm on the negotiations committee. Mrs. Laverdure stated that you do know where we are. Mr. Meachem stated that's just it, no I don't. So what we will do is visit with that offline. No I don't know where we are. He stated these are the sorts of things that we talk about all the time. When we are looking at the elimination of drivers education, that's an incendiary point. I mean we are a rural community. To take away an educational standard, let's talk about that last. Let's talk about things like the State approved bid list. We have had a lot of emailing back and forth on that. I've been on the site. When I click on there, I see that there are vendors, there are items that we order and I thought there was something wrong with me. There are no prices there. Do we know? Have we done a study to make sure that we are actually getting the best benefit for our dollar in the use of that list? Are we going back looking at those sorts of things? I've looked and heard speak about the vendors that we are working with and I have heard this terminology used on more than one time, they haven't increase their prices to us in a long while, so we feel we are okay. I don't think that's okay. I think that in these time where we have printed in the paper that we are going to take away activity buses and we're not going to buy textbooks, my question is have we gone back to all of our vendors and asked them to renegotiate. At this point, and I brought this up in the last public meeting, I think it is absolutely outrageous in this day and age that we are paying vendors to make Xerox copies for us. First of all, Xerox copies are borderline archaic and hundreds of dollars a month to several different vendors and those are just the ones I was able to identify. I think it would be worthwhile to invoke an immediate moratorium on any business services that go along with the cost of doing business and what happens is I have read several of our vendors' solicitations, when they write us, they are not asking us if we would like to review the contract and consider their increase, they are telling us that the price is going up. I'm suggesting that we write a letter telling them that we need to sit down with your because this is a time for your price to be going down. He stated those are the kind of things that I don't see here and that is kind of disturbing. Before I would think about eliminating any educational standards or furloughing any of those 37 non-tenured people, from an educational point of view, we are going into the most important time of the school year. We are going into our standardized testing cycle and whether we agree with it philosophically or not, the fact is this, we want our people on the top of game. We don't want them sitting home sleepless nights and thinking about am I one of those 37 people. I want to go through the vendor list and look at that because these are just simple things that we can look at and I have listed on more than one occasion and while I see it has been added in there as an after fact, In one instance here, I don't see where we are doing the due diligence on that level. We need to be examining every single vendor. I don't care how long standing they are and what is happening here is the standardized lists, from what I am looking at, and, again while there are those that have preconceived notions about attending conventions, I want you to understand that I have done a lot of legwork. There are more than 1800 vendors that are going to be at that convention and I have arranged appointments with close to 400 right now. My goal is to come back from there with a vendor list where we will not have to rely on State approved lists or consortiums because the fact is, we are dealing in a level of trust and I want to know that we are getting the best price for our dollar. Those are not the kinds of things that I see on the list this evening. Quite frankly, these are things that are going to send people into panic. At this point, we all know that we are working and looking at everything. To the 2 administrators and the 15 professionals who are retiring, I am hoping these are not our shining stars or our mentors but if they have decided the time is right for them, I am happy for them. I've got to think about the remaining staff and how we are running our buildings. At this point, we've got civil war going on, we've got people pitting against schools and what we want to do is look at all of our vendors and look at all of our contracts and if, in fact everything is on the table, those folks have got to be told, I appreciate the fact that you haven't raised your fees in three years but we need a 20% cut from you or else we may be forced into a position where we are going to have to go out and seek other out. When we speak about the RFPs we know that there was some sort of an issue where we are looking at different options in the form of an auditor. Where are we in that process? Mrs. Bader stated that we are putting together an RFP that will go out soon. Mr. Meachem stated I would definitely like to see that and not be a surprise but it is almost sixty days since we advised our current auditor that we are looking at, perhaps, different options. We've created a lot of furor, we have told people we're thinking about closing schools and not buying textbooks. I am willing to roll up my sleeves and play a role in that process too. We need to look at every single contract and, company on this side of the table notwithstanding, we need to look at all of our solicitors because I have looked and seen that we have a number of solicitors there and what happens is everyone knows that when employees get involved, the price tag goes up. These are things we need to think about. At this point we are saying that we are in a process with the support workers, a process where I don't know where we are but bottom line is we have a solicitor involved there and I'm sure we are paying him. Not only paying him but he is budgeted for next year. If in fact that budget amount goes away from next year, will that speed up the negotiation process? I don't think he is going to work for free. Those are the kinds of things I think we should be talking about rather than putting out a furor on whether we are going to take away a computer program. I can tell you, this week, I went to the ESU Computer Fair and I can tell you I will fight vociferously because I saw our kids North and South at the high school and middle school. They did a

phenomenal job and we shouldn't be talking about those kinds of programs when we've got solicitors charging us \$0.25 per page for Xerox copies. Those are the kinds of things we need to look at first.

- E. Mrs. Featherman stated, Mrs. Bader, I have a question on Item #3—Reduction in Staff Due to Salaries. She stated, since we now know definitely who is retiring, do we have a financial amount as to what we would be saving then? Is it still the \$1 million or has that changed. Mrs. Bader stated it would probably be more than that. No I don't have the amount. Mrs. Laverdure stated that those are letters of intent that the professional staff had to have in by March 1<sup>st</sup>. Their official letters are 60 days from the date of the last day of school which is June 6<sup>th</sup>. So they have to have that in by April 8, 2012. I am pretty comfortable and have spoken with a lot of them and that's the direction. Mrs. Featherman asked, so you think there will be more than \$1 million in savings then? Are we giving them or anyone else any incentives to retire at this time for those that have 35 years of experience? Mrs. Bader stated this is the last year in the teacher's contract for the retirement incentive. Mrs. Featherman stated that she has a comment on Item#7—Elimination of Behind the Wheel Drivers Education. I feel instead of eliminating the Drivers Ed that we could have a charge for the children because there's going to be a different way of the children getting their license and it's going to cost money all around. I feel that the families would have to contribute to that training instead of eliminating the whole program.
- F. Mr. Meachem stated I would like to follow up on that. I see we are looking into saving \$203,000 in salaries. I guess I'm looking to see, of the \$34 million that falls out of salaries and benefits, debt services and total objects 300-900 and that represents \$34 million in our budget. Of these 30 items, are these the only items within that \$34 million that we can find?
- G. Mr. Searfoss we talked about the team concept at the intermediate level. Do we even have an amount yet or close to an estimate of what that would be? Mrs. Laverdure stated we had some conflicting feelings on that. We were hoping for direction on that, if the Board would be in favor of that concept.
- H. Mr. Meachem stated if we were to eliminate the team teaching concept, Mrs. Duggins, what would we do because I have been here 11 eleven years and we have always had that in place. That means if we take that away, there is going to be an incredible learning curve throughout the district. Is that learning curve going to be cost free? If we take away the concept, first of all, at this point, the transition from the elementary to the middle school. I was ecstatic when my daughter left middle school and went to the high school because the last three weeks of the summer period, the phone is ringing, what team are you on? I thought that was healthy because it was reintegrating them to the education process because the summer was over and I know what team I am going to be on. If we take that away, there's going to be a steep acclimation period for all our staff and I can only see that as traumatization to our kids. So if we are taking that away, where are we going? Mrs. Duggins stated that the intermediate principals have begun to look at that and perhaps Mr. Dilliplane can speak a little more articulately about his initial findings if you would like to hear from him; however, if you do eliminate the team, you do have another period and we have to look at how we are going to fill that period as well. She stated, is the team concept very valuable to the intermediate school, absolutely. I attribute that to the success of our intermediate schools. It is a wonderful transition. Mr. Meachem stated, I think it is great, so therefore, if we take it away, that means that we've got to go through a learning curve on a lot of different levels where I understand Mr. Dilliplane has done some work. From what I understand, that learning curve is not going to be cost free. Mrs. Duggins stated we will still have to fill the periods of the day and do something with the students. We have to look at we do have to increase math and reading time. They are one of the smallest amounts in our intermediate schools for that but there will be others things that the students will have something to do during that period as well. Mr. Meachem stated I understand that fully, but what we have done this evening is put on the table, eliminating the team concept as a cost saving measure. Great, I'm not happy about that, fine. I want to know what are we going to be doing while we are saving all that money, if we are spending more money to save that money, it's a wash. Mrs. Duggins stated and that correct and it's one of the things that does take time to study that. Both principals have been working on that for probably the last month. Mrs. Lavedure stated I think Mr. Dilliplane can help with that but I think it might be more a junior high concept and if we could fill those gaps, Mrs. Duggins has been asking for math and reading time at the level specifically and that might lend itself to that model. Mr. Meachem stated are our math and reading teachers listed in that 37 non-tenured list. I'm saying you don't want to throw out the baby with the bathwater. Mrs. Laverdure stated exactly and that's why we have to look across the board to make sure and when you say are they a part of that, it doesn't mean that all 37 teachers but that is the TPEs that we do have in the district. Mr. Dilliplane stated, first of all, my comments are a result of a collaboration of myself and Mr. Burrus, so we got together. These are not just my ideas but we came up with together. Essentially, I too support the teaming concept. I love it and for the middle school, I think it is the way to go. I think we could do something I call a cooperative quasi-team concept whereby right now our teachers get a half hour lunch and two preps. One of those preps is for common planning time, i.e., you meet with your team. If you were to take away that common planning time, you have to ask yourself, where the kids are going to go; because typically, they went somewhere when they had common planning.

If you take away the common planning period, they remained with their core team. You would essentially be building in another instructional period which gives you more learning time. Now, the problem is going to be that you have specialists out there that still have a lunch and two preps which really isn't fair because your core teachers on the team now have one lunch and one prep. If you were to, with your specialists, take one of those preps away and use that let's say as a classroom coverage situation, you now even up core and specialist teachers. They all now have a lunch and a prep and you use that additional period with a specialist to cover classes which means you wouldn't have to pay per say for that coverage and you wouldn't need substitute teachers. Now the whole purpose behind this is two-fold. Number one, it eliminates getting rid of people, which I don't want to do. It also enables you to save a lot of money on coverages and substitutes. I should say three-fold because you maintain the team concept. You are not losing a team. You are just taking away the common planning. The kids are still going to go to the same group of people for all their core classes. It is an idea. I am motivated by the fact that I don't want to lose any of my staff, I am motivated by the fact that I like the team concept and by doing this, you might say if you're not losing any teachers, how you are going to save money. Well you are going to save money because you are not going to pay to cover all the classes and you're not paying for substitute teachers. Does everyone need to essentially need to roll up their sleeves and work harder, yeah but we are \$10 million in the hole, so something's got to give. Mrs. Laverdure stated that through attrition and future retirements, would that be an easy way to reduce staff as the years go on. Mr. Dilliplane stated, yes. Mr. Dilliplane stated I am willing to work on this further still and get you more detail but Mr. Burrus and I did meet and we went over a lot of these things and I think this is a viable solution because there is a lot of money spent on class coverages and substitutes. The kids are getting more instructional time, we are keeping our staff, we are reducing costs on coverages and at the same time, we still have the team concept. Mr. Searfoss stated, so you are modifying and updating the teaming concept, which I applaud you on that. I'd like to see more of that and I would like to see more numbers run with that. Mr. Meachem stated if I could ask Mrs. Bader, on the exact figures we spend annually on class coverages, particularly at the middle school level. Mrs. Bader stated we will get that figure for next time. Mr. Meachem stated please correct me if I'm wrong, because I've read through a lot of contracts, isn't the lunch and two preps contractual? Mrs. Laverdure stated, "No it is not". Mr. Searfoss stated one of the things I want to caution everyone who is sitting up here is everything has some sort of value to it. We wouldn't be doing it if it did not, from a maintenance man who vacuums the floor to the Superintendent herself. Everything on this list has value. If you're looking at it and saying, what is going to hurt the least, what is going to impact the least and sometimes when you're looking at it the result isn't that something's been cut but in this case, something winds up being modified and winds up being a savings. So if we sit here and say I like that vacuum cleaner it works really well, I'm not going to do anything different, you're not going to cut and we'll still be \$10 million in the hole so we have to seriously look at a lot of things and decide where we want to go on things.

- I. Mrs. James stated my question is directed to Mrs. Laverdure, is Item #14—Return to ½ Day Kindergarten. Are there any statistics that would prove that that would be beneficial? It seems to me we are going backward. Mrs. Laverdure stated that there is a study at Lehigh right now that Pleasant Valley is part of because they never went to full day kindergarten that says there is no significant difference; however, there are studies at other major institutions that says there is a significant difference, so if you want me to find something that is absolutely yes or no, you are going to see both sides of it. It goes both ways. That's a more philosophical decision for the Board.
- J. Mr. Meachem stated there's another Item on this list that I asked about several weeks ago. If I'm not mistaken, all of the Board members received this as a result of this request. For the 2011-2012 year, right now, I've got a document in front of me that I got before you all did. We have \$486,000 in open purchase orders. That is outrageous and what happens is what I'm looking at this, there are areas where I see certain vendors and the people are managing them at the school level and I'm going to leave that alone. When I see that we've got, and I'm just doing this alphabetically and going through the list I've seen. If I take off the list things that are being managed by the departments in the schools, which is fine but when I get to Banks Vacuums and there are \$19,000 in open purchase orders there, Mr. Williams, what's happening to our vacuum cleaners? Mr. Williams stated that we fix most of our vacuum cleaners buy we try to anticipate when they phase out and the type that they use are long lasting but this is a year where we will probably be needing a few. They're outliving their life expectancy. Mr. Meachem stated if we say to you that the long standing sturdy vacuum cleaners, instead of this \$19,000, how about I said to you I will give you \$1,900 and again we can bank the rest of that. Those are the kinds of things we need to look at. When I look through here and another thing I am looking at is the purchase orders are already laid out but they're the same charge center. I've got a little experience in auditing and those are the kinds of things I would encourage people not to do for a myriad of reasons, good and bad but I'm saying \$19,000, hey, cut that down to \$1,900 and we will go from there. If we are trimming everywhere we possibly can, in the event there is some sort of a disaster, we will say that but these open and multiple open purchase orders with the same vendors, these are the sort of cost items that we want to look at. Now I understand that in our wood shops, there are certain vendors that we are comfortable working with but, you know what, if we sit down with those department heads and say to them I looked at \$26,000 in open purchase orders and here's what we are going to do. We are going to cut that down to \$5,000. Look I told him we are going from \$19,000

to \$1,900 and he seems okay. Those are the kinds of thing I think that before we start, first of all, my head is still throbbing over Item #9—Elimination of Grades 6-10 Science & Math Textbooks. We are not buying textbooks? Oh no, I'm saying I can trade that off against the \$31,000 in Friedman Electric. So here's what we're going to do. We will take that \$31,000 and make it \$3,100 and guess what, we are well on our way to buying books. I mean that's the way things are supposed to be done. One thing that disturbs me is \$486,000 in open purchase orders was never even mentioned here. I'm saying that we all deserve better than that. There was a time here and we all are around long enough to know where you don't see only two or three people out here. They are all looking for answers and I am saying that we are not offering credible answers. Debating the elimination of activity buses, there's a whole spectrum of people here who depend on those activity buses that aren't even represented here tonight. We just talked about it 10 minutes ago. There are a lot of people who still don't have a clue. Putting that on the list and leaving things like these open purchase orders, the vendors contracts and State approved bid list, you know maybe it is time for us to approve the bid list. Mr. Searfoss stated, well Mike, while appreciate where you're going, I think you're actually being draconian with that and I'm going to use the vacuums and the Friedman Electric for examples since you brought them up. There is one thing in saying we need to cut you down and instead of 8 vacuums you're buying seven but once you stop buying cleaning materials and you stop buying light bulbs, what becomes of our buildings. There is a certain amount of upkeep and maintenance that is required on our buildings that we need to purchase things for. You wind up getting what I believe was called your broken window theory. A factory that sits empty for years and it is fine and then you get someone that breaks one window. Before you know it every window is broken because you can do it. So if you stop replacing one light bulb, vacuuming one floor or cleaning one hallway your buildings start to deteriorate and then the facilities committee is coming back to us saying they need to replace things. So although I agree with you that we should look at the open purchase orders for cuts, but we just can't cut everything by moving the decimal point over or we're going to have buildings that are falling apart around us. Mr. Meachem stated, okay, I will agree with you but what's happening is this has gone untouched. Mr. Searfoss stated we're not going to get \$10 million from that. Mr. Meachem stated you take care of those pennies and those dollars will follow. Mr. Searfoss stated correct you may save something on this list. Mr. Meachem stated but what other things have I not found. We talk about the insurance policy, we need to look at a lot of things here and maybe think about shifting some of the positions around because there are positions that were created when we were booming and right now, we're not. I would like to very much speak to people about re-shifting their positions because I would rather re-shift the position than put them on a list for cuts. What do our people in payroll do, they print out seniority lists all day long and we just don't want to get to that point. Mrs. Laverdure stated can I speak to the science and math textbooks. I can't speak for 6, 7 and 8 grade but I can speak that I personally investigated the 9<sup>th</sup> and 10<sup>th</sup> grade level. The science department chair was not anticipating getting new textbooks nor was the math department chair. So, I felt very comfortable if that remained on this list. I do need to go back to the intermediate level and investigate that more thoroughly. Mr. Meachem stated, so you're saying that at 9<sup>th</sup> and 10<sup>th</sup> that they have means by which to deal with it different. Mrs. Laverdure stated yes, I spoke to both Mrs. Heather Skeldon, the science department person and Mr. Wayne Carson in the math department. Mr. Searfoss stated, if you could clarify, Mrs. Laverdure, when you put something like that on there does it mean we are going to be short textbooks? I know the Board said year's ago that we want every child to have a textbook. Mrs. Laverdure stated no we will not be short. Plus it means they have the availability to take home if they prefer. Mr. Meachem stated

- K. Mrs. Featherman asked are the reductions in the graduation credits going to be put in place for next year. Mrs. Laverdure stated that Mrs. Duggins can speak to that. She just got a call from PDE. That's something you have to go through the State on. Would you like to speak on that Mrs. Duggins? Mrs. Duggins stated yes, I have been contacting PDE and had the opportunity today to speak to them and we are obligated to either with stand-alone classes or through integration, we need to integrate and address 13 standard areas, so many of these, with given time, we could phase in and go back to what do we want to cut out so that we reach all the standards but we cannot eliminate them all in one year. Mrs. Laverdure stated, so you're can phase it in but it won't happen next year. Mrs. Duggins stated, correct. It's something that we can go back and say we can look at the standards and what we have to integrate what we can move into the 8th grade so that they don't have to do as much at the high school and how do we shift which is something that we have already begun to talk about. Mrs. Featherman stated, so we have to eliminate that as a savings then? Mrs. Duggins stated it would have to be a phase in and that would have to start with next year's incoming freshman class.
- L. Mr. Searfoss stated if we could talk about Item #27—Postpone ITEC Replacement Plan and the effect that is going to have. Mr. Meachem stated, I thought about that. If we postpone #27 how is that going to impact your plans? Mr. Borosh stated that it would delay purchasing out from 4 years to 5 years and in some schools six. So, we will stretch the leases out in terms of years. It won't be typically 4 year leases, so that 5<sup>th</sup> year will be a savings; however, the maintenance costs are going to go up. For 4 years you have students and they get used very well but by the end of 4 years they are ready to be replaced at the elementary levels at Middle Smithfield, at the 5 year level, they were hurting. Can we get by, absolutely, but it's going to take a little more money to keep them that extra year. Mr.

Meachem stated I am concerned about the bidding process. Did we get those through a consortium, did we get that through some sort of a State list and did we actually do our own in-house diligence to make sure that we are getting that best possible price? Mr. Borosh stated that Apple Computers we got through the Chester County joint purchasing bid. That is the State pricing for Apple as opposed to getting it from Apple Education, like you see their on-line pricing. Mr. Meachem stated but I am saying we can go beyond that on-line place pricing. I understand on-line pricing. Mr. Borosh stated if you compared it with Apple Education store you get it through the IU. The IU has a Statewide consortium price. Apple is its own entity. There is no one that is going to bid against them. Everything comes from there. As far as the other equipment, we looked at Dell pricing and HP pricing and we went with HP because HP was lower and we got that off the Costars pricelist.

- M. Mr. Searfoss stated Item #25—Offering Clubs and intramurals on a semester basis. He stated can you please speak to that. Mrs. Laverdure stated rather than eliminating all clubs and intramurals, if you only offer half one semester and the other, by not having it all year long, we felt that students would still be able to participate, and perhaps it may even put more numbers into those clubs as well.
- N. Mrs. Featherman stated can I address the fund balance. I understand that we should keep at least \$8 million in our fund balance and where do we stand. Are we going to maintain that amount? Mrs. Bader asked where she meant for this year ending June 30, 2012. Mrs. Featherman stated, yes. We have a budgeted use of fund balance of \$1.6 million dollars that was set aside of the \$8.8 million. Mrs. Featherman stated is that Item #28—Elimination of Capital Reserve Transfer? Mrs. Bader stated the capital reserve transfer is the general fund, funding the capital reserve fund in the amount of \$1 million. That's just a placeholder. The projects are determined this school year for next school year. They haven't been determined yet. If we don't do that, we could use some of our fund balance instead, we could just reduce the amount of projects for the money that we currently have in capital reserve or we could use savings that we have from the refinancing this year and we have, if I could remember off the top of my head, we have approximately \$560,000 in savings from refinancing this current school year that we could transfer and then just limit ourselves to that amount. We did do that from last year to this year. Mrs. Featherman asked if that could be used toward the \$10 million. Mrs. Bader stated, absolutely.
- O. Mr. Meachem stated, speaking of capital reserve and I don't get out to the facilities meetings and I got in one of my briefs, the accounting for the 2010-2011 year and the 2011-2012 year and there is something that I didn't understand there. It seemed as though in certain areas, in certain projects, there was still a considerable amount open from 2010-2011. From a bookkeeping point of view, how does that happen? If you had a capital reserve in 2010-2011 on July 31<sup>st</sup> of that year, if that money is not used, it goes back into the general fund to the next year. Mrs. Bader stated, no, that never happens. Once money is in the capital reserve, it cannot be transferred to the general fund. They are two separate funds. Mr. Meachem stated, then at this point, anything that remains open other than the 2011-2012 year, I establish a moratorium and figure out how to return that money because that project, if it didn't get finished then, needs to stop. At this point, you've got to finish one thing before you go on to another. We've got an enormous shortfall and I see that there are a number of projects, there was one project from 2010-2011 that still has \$278,000 in an open purchase order. He stated, how? Mrs. Bader stated it may not be an open purchase order, it may just be that the budgetary amount that was set aside for that project, either the project wasn't done or the item was overestimated for some reason is still sitting there. That fund doesn't close out. That's totally separate from the general fund. Mr. Meachem stated why then is that capital reserve money for 2010-2011 not been transferred over to capital reserve for 2011-2012? Mrs. Bader stated, because we didn't fund the capital reserve fund for the 2011-2012 school year. That was set at zero just like what we anticipated doing this year. What we did do is transfer money from the budgetary savings from the 2010-2011 school year refinancing and it was approximately \$764,000. It wasn't the placeholder like we are talking about here. The Board approved the transaction to transfer, when a homeowner refinances their home and they have savings because they got a lower interest rate, that is exactly what happened in the 2010-2011 school year and though those savings were transferred to the capital reserve fund, to give us relief in the 2011-2012 school year. Mr. Meachem stated I don't even begin to understand that, I just don't. I looked at the numbers, it is there, and it wasn't used. If that money was there and it was not used and that project was not completed and here we are almost a year later and we are facing an \$10 million shortfall, you're telling me we can't shift something around to use that or deal with that because that money was allocated for something. And again, that project, cause I looked at it, it had purchase order numbers there, it had a dollar amount for the purchase and it showed how much was used and how much remained. Mrs. Bader stated you asked me if it could be shifted to the general fund and it cannot. Mr. Meachem stated, I know you made that clear and I understand that. Mrs. Bader stated if the Board decided to not do that project, that's fine if you decide not to do something, then that will free that up. Mr. Meachem stated that those are the kinds of things that should be here and I would like to make the suggestion that we do that. Mrs. Bader stated that everybody thinks their project is important in all the buildings. Mr. Gress stated I think we need to look at the list of projects that we have for the committee for the building and grounds because most of the things are tied to some projects somewhere on the buildings and grounds committee which we do monthly and we do go over this and it is

there, this type of project whether it is a roof at the field house or sidewalks at JTL. There is a whole list that haven't been done yet that we put off because we were bidding things and some other things which are reserved for that specific project but the Board has already approved those projects to be done. The concern I have going over this list is we're hop skipping and jumping around this whole thing and we're leaving some and whether or not we go down the list or how we want to this because it's number 1, number 27, number 22 and whether we do it before or listen to the public first. Why don't we just go down the list? I think some of these have some of the number of students involved and some of the activities whether it be the activity buses so we know the numbers of them, the number of children involved in the athletic programs, the number who take the activity buses from which school and how many there are because they are used. I was at a meeting on Saturday, some people wanted this, some people wanted that, and everybody wants everything and the fact is its going to be a tough decision to make and we're going to be using the fund balance to balance the budget or other things there. But as we do down this list, we are going to be missing some things and we should start at the top and go down or stop hopping around or we are going to be missing some things. The same thing with the clubs, how many people, the consolidation of the bus runs, the savings on them and some are no brainers if you could save energy costs due to savings that's fine. We should probably look at turning lights off in buildings at night which hasn't been brought up and some other things will add to that savings. Not replacing retirees which we have been doing for the last 3-5 years we should continue that. It's a very simple process. Of course that number will become better, on target, as we get closer to the end of the year. Mrs. James asked what difference does it make, how many involved in it if it is something that we need to do to save money for the district. Mr. Gress stated the main reason is to see if we could have one activity bus instead of two. Some of the activity buses are filled up North. I was talking to a coach up North and if you get rid of the activity buses up North, you might as well pack up all the programs because the kids, there's nobody. Can we have one activity bus? Again, I am just throwing that out to see what is the number on the buses? Mrs. James stated, I think that is a valid point because I've heard some people say they see an activity bus with one student on it and that's when they really get upset. Mr. Gress stated you see at the high school now at 5:30, they are packed. There are no seats on those buses some days. It depends, again just so we know those numbers and the ramifications of that but up North, here in town, or at JM Hill a lot of the kids walk home. They don't take the activity bus. Up North, they can't walk, it is just not possible. Again, I am just going by some of the information here and what number are we talking about.

- P. Mr. Searfoss stated, point taken Bob, what I would like to do, I've been checking on what we've talked about and I think we should start at Item #8 and go down each and every one of these that we haven't done and we can get feedback or discussion or whatever we have for the Superintendent or administration. Item #8 is the Elimination of Intermediate Level Athletics.
- Q. Mr. Bradley stated, before you get to that, there is one thing that I've been going over objectively since we've been sitting. There is nowhere in here any mention in here on the amount of money that we have been spending on legal fees. I am just looking at a rough estimate of \$355,000. Sitting here listening to elimination on buses and elimination of teachers, why is it and hasn't the question of legal fees come into play because it seems like I have missed my profession. The bottom line is that this is a runaway train and it is a gravy train for certain individuals and I would like to know where this money has gone and what reason and what legal fees... Mr. Searfoss stated so what your saying is when the lawyers get involved it is always expensive but I don't think that we are out of line asking the Superintendent or the Business Office to give us an overview of our legal expense and where it goes and what it is for, I don't think that that is unreasonable. Mr. Bradley stated that this does not give me an accurate breakdown and I would like to know how much money was spent last year and how much we spent this year and for what. Mr. Searfoss stated that you are not going to get that tonight sitting here because this will take time to compile but I will have administration put that together in all of our Board packets and we will look it over and make an informed decision. Mr. Bradley stated I believe I, as well as my fellow members of the Board and the public deserve to know as well. Mrs. Laverdure stated we can give you a breakdown as to the cost of legal fees, however, and maybe for the purpose of it had to do with negotiations but that is the extent of what you will get of the breakdown information. We have done extensive research... Mr. Bradley asked where does the cost of advice come in. I need a breakdown. Mrs. Laverdure stated we can give consultation but specifics are going to be difficult because of the confidentiality. There are names in a lot of the billings that we can't give you. We would have to redact information. Mr. Bradley stated I am not interested in the names, what I am concerned about is why are these legal fees being incurred. Mr. Meachem stated on the level of, and I go back to what I stated last month, there is some sort of a legal conversation going on concerning the Middle Smithfield Elementary School and it has been going on for quite some time. Now, whether we can discuss it in the open or not, the thing I can say is, there was a \$500 conference call. I am entitled to some details and the people are entitled to some detail but if I can't have them that's okay, but what I say as a Board member is that we cap the conferences. Your legal telephone conferences can be \$50 period. The instant that you hit \$50, we need to be approved. If you had to come back to the Board to get approval, I'd have a feeling you'd start hanging up those phones. I mean it very simple. I bought my daughter one of those pre-paid phones. I told her, when you run out of minutes, it stops working and if that time has passed, you won't be on the phone. You know what? She hasn't run



out of minutes once. Mr. Searfoss stated, when it comes to legal, don't be pennywise and pound foolish. Mr. Meachem stated, don't be a drunken sailor. Mr. Searfoss stated, the Porter Township initiative, we tell our lawyer your minutes just ran out are we to tell them not to send someone to a hearing or talk to you about what's going on in a legal... Mr. Meachem stated if you're minutes just ran out, you would make an informed decision. There are those members of the public that feel that if they want to go, let them go. Mr. Searfoss stated that will cost you in the long run. The Superintendent will get us what is there. Unfortunately, those are some of the things were you need a lawyer involved and they don't work cheap. Back to Item # 8 that Mrs. Featherman wanted to discuss.

- R. Mrs. Featherman stated I would like address Item #8. I think we should look into how many children are playing the intermediate athletics and the supplies, maybe if they bought their own shorts and tops kind of thing. Maybe we wouldn't have to eliminate the intermediate level activities. The salary for coaches is only \$83,000. Mr. Meachem stated I think I saw Mr. Brown here tonight. Mr. Brown can you give me a for instance. What are we spending \$248,000 on that they are talking about taking away at the intermediate level. What kind of an impact will that be? Mr. Brown stated, to answer your questions Mr. Meachem, athletics has grown significantly in participation over the last 5-8 years; however, the amount of money that we have spent on athletics has been decreased significantly to the tune of maybe \$100,000 less over the last five years. In those five years, the size of our intermediate athletics program has essentially doubled. We had people submit about seven or eight years ago, petitions to the Board of Education asking to establish a number of sports where we didn't offer them, especially in the spring. The Board of Education studies and those sports were added about five years ago and I think that some of the issues that had been experienced in our middle schools have dropped off drastically over the last few years because of the fact that we are meeting kids' needs in middle school sports. To answer your question about what we are doing, Mrs. Featherman, I believe she said only \$83,000 I believe is all of the salaries of the coaches for I believe is 11 schools sports at each school. Mr. Meachem stated, she said perhaps we can get the parents to pay toward the \$248,000 in supplies. I'm just curious what kind of supplies and you're telling me that we reduced the amount; but what kind of supplies are we buying. Mr. Brown stated that every five year or so we buy uniforms. The supplies are sports specific it really depends on the sport. Football is quite frankly a very expensive sport for a number of reasons, not the least of which is the equipment is required to be inspected every year, such as helmets and shoulder pads and so forth. Much of the equipment that is purchased, especially at the middle school level, is consumables, things that wear out and have to be replaced. Mr. Meachem stated, let me ask you this, if I dovetail onto what she said, what type of reaction do you think you would get from a parent if we said to them, because we are trying to save this program this year, what we are going to ask you to do is to bring your helmet that we want to inspect for worthiness. I'm trying to figure out how to save this. Mr. Brown stated that is just not possible. Mrs. Laverdure stated maybe socks but not a helmet. Mr. Gress stated the only thing I think we can do is a pay to play type of thing where you have a set fee for an activity fee for kids to play and go from there. The only problem with it is as long as no one gets a break. Before long this one needs a break, that one needs a break and before you know  $\frac{3}{4}$  of people get a break. That's why we need to know how many people are involved in these things, you do the numbers and if it is \$50 a head or something like that as an activity fee to cover sports, again nobody gets a free ride. Some people may not like it. You go down to the high school and most people have cell phones and middle school too. Again, I am not a big fan of pay to play that is the only way. Nobody gets a break or you apply it to PSSAs. If you really want to have fun with it, if you pass that thing, then you do get the free ride or you get a discount. Let's award students. At the high school level it's a \$100 to participate and if you pass your PSSAs, then guess what, you don't pay. That way you are rewarding the kids that are athletes and students. I mentioned this to Sharon at her thing on Saturday and is it fair? Well, yeah. Again with the activity buses, if someone has to contribute to activity buses, then that is how we save that. It may not be a lot but a couple of bucks to contribute and we know the kids are going to use it and they are going to be there. Again, how do you go about keeping things and minimize the tax increase while keeping the programs that everyone wants to have and somehow you save things? I know some families cannot afford it and they have multiple kids that can't afford, so what do you do there? Is there the booster club that can kick in possibly? That is something for further discussion. Mr. Searfoss stated, one thing if you do that Mr. Gress, if you want to see the real value of it. I will use the activity bus for example. If there is a fee to use that and all of a sudden you see nobody wants to pay that and they start driving their own kids or they start carpooling and they become efficient, then it shows you the value of that. You may not be far off on that.
- S. Mr. Searfoss stated, you might as well stay there, Mr. Brown, because the next item on the list that wasn't covered is #15—Elimination of Freshman Coaching of Football & Basketball. Mrs. Laverdure stated, assimilating those students into the JV program. Mr. Searfoss stated is that possible? Mr. Brown stated, I suppose that is possible. Mr. Searfoss stated, so that is almost a give me savings there. Mr. Brown stated, personally my opinion, I believe that it is nickels and dimes and I believe it is money well spent for middle school sports and freshman sports. This is the time in kids' lives where in many ways they can go either way and I think, for the small amount of money that we are talking here, the benefits tremendously outweigh the cost savings. For example, when you've got 7<sup>th</sup>, 8<sup>th</sup> or 9<sup>th</sup> grade kids with coaches following them around saying, get yourself to school every day, bring your grades up, pass your

classes, stay out of trouble, be respectful of your teachers and so forth, that has an effect that permeates just about everything that we are doing here. Mr. Searfoss stated that just might fall under what we discussed before with what Mr. Gress brought up. Mr. Brown stated that would be my recommendation and that would be my strong belief having been involved in East Stroudsburg athletics for almost 36 years.

- T. Mr. Searfoss stated we will skip over Item #17 and #18. Item #19—Removal of Teacher on Special Assignment/Dean of Students at ESE, HSS, or HSN. Approximately \$300,000 savings there. Mr. Meachem stated I have a question about that. I was always led to understand that the teacher on special assignment was just receiving a dollar stipend to their salary. The way that I am looking at this, if we are looking at just those three schools, it looks like you are just eliminating those three positions when in fact, if you take away the special assignment, they still remain as teachers and they were appointed in those buildings. So why is this number so high? Mrs. Bader stated that the number you see here are from the previously appointed Assistant Principals. When you do move a teacher in on special assignment, they do get a stipend to cover the cost of doing assistant principal duties. They are back filled. Mr. Meachem stated, wait a minute. The one thing I understood if you have a teacher on special assignment as an assistant principal, they cannot perform evaluations. Mrs. Laverdure stated that is correct. Mr. Meachem stated, again, why is this number so high. Mrs. Bader stated this is just a placeholder for the previous administrator that was there because at the time the budget was prepared, we did not know that the position were not going to be filled by permanent people. Mr. Meachem stated, now I am going to make a suggestion that I am sure is going to come close to a couple of toes, but I would like to save the village. The concept of being a teacher on special assignment is an important one for the service of the school but it is also an important assignment in that they are being given a life experience in a specific area and I would think that in this accord, we can eliminate this whole process and keep the program by selecting people who are going to get something from the post and they'd rather keep their position than the \$30 per day stipend. This is a placeholder and these numbers are not even here, they are not even real. We are talking about the actual assignment in that they're acting as an assistant principal, what we want to do is make sure we hold those posts or we keep them. Mrs. Bader stated there is also there is the long-term sub that gets backfilled in for them. Mr. Meachem stated that I don't see that here. Mrs. Bader stated but we do have to budget for that and this is how we do that. There is a budgetary savings but between the salary and the backfill, this is where we get that. Mr. Meachem stated then, present it in that context, and it kills me to say that but put them back in the classroom to save that money. Mr. Gress stated, let's see the numbers. I appreciate what these people are doing but again, to get to \$10 million, something has got to give. We can get some money from purchase orders and we can get some money from attorney fees but something has got to give. The numbers at the North are dropping drastically. They are going to be at 1200 and historically it has been at 1500. 500 per assistant and that is what it has been. High School South is still there, it is still 1400 and change so, even if it is one and you shift that person between North and South to help out because of the numbers, it needs to be talked about. I haven't from Steve Zall; he was supposed to get back to us with information. I've talked to Mike Catrillo and Mrs. Livingston did. At the elementary, again, Adam Cole does a great job but when we are eliminating things, something has got to give. Mrs. Laverdure stated that maybe there could be more of a blended accommodation where the classroom teacher may teacher a block and spend a block in the office. Mr. Gress stated whichever, I know some days they need help but when we are talking about eliminating things. Again, whether it is one activity bus instead of two, not everybody is going to be happy. Whether it is a partial pay to play of \$20 bucks or \$50 that's a couple of hundred thousand that you get, so all this adds up. The other suggestions coming around of \$100,000 here or there and the next thing you know and we do take a couple of hundred from the fund balance, so all this adds up and it is not as painful and so on. Again, I don't want to see the long-term subs losing their positions but they were hired knowing it was a long-term sub positions for teachers on special assignment. They don't have a niche or something where they could get into something where somebody does retire and it is some specialty that is needed. Mrs. Featherman asked are there any other assistant principals at ESE? Mrs. Laverdure stated, no. Remember that Smithfield Elementary is sharing with JTL three positions, two assistants and one principal. We are rotating those assistant principals through Smithfield as well. Mrs. Featherman asked is it a half position for ESE? Mrs. Laverdure stated ESE has a teacher on special assignment. They had an assistant principal there. When she left, we brought Mr. Cole on board because of the numbers. She was over 800 at that point. She is down to about 783. Mrs. Featherman asked so she has a half-time assistant principal. Mrs. Laverdure stated it is not an assistant principal, it is a teacher on special assignment full-time and we have a LTS holding his position. Mrs. Featherman asked how many assistant principals at HS North. Mrs. Laverdure stated we have two assistant principals and a Dean of Students. Mrs. Featherman asked about HS South. Mrs. Laverdure stated we have two assistant principals and a Dean of Students at South. Mr. Bradley asked in reference to ESE, what is the status on this individual? Mrs. Laverdure stated that person is a teacher on special assignment that assists with discipline, family referrals. That person is not to do teacher evaluations, so primarily, Mrs. Livingston does the teacher evaluation stuff and Mr. Cole helps with the busing and activities and those kinds of things. Mr. Bradley stated from what I'm reading here he also handles the interactions with students and discipline problems? Mrs. Laverdure stated, yes. Mr. Bradley stated is there anyone that he should be replaced that has his qualifications? Mrs. Laverdure stated that any teacher can be a teacher on special assignment. He is not an administrator. Mr. Bradley stated not every teacher can handle

students when it comes to a disciplinary nature. Mrs. Laverdure stated they handle disciplinary issues every day in the classroom. I think it is important to say that. The issue is, and Mr. Cole does a great job, everything that he does, he assists Mrs. Livingston with what she has building principal. He cannot evaluate teachers. That's the only thing.

- U. Mr. Searfoss stated, Item #21—Elimination of the Block Scheduling. Have we determined anything with researching on that? Mrs. Laverdure stated that Mrs. Duggins has been working with the high school principals I know. Mrs. Duggins stated we are still in the process of doing that. We have actually been working on it for the past two years. We are looking at different options for the scheduling as well and at the same time that this other has come to pass, we are also looking at graduation requirements and whether we are going to phase back on those or phase them out over time. So there are many decisions that we need to make and it is a process that will take some time. Mr. Meachem stated, again I raise the issue as I did before, if you do away with block scheduling, the way I see it and the way I understand it, you are going to need more teachers. Mrs. Duggins stated it could be and that is way it cannot be done in conjunction without reducing credits. It has to be a two-fold process. We cannot continue to say 28 credits. The advantage to reducing the credits puts us more in competition with our cyber schools, where we are losing a number of students and their requirement for graduation is 21 credits. In essence, they are staying with us one additional year and that is not very motivating for students that want to graduate early. There are advantages and disadvantages and we are trying to study all options. Mr. Gress asked this question the other day, is it possible to have a two-tier graduation for cyber and regular credits in the district where you still allow the cyber kids to graduate with 21 or 23 credits rather than 28 credits and if not, why not, cause that will solve that issue where parents and kids want to get out of the high school sooner and again, at Sharon's meeting on Saturday where someone had brought that up, if not could we look into the possibly which would allow us to save money and attract those kids back into our own school. Give them the opportunity so that we get the kid in and get more the money we are looking for from the State. Can we look at that? Mrs. Duggins stated we can look into it. I think you have the idea of equity and I don't know if we want to encourage students to do something because... Mr. Gress stated I don't want to say you don't want to go to college because your BA or BS and one is higher than the other because you took the extra credits but you get your degree, whatever it might be. Again, if everything is on the table and you can't do it for some reason that's fine but if there was some way to do it to save some money? Mr. Searfoss stated it is outside the box and we can do it? Mr. Gress stated we talked about it on Saturday and I thought I'd just throw it out there. Mrs. Duggins stated we will certainly explore that option as well.
- V. Mr. Searfoss stated Item #24—Elimination of Computer Science teachers at the Intermediate level (reduction of two teachers). In the cyber, electronic world that we live in, what kind of an impact that's going to have on the education standards. Mrs. Laverdure stated that is huge and that is what Mr. Meachem spoke about earlier. We have gotten numerous letters about that. Mr. Gress stated you see what these people do and the affect is and that whole process and technology is the future.
- W. Mr. Searfoss stated Item #26—All ESASD student attending MCTI will be located at HS South. Have we figured anything out? Mrs. Laverdure stated that Mrs. Dietz was researching that with the kids and I kind of have brainstormed, maybe two years ago, two athletes that it would have impacted. Their home school, they would have to compete at their home school. The reason that we that if we had the MCTI kids, first of all it is going to give them more instructional time because they would not be on the road quite as long. The second thing that it may impact is if they could share staffing which means if we need less staff at North, we could shift them to South or assimilate them into classes, so there could be a cost savings there. I am more concerned with enticing more students to get into MCTI because one of the biggest complaints is that they are on the road so much and missing so much instructional time. It is difficult. The more children we have in MCTI, we have x number of positions or spots then we are using them more efficient. Mr. Meachem stated, I can understand a part of that thinking and a part of that thinking and I can tell you that that is not a discussion you should be having with the children. It is a discussion that you need to be having with the parents. I can tell you that dependent upon how that is received, that's a feast or famine. Either your numbers will go up or down. I would tend to think they would go down because how will they be on the road less time. How are you going to get them...? Mrs. Laverdure stated during the school day because we would pick them up at their house. Mr. Meachem stated therefore, there is additional transportation cost there but there is a whole different continuum to look at there. That is not an evaluation that a child should be making. It is not even a deal that should be pitched to a kid. If, in fact, we were doing a better job pitching MCTI, the kids would already be in it so, what happens is you're telling them that they have move to a different area, even though you live in this area, you are going to go to school in a different area where in your leisure time the kids you are going to school with are not necessarily going to be the people you are mixing with and what happens is that high school is a special time. Mrs. Laverdure stated it is a special time and a lot of the MCTI kids really hang together. They do a lot of things together. It's just something that we thought we would look at a little different. I do need to say that it was brought up at our last MCTI meeting that our guidance counselors have done a really good job of pitching MCTI to the students. One of the biggest complaints is the distance and the bus ride that they have from the northern tier. That's pretty much it

across the board. Mr. Searfoss stated that the idea is different. It is outside the box and I think it does deserve to be looked at because after all its their education and if a better vo-tech education that we are thinking about, I would hate to see someone that is not going there because of the distance and the bus ride there and the time during the day if it is an easy fix. It may work and it may not. Mr. Gress stated we will bring it up Monday night. The good news is, is that formula will change but it will not be next year but the following. It doesn't save us the \$250,000 in 2012-2013 but it will save us the following year. So while this can be looked at for future years, the savings we will see by formula change. Mrs. Laverdure stated, hopefully, the other districts will be fine. Mr. Gress stated we will over time but we will see what happens from there. We will talk about it on Monday night.

- X. Mr. Searfoss stated the last thing on our list is Item #29—Consolidation of bus runs for grades 6-12. It looks like a \$700,000 savings there. Mr. Meachem stated that one of the things I noticed, and I don't remember if it was in the Board Briefs or what, wasn't there some sort of request made for the purchase of some sort of software to work on the actual route consolidation/mapping? Mrs. Holcomb stated that Mr. Forsyth put out some type of RFP. Ours does it but not as fast. They think there is something better there. Mr. Meachem stated I would like to look at that and discuss that before we even, again, we are trying to trim the budget and not spend more. There are a lot of people that have come forward and said they have an expertise in the routing process and again, living north of Municipal Drive, there are constant ongoing discussions about the routes, how they are done, the time on that. I think it is something we want to look at but the whole idea of that 6-12 consolidation makes me, if we can make what we have efficient already, if we have a plan in process to pull out and look at and route where we are before we purchase a software program. Mrs. Laverdure stated what this would do is, it wouldn't be across the board. Where you have, let's say Saw Creek, you have 200 students waiting to pick up buses, you wouldn't co-mingle the 6-12 in a situation like that. What this would do is, if you have a middle school bus going down a road and a high school bus going down that same road five minutes apart, you would put them together 6-12 on that one bus, eliminating two buses going down that same road. Mr. Meachem stated by my question is, and I understand the example you are using in Saw Creek, but don't two buses that come out of Saw Creek come out full. Mrs. Laverdure stated, yes absolutely and we wouldn't co-mingle those students 6-12. We wouldn't need to. It is only when we need to utilize two buses going down the same road 10 minutes apart, that's not necessary. We should be able to put 6-12 together, they hang out together all the time anyway, put them together on a bus and have one bus not two. Mr. Gress stated certain one you are not going to change. All you have to do is go to the middle school and see the bus half empty in the morning and the high school bus is half empty in the morning. In my neighborhood by Lyons Street, the buses at 6:58 and 7:03 the kids are waiting at the same time for both buses. Mr. Searfoss stated it looks like they have done some research because it says that they can eliminate six 72 passenger buses by doing this. So that is a real hard savings.
- Y. Mr. Searfoss asked if there were any more questions or comments from the Board members. Mr. Gress stated as far as the fund balance, we need a better snapshot of the balance and where we are with that and now that the audit is here. As Mike said, with the open purchase orders where we are with that and some of them are going to be open and those may be paid May 1<sup>st</sup> or June 15<sup>th</sup> if there is a contract and something is going to be done. Is there something out there where a blanket P/O was done and we are not going to spend that \$19,000, we are only going to spend \$1,900 and I know we are looking at those things? I know some things that is general fund money that can be re-marked for the fund balance that will have at the end of June 30, 2012. Mrs. Bader stated that we are taking a look at exactly where our expenditures are coming in we are not quite there yet but we do think we will add to fund balance. That is why I recommended that we do use some. Mr. Gress stated that the only other thing is the delinquent taxes, while it is a shame that they do go over to delinquent tax, they do better than paying at the discount because instead of paying \$0.98 we are getting \$1.04 so there is that \$0.06 swing that we are actually going to be recouping additional funds from delinquent taxes. Mrs. Bader stated with that, the recommendation I had was to add a \$1.5 million in delinquent tax line and that is really not taking into account the Fernwood situation. We still don't know where that stands.
- Z. Mr. Meachem stated, before we get to the public, I just want to say that I mentioned this to the Board before, we need an audit committee. We've got a budget committee. We need our own individual audit committee because we should not be sitting around waiting for the annual audit. Again, I went around and looked at some of the check runs just looking at what was happening in the mileage reimbursement program and what happens is we have things being charge to mileage reimbursement that isn't mileage. True Value receipts in there and you know what, we need to do what we need to do on this side as well because what will happen is that will simplify this process going forward.
- AA. Mrs. Featherman stated I wonder if we have started negotiations about the mileage. Mr. Searfoss stated that will fall under the discussion with the district professional staff. Mrs. Laverdure stated we just got the letter, so to start that process.
- BB. Mr. Bradley stated as I said before, I just want an accounting of all our legal costs and open P/Os.

CC. Mr. Searfoss stated we are going to open up to public participation. This is for budget items only. As a reminder, any comment on the closing of Smithfield or JM Hill, they cannot be made and must be placed in writing. They need to be mailed with your name; address and telephone number to the Board secretary so that we have a written record. If you'd state your name and where you are from...

**X. PUBLIC PARTICIPATION – LIMITED TO BUDGET AND RELATED FISCAL ITEMS**

A. Mr. Bob Pohlman, Middle Smithfield Township, I want to thank the Board for really having a budget discussion as opposed to the last two budget meetings where you, or the Superintendent actually, put residents against residents with closing a school. A lot of us didn't like that, a lot of us wanted a discussion like you had tonight where there are a lot of things on the list and some of the things that I didn't see there, I had mentioned previously and Mike mentioned a couple of other residents had mentioned and I didn't see anything in there about the special education as being a very large budget item. I am very disappointed that you didn't address that and you don't have to do it now, but I want to make sure that you focus on it at some time. I didn't see anything about class size. Somebody, Mrs. Bader, presented an average class size of in the high school, at least, of 11 or 12 total student count. I believe I wrote a letter to the Superintendent saying that in my wife's previous school, we had issues with that and we had a process to continue the instruction buy eliminate the small class size that really doesn't help the overall system operate properly. Being cost-effective is what I am trying to get at. The other thing was that a gentleman in this room, a couple of weeks or months ago maybe, brought something up about an alternative school. Not only with special ed, you are sending out a lot of individuals on special ed program to other school and the same thing for alternative schools. You have the kids that really can't make it because of behavioral problems within a regular school environment, you send them off to different facilities and you mentioned, I believe it was around the time that you mentioned closing the schools, and if you made an alternative school in-district, though it may look like it is something that is going to cost you initially, you save money in the long run. The same with special ed. The last thing, I come from New Jersey and I am a teacher and somebody talked about changing graduation requirements. I don't know what you have in Pennsylvania but we had something called Middle Stated Accreditation. Do you people have an accreditation process where you have to go through and insure that what you are presenting to the children is being accredited by somebody and that this meets the State requirements and meets the federal requirements; that type of thing? So, look at that and make sure you have that in place. The other thing is that I believe comes in with accreditation is class rank. If you are not accredited and you have less graduation requirements... (3 minute time ran out on clock).

B. Mr. Christopher Baj, Middle Smithfield Township, I want to begin by saying I certainly don't envy any of you sitting on the other side of the table. It is a tough time but I think you will see by some brief comments that you are doing a great job. Now, let me start by saying that there are a lot of suggestions being presented here and some of them are wonderful. Some can be adopted now and some maybe in the future because, quite frankly, I think lowering the taxes is not enough. Really what this district has to do, it has to get to the point where it starts reducing taxes. I am not saying this as a point of rhetoric, I am in the business community here and a lot of businesses do not come here because they cannot and will not pay the taxes being levied on us. We all know about the residents that are hurting tremendously. I really appreciated this process but at some point this tax burden has to start turning around and I applaud this effort. Now, I am an optimist but I am going to read something from this Sunday's Pocono Record where it was written up like Chrysler, our school district faces a defining crisis. Declining enrollment, shrinking State aid and rising costs inflate our school taxes to economic oblivion to the point where we are getting to, forcing foreclosures, displacing families and eroding our communities. We point fingers at forces we can't control. We can whine all we want about diminishing State support but that won't improve anything. The Calvary isn't coming. We voters and taxpayers have to do it on our own. It isn't about blaming. It's about fixing. I would like to add to that that it isn't about criticizing; it is about finding solutions. So, on that note, I appreciated the beginning of this meeting with Superintendent Laverdure talking about staffing because the reality of it is that about 63% of our costs are salaries and benefits and another 13% of our costs are debt services. Those are the only places we can look at in addition to some of the small stuff here. I'm not going to tell you how to do the budget. I can tell you that this was a tremendous effort, a tremendous list and I would suggest to you that this is going to be a budget where everyone's is going to be unhappy. I would suggest that you start with these \$11-\$11.5 million worth of cuts and see where you can find money to give back some of these programs or these items. For example, you've got \$11 million in cuts, so basically if you need \$10 million, then you need \$1 million to add back right there and then. You've got retirement of \$1 million, if you accept all 24 letters of retirement; you are going to save well over \$2.5 million. That is another \$1.5 million of givebacks you're going to have. My suggestion to you is to start with what you worked towards, no one's going to appreciate this in the end, totally, and love every bit of it but start with it and start finding money to give back to these programs.

C. Steve Zimmerman, resident, 40 Ransbury Ave., good evening and I say, thank you to you all and I don't want to relish the seat that you are all in tonight. Just to go over a couple of points that I talked about before, as we look around our

area and we look at rents, everything is going up and thanks to the renters, the landlords are able to pay the taxes and also the homeowners in East Stroudsburg. I am looking at and listening to everybody talking about what we could do about the costs of schools. Colleges you are allowed to rent books. My son showed his niece how to download The Pill Book that you find at CVS stores. She saved \$300 or some odd dollars on what he did. Why can't we do that? Do we always need hardcover? I look at today's teenagers as they come out of our high school and not one of them is on the phone. Moreover, they are texting. They are using screens. More and more colleges, not just Penn State are using screens and submit your tests in. We are doing some of that, I don't know but maybe we can at the junior and senior level, start there and do that process. Rent the books, download it to a server. In the business world in a former life, I did East Side High School and a few other schools' major server and we used what was called a Dump Terminal, so it is not so expensive to do and there might be ways to do this. In testing, you certainly can put a test to a computer or a server and a student can have his own log on codes. There is everything for a log on code. I am saying that to look at that too from a standpoint of not a hardcover book. Testing today on the professional in nursing, I will tell you, it is done on a computer on a Powerpoint and what is found from the US Army and military, is that those type of courses that they are able to do on a screen and see, they are able to retain better. So there is some value to some of this. Listen, I am done and thanks so much and if someone in Bangalore, India can take school at Duke University, we can do it here at East Stroudsburg, so let's try; let us really try hard. God bless you all.

D. Gary Summers, Middle Smithfield, I am really encouraged by what I saw here tonight, the list you're sharing with the people and the feedback from you, but you really do need to share with the taxpayers that as June 30, 2011, you had \$24 million sitting on you balance sheet that was be dedicated to be used to pay for pension increases, healthcare increases and decreases in federal aid. You need to tell the taxpayers that that money is there. You know that I have told you repeatedly over the last two months that I think you ought to be able to use about \$6.8 million of that to help defray the pension increase and the healthcare increases and I am contending and challenging you that you need to use it, you need to tell the people that you are going to use it and based on what I've heard tonight, if you use that money, you can cut your expenses not be \$10 million by about \$4 million dollars and guess what folks, no tax increase. None at all and if you work a little harder, you may be able to reduce taxes. I am challenging you to go ahead and use what I think you can use, it is right there in your audited statements, factor that into the work that you are doing right now and give us taxpayers a break. Like the gentleman just said, people are peeling out of here. I've got people in my community that are leaving left and right. They can't afford the taxes anymore. You've got a dual obligation but I think there is a way in which you can minimize what you have to cut expense-wise and use some money that you have got sitting there and help the taxpayers out and not do so much damage to the students. Try it.

E. Ms. Cindy Tagliafere, 4120 Bush Drive, I have to say that I am a little disturbed by the proposed cuts in this budget. It seems as though no one is protecting or watching the backs of our children. Why does the student have to suffer and bridge the gaps in this budget? The teachers have the union to protect them. Who does my child have to protect him in the classroom right now? I want to know who is working in the best interest of my child to secure a sound academic education. Our taxes are excessive year after year. We are paying more for less services in the classroom. The sports programs and the after school activity bus, that's crucial. Two years ago, we had this student, Mike Guyer, 2010-2011. He received a scholarship from this school district, he received a scholarship from the East Stroudsburg North High School, and he won the Lehigh Valley National Football Scholarship Athlete Award in 2010. This was just two years ago and now we are thinking of cutting the sports programs and basketball programs. Our district was producing the best and outperformed others. Why would we lower our standards? Please, I am appealing to this Board to please keep the quality sports and academics alive in the classrooms for each child. The after school activity bus is important to the sports programs and I feel like my back is up against the wall as a parent. I thought I was in the best district and in the best place for my child to aspire to academic stardom. Now we are talking about cutting electives and graduation credits and merging programs and even getting rid of the computers in the intermediate school. Are you kidding me? I have to say that I am outright disgusted by these proposals and whatever you have to do, make the cuts in other places that would not affect the child, the academics and the sports programs. People sacrificed a lot and people moved to this area in search of a better life for their kids. I've got to say that, years ago, opportunities were better. As we progress, it seems as though we are regressing, so I would really appreciate if this Board would take into consideration and save the sports program in the intermediate school, the freshman basketball program, I am appealing to the Board to take serious consideration of that and also the computer programs in the intermediate school. I cannot open a textbook and teach my child how to do webpage design. I wouldn't even begin to know where to start to teach webpage design at home. Keep the computer programs in the intermediate schools. My son is about to start 6<sup>th</sup> grade and I am deeply concerned.

F. Mr. Jeff Sullivan, 45 Stones Throw, East Stroudsburg, read the following statement:

**The current state of financial disarray of the East Stroudsburg School district:**

This current School Board has before it currently another financial mess to try to sort out, and make strong gains in the community.

Now is the time more so then ever for the East Stroudsburg School District to reign in the costs for public education. The issues of how we got to this point have become moot and tiresome to revisit, however should be utilized as a learning curve of the laws of financial physics.

On the issue of closing any particular school building that really is baseless and untimely to consider at this time. The harsh reality of the instant matter is the entire proposed budget is unjustifiably high and inappropriate to the community, closing any building does not bring this budget in line with current student enrollment.

This School Board should be focusing on employee levels and costs. That's not only the largest expense in this proposed budget but, has continually been the largest expense. Due to student enrollment declining at an alarming rate, the need for this School District to retain the amount of employees they currently retain is troubling to say the least and fiscally unsustainable to say on point.

The teacher's union has secured another contract, and the true cost of that teacher's contract is again a minimum increase of 4% for the particular teacher, when one adds in the increases for lateral movements. In this current economy and times, that just does not make financial sense. The benefit packages are excessive, and unsustainable. This School Board should be taking a new approach to establishing a budget, instead of utilizing the past approaches to establishing a budget of increasing the prior year's budget.

Look at your proposed enrollment by grade, and then set the desired class size per grade. Then divide the student enrollment and the desired class size and that will calculate how many teachers are needed for that grade. Do the same for every grade and that will calculate how many teachers are needed in the entire school district in every class?

Any level of employees above that number is wasteful and unsustainable spending, and continues to lead this community down the path of financial ruins.

When I analyze this budget and the last couple of year's budgets, what is very apparent is the current proposal is over budget in excess of 40 million dollars. That is verified when I take the proposed budget and divide it by the current enrollment, not next year's estimated which is projected to be lower than this year's enrollment. In fact the cost per student will be higher than 20000 per student, with next year's declining enrollment.

We are spending close to 20,000 dollars a year per student and the published cost per student in PA is 14000 per year. That is 6000 dollars excessive spending per student, that is the hard facts, no skewing of numbers or manipulation of statistics, multiply that figure by your enrollment the results are staggering. Also this School District currently has over 310 million dollars in long term debt that we are currently responsible for. We do not have a long term debt management plan in place to address this massive debt service on this community and with a repayment plan of 18 million per year, which translates into over a 17 year repayment obligation. That is not taking into consideration any borrowing done for the next 17 years. Imagine no borrowing of any kind for any reason for the next 17 years? This does not take into consideration of any interest expense.

I challenge this board to imagine the economic effects of bringing a budget in line with the need of the budget. We need to educate children, which is what we need to do. We don't need to retain jobs with this budget. Nothing more nothing less in the school budget, educates children. Our primary concern must be education of our children.

I continue my challenge to this current Board to think about the economic stimulus that East Stroudsburg would realize. Reducing the burden of property taxes would assist in restarting a recovery in our community, it would assist homeowner's on retaining their homes, and it would assist in job creation, it would trigger more empty, foreclosed homes becoming purchased, it may assist on slowing down the mass exodus of community members moving out of the area due to loss of housing, it would leave money in the people's wallets to spend of other things and it surely would bring a sense of admiration to this school district from all over the Commonwealth. We as a local community can't wait for the Federal Government or the Commonwealth government to bring economic relief. Local action brings the fastest and strongest results.

If the members of this school board do not feel that school taxes have played a major role in our current real estate market, they clearly are short sighted. I ask the Board and the Administration to take the time to add up the effect of compound rate increases in excess of 7 percent over the last 5 years. The final year of the 5 years schedule is not equal to a 35 percent increase, but in fact over 50 percent increase. Now ask why is there such a distinct and massive dollar increase from budget year I. budget year 5, when enrollment is down?

I also wish to remind the current board and administration of the economy and financial situation of your tax base. Our county leads the state in underwater mortgages and in foreclosures. The very source of your revenue stream is now polluted and destroyed. It will require sound fiscal discipline from all levels of government for many years to come, just to get under control.

Now if this School Board is asking "how do we do this" there are 2 distinct and legal methods for this to occur.

The first one is easy over all, which is to establish the number of school employees is required to educate the students and to eliminate the excess positions. That is allowed under law from the Commonwealth due to declining enrollment. The teacher's union cannot legally petition any Court to block such an action; they are defenseless on this method.

The second way to accomplish what is required to do is to file an Act 47 petition, and revisit debt service and employee expenses. If the opposing entities do not wish to voluntarily reduce their particular expenses, then filing a Chapter S bankruptcy petition will bring the financial relief this district must work towards. Allow the Trustee of the Bankruptcy Court, who has experience in financial matters, to address the core issues.

In closing, I wish to remind this current school board and the school administration of their fiduciary duty to the community. You all are charged with the responsibility to work for the community first and foremost. I also ask that the current school board develop the courage to finally stand up for the community and for the students of our schools. Clearly without question the major benefactor of this proposed budget and the last several are the teacher's union.

What we should not allow to happen is the destruction of one more family with the loss of their home, the complete and total destruction of their credit history, and the loss of more jobs and companies in the community. We cannot continue to force our retired senior citizens to sell their homes, or take on a reverse mortgage just to pay their school taxes. We should not force them into rental housing or relocation from the area they called home.

- G. Mr. Patrick Dykiert, Sophomore at East Stroudsburg High School South, I am not here to talk about the negatives and the cuts or about what we should do because, honestly, nobody wants to see cuts, but about the positives that I have and other students have experienced here at South and maybe at North. Throughout the kindergarten and the twelfth grade levels, what we have going on now is really great and I would like for you as a School Board should take the students more into consideration when you consider cuts and the budget. Rather than thinking idealistically on how it would be and according to statistics around the world, how about talking to the students here at home in the middle school, elementary and the high school about what they want and research how they are responding to these programs. You may think in an idealistic society that this would work when students aren't doing well and aren't pleased with them. Also, I believe at the middle school level that the computer technology program really benefitted me in the fact that I brought out a bunch of character from that program. If it wasn't for the program, I wouldn't be here talking in front of you because many of the teachers put a lot of time, effort and money into those programs just to teach students how to become better character and educated. So in the end, it is the students who really matter in this and I believe with the athletic program and sports at the intermediate level, that is a time for students to really decide which way they want to go with sports and I believe those programs should stay in order for the students to even have a second, even if they are not the best in academics, they can go to the sports and participate in the sports. I think that East Stroudsburg, even in the high school, does a great way to build up this character and the block classes they really are a great way for students to excel in a certain area, for example, I am really into science and I have the honor to take AP Chemistry next year as a junior because I doubled up in both my freshman and sophomore year. Block scheduling lets me take more than one core class of one place, two times in both the fall and the spring, and I can show greatly with this since I am first in my tenth grade class and I take part in after school activities. I play soccer and I am on the tennis team and I really try to make the most out of all these programs and I believe here in East Stroudsburg South that many of the teachers do a great job. Yes, I work hard but if it wasn't for them, I wouldn't have the character to succeed as much as I do. Thank you.
- H. Mr. Joe Mahoney, 45 Rising Meadow Way, East Stroudsburg, this is my first meeting. I am heartened to see you beginning to take on these issues and I commend you. The dawn is beginning to fall on the Board. Reality is now here. What has to be understood is the options are pretty limited at the end of the day. We can confuse ourselves by thinking well we can fill our revenue shortfall. We don't have a revenue shortfall. We have spending that is unsustainable. \$20,000 per student cannot be sustained. It has to be dealt with. I'll give you a good insight into what happens to the out of control Board. This Board right here. I live in Great Bear. I moved there four years ago. I sold my home in New Jersey and we bought a home with a little better than 50% down because we had the cash out of our New Jersey home. March of this year, I went in to refinance. Everybody knows the interest rates are low and it pays to refinance. What I found out at the appraisal, my home is worth less than \$0.50 on the dollar. When I say that I am under water, I am under water putting down 50%. That is what this Board has done to Great Bear. If you look at the vacancies, we have vacant homes with people walking from the homes. The reasons the homes fell in value is because the taxes are so high, they cannot be sold. People look at the home and say it is a beautiful home but who can ever pay those taxes. That is not a far-away story in some distant land. This Great Bear, Middle Smithfield Township, East Stroudsburg. This Board is the one that created that tax burden. The upside wasn't even revenue. What you will find is that that tax policy creates less revenue because they are driving people out of the community. Not only are they leaving, they are literally walking from the property. Beautiful homes in a beautiful area, they walk because they can't afford the school budget that you have created. The irony is this. I grew up in Buffalo, New York in a small, pretty poor area. I went back there with my kids and the homes are all empty and I said what happen. I



know it was a poor area but it was a good area. They said, well the taxes were raised and there were so many people that left here that were old and people just lost their homes. That was amazing. That was 40-50 years ago in Buffalo. The story I am telling about Great Bear is in March, 2012 here in Middle Smithfield. If you think you have the option of avoiding this pain and avoiding the brutal confrontation by raising taxes, I'm telling you... (3 minute time ran out on clock).

- I. Mr. Paul Miller, Lehman Township, I have two daughters that graduated from High School North and two in the high school right now. As a parent, if it comes to paying a little extra every year for them to participate in after school activities, I'll pay it. If it comes to paying for drivers ed, I'll pay it. It is going to save me on my car insurance that they have that and more important than that they are safer for having that professional teacher which I am not, I do my best as all Dad's do. Those are things that I pay now, well guess what, in a few years I have no kids in the district and I am not paying that anymore, rather than passing all of that on to all of the taxpayers. At least we can save those who have no children in the district schools a little bit from that. Those are not going to cover all the sports but they are a participation process and the savings and that is what would have to happen across the board. If you were to take an analogy from the Apollo 13 movie when they had to build that filter out of the parts that they had, they sent the information to the astronauts in space and said do this or you're going to die because you won't be able to breathe. They found a way and they made it work. If you were to take all of the areas you have flexibility, money wise, obviously you have contracts and some you can't but say okay, all of you go back and work with this percent less. You make it work. Find a way, rather than giving you a wish list and hoping it survives the cut, send it back to them. Vacuum cleaners, maybe we can do without the \$19,000, make it \$15,000, there's a little bit of a percent. It sounds like transportation is already saving a lot and their percent is already down from the bus routes that they mentioned. Given it back to the people and give them authority to say we are going to take this and this and this and I'm sure some of that does happen but if you give them, rather than a wish list, a mandate of this is all you have to work with. Make it work. Maybe that mentality would help to bring all of this down. Thank you.
- J. Mr. Ray White, Middle Smithfield Township, I am encouraged by this list that you put together tonight. At least you are taking an approach to look at reducing some cost. I just want to say one thing. I had a chance to analyze the big black book that you all parade out here and scares everyone off. That book represents about \$11.4 million worth of the budget. Gary Summers talked about big dollars. I am going to talk about small dollars. This Board, I think, and the Business Office has responsibility for oversight and I am encouraged to see some of the things that I picked out are on there, like in-district mileage reimbursement. If you take dues and fees, mileage reimbursement and cell phones, why we need 48 cell phones I don't know and the cost, evidently they are all Smartphones. That is \$201,000. As you said, that is not \$10 million dollars. Those of us in this room that have run big businesses, much bigger than this and probably much more experienced than any of you have, know that looking at little dollars add up to looking at the bigger dollars. Mike Meachem talked about an audit committee. I would suggest that you pool from the resources that you have. People make a plea in here for education and they are right but it still has to be paid for and that is not what they are talking about. They are looking out for the children and they should but it still has to be paid for. In that \$11.4 million in that big book, I bet you right now I could carve out \$1 million and it would not affect anything. When I look at replacing 48 TVs, in two schools to the tune of \$94,000. I mean, that's incredible. You don't replace 48 TVs in one year; phase them in. That is why your eyes glaze over when you read that 52 page report, which the I-Tech manager did a very good job on but I suspect that Cisco routers and things like that make your eyes glaze over. There are other people who can look at that. You don't phase all that equipment in all at one time, you phase it in partial. That is all I have to say. There are a lot of people that are in this room that are willing and able to help. I think that it is time that you asked for it.
- K. Mr. John Davis, Middle Smithfield, I have three sons in High School North. They joined a gang. It's called the Timberwolves and haven't been in trouble since. Thank you.
- L. Mrs. Judy Summers, Middle Smithfield Township, I reviewed the agenda for the March 8<sup>th</sup> Property and Facilities meeting and how it relates to the budget. I know that the contract you have with Mascaro & Sons is soon to be up. Is that going out for public bidding? Mrs. Laverdure stated, yes. Mrs. Summers stated because I am a newcomer to this community, can you tell me when you last put it out to bid, how many people bid on it? How many companies? Mr. Searfoss stated I believe it was three or four. Mrs. Summers stated okay, thank you so much.

## XI. ANNOUNCEMENTS/INFORMATION

- A. Mr. Gress stated, I would just like to comment and thank everybody for coming out this evening, it is important the people do come and give their suggestions and hear what is going on. One other thing that I do ask of everyone in this room do because it will make a difference is to please call the Governor, Representatives and Senators at least once a week. We are going to cut some things but it still comes back to funding from the State. You know next week, we

get a paltry \$1465 per student in this district from the State of Pennsylvania. Other districts like Delaware Valley, they get \$2,300, I think it is, other districts get up to \$8,000 per student and we get 22% from the State. Again, in this hold harmless formula that was based back in 1990, we get only \$1,465 per student and yes we have to look at cutting expenditures and everything else but it comes back to that numbers. If we got what Delaware Valley gets, that would be an additional \$4 million a year. So call your Senators and Representatives and ask them, you know they control the House and they control the Senate and they control the Governorship and they will not address this fact. Mario Scavello is going to be working on it and I am going to say here that we mentioned it Saturday, that Mario is going to sue the State and take that charge but we need the public to call these people. When they come around to you communities, ask them, put them on the spot. They talk a good game and say they're going to do this but it comes back to that funding formula which cripples everybody, it cripples the business, industry and everything else. Call the commissioners and ask them to call. At the meeting on Wednesday, the commissioners are saying that we are fine with the Governor's budget. Well, no it is not a good budget. Yes, he has got to hold the line there but we've got our right and what they do to us and there would be a tax decrease. We do have to look at these programs and cut certain things and save. Again, I don't know 50 or 100 people here, it everyone calls weekly. Some do. Call them and ask why not and you will hear different stories. If everyone continues to call, then that is what will make a difference. I appreciate you coming. There is another meeting Monday night. If we are going to schedule another budget meeting, I talked to Will over the weekend that we need another budget meeting. Whether in two weeks to curtail some of these things and get a better grasp on some of these things and any questions that weren't answered tonight so that we can follow up on some of these. I don't know if the Board has any thoughts on that but we should probably set something in the next two or three weeks and just have another budget discussion meeting maybe at North. Mr. Searfoss stated I believe April 3<sup>rd</sup> is the next time available. Mrs. Laverdure stated, tentative, not firm yet but I believe April 3<sup>rd</sup>. Mr. Searfoss stated that I think that North would be a good idea. Mr. Meachem stated that what I would say to the North, if you're here, these a productive talks here. If you have neighbors, you need to let them know about this process. It may get a little intense sometimes but we really are listening. If the meetings are moved to the North, please come out. Let us know what you think because your opinions do count. Mrs. Laverdure stated that Monday night, at Middle Smithfield, will be our first night where we are going to kind of air out at Middle Smithfield, in the cafeteria, it will be live here and you will see it on the video streaming there. So we are going to see how it works. Mr. Meachem stated that if you know people at the North that can't make it down or don't want to drive the whole way, or are trying to budget that gas, the administration has come together and they put in place a means by which this actual meeting can be viewed there. It is a beginning. Who knows, maybe at some point, Mr. Borosh will be able to entertain from there but we will take it a piece at a time. Right now we actually have the viewing from there for people that can't make it all the way down.

- B. Mr. Searfoss stated we should schedule a meeting now, is April 3<sup>rd</sup> was good for everyone? Mrs. Laverdure stated it is a Tuesday. Mr. Gress stated that Monday night is our regular scheduled meeting, just so the public knows. Meeting will be held April 3<sup>rd</sup> at High School North at 6:30pm. Mr. Searfoss stated I want to thank everyone that has come to the microphone tonight and actually came up to us with ideas. Also, when it was a public hearing, those ideas were written down, they are taken serious and many that were on the list, you've seen are ideas from people in the public. They are taken serious. Sometimes they take some research and it takes a little while to get numbers and dollars to be saved by it but I want to thank everyone who took the effort to come up and give us productive ideas in areas we could find savings. Meeting is adjourned.

**XII. ADJOURNMENT -- 9:09p.m.**

Respectfully Submitted,

Debra Wisotsky,  
Interim Board Secretary