

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

SPECIAL BOARD MEETING

APRIL 30, 2012

**Carl T. Secor Administration Center – Board Room
7:00 p.m.**

Simultaneous Broadcast – Middle Smithfield Elementary School – Cafeteria

Minutes

- I. President William Searfoss called the meeting to order at 7:14 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado, called the roll.
- II. **Members present were:** Ronald Bradley, Robert Cooke, Eileen Featherman, Douglas Freeman, Robert Gress, Roy Horton, Marjorie James, Michael Meachem and William Searfoss.
- III. **School members present in the Administration Center Board Room:** Michelle Arnold, Patricia Bader, Anne Banks, Maria Bartolotta, Elizabeth Blundetto, Brian Borosh, John Burrus, Anthony Calderone, Richard Carty, Maria Casciotta, Ann Catrillo, Mike Catrillo, Marie Christiansen, Mary Conklin, Theresa DeHart, Patti-Jo Dolph, Irene Duggins, Larry Dymond, Eric Forsyth, Cathy Gallagher, Geoffrey Gambill, Carol Geiges, Claudia M. Gonda, Jill Greenwood, Joyce Gregor, Heather Gress, Kevin Hatcher, Gina Hennings, Kim Holcomb, Lynda Hopkins, Jeremy Judd, Ronald Labar, Sharon Laverdure, Philip Lazowski, Donna Lehmann-Deming, Jacilyn Leonard, Joyce Leonard, Patricia Milenkowic, Fred Mill, Carrie Panepinto, Kathleen Parrish, Deanne Patrick, Carolina Rodriguez, Maria Rogers, Patricia Rosado, Vicki Sayer, Paul H. Schmid, Catherine Schoenherr, James Shearouse, Rose Skidmore, Matthew Smith, Jennifer Spece, Kim Stevens, Richard Stine, Thomas G. Suprys, Catherine Tynemouth, Laura Weeks, Thomas J. Williams and Steve Zall. Also present was: Thomas Dirvonas, Solicitor.

School members present in the Middle Smithfield Elementary School Cafeteria: David Baker, Carrie Burlein-Pitz, Maryann Caprioli, Lois Casella, Robert Dilliplane, Kellie Fuehrer, Erin Gurry, Karin Hogan, Jennifer Husson, Irene Livingston, Stephanie Marshall, Letitia O'Malley, Linda Wisneiski and Nadia Worobij.

- IV. **Community members present in the Administration Center Board Room:** Scott Amori, Chris Brooks, Elenor Brooks, Erica Brooks, Beverly Brown, James Brunkard, Jeff Campbell, Tara Caplette, Betty A. Cook, Karen Cruz, Kerrie Curtis, Jessica Gardner, Michael Leonard, Kathy Lichtenstein, Ernest J. Mahar, Sharon Maly-Cramer, Michal Peterson, Anne Pohlman, Robert Pohlman, Nancy Rubilotta, Wendy Sheevan, Karen Strobel, Wayne Strobel, Bill Suriano, Michael Sweeney, Hema Tagliaferri and Wayne W. Witkowski.

Community member present in the Middle Smithfield Elementary School Cafeteria: Robert Casella

V. **APPROVAL OF AGENDA**

ACTION BY THE BOARD:

Motion was made by Eileen Featherman to approve this agenda for April 30, 2012 (pages 1-2) as submitted. Motion was seconded by Douglas Freeman and passed 8-1. Michael Meachem voted no.

- VI. **ANNOUNCEMENT OF EXECUTIVE SESSION** -- An executive session was held this evening at 6:30 p.m. before this meeting for the purpose of discussing personnel, litigation and negotiations.

VII. **SUSPENSION OF RULES**

ACTION BY THE BOARD:

Motion was made by Douglas Freeman 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 Robert Cooke and carried unanimously, 9-0.

VIII. **PRESENTATION OF INFORMATION BY THE ADMINISTRATION**

Mrs. Patricia Bader, Business Manager, stated that the proposed final budget is a balanced budget where the previous cuts that were discussed on April 10th are incorporated into the budget but slightly modified. It also includes all items previously presented except for full day kindergarten. Revenues have changed from the preliminary budget where it was approved at the adjusted index plus exceptions but this budget is at the adjusted index only. Maximum millage without exceptions from PDE is included in presentation. Holding the millage level at the 2011/2012 rates would yield in a loss in revenue of \$2.0 million. Mrs. Bader spoke about assessed values, revenues and expenditures. She discussed 2012/2013 headcount reductions.

Mr. Meachem asked about the Porter Township Initiative expense that was added to proposed final budget. Mrs. Bader said it was added because the district needs to incur this expense for their defense.

Mrs. Bader said that assessed values are going down. Mrs. Bader mentioned that a proposed final budget has to be approved 30 days before the final budget on June 30, 2012. She presented two scenarios: Approve proposed final budget at a Special Board meeting on May 14, 2012 and approve the final budget at the Regular Board meeting on June 18, 2012 or

Approve proposed final budget at the Regular Board meeting on May 21, 2012 and approve the final budget at a Special Board Meeting on June 25, 2012.

IX. **BOARD COMMENTS**

- A. Mr. Searfoss asked how much fund balance is being used for this. Mrs. Bader said no fund balance is being used.
- B. Mrs. Featherman asked if this budget includes Fernwood taxes. Mrs. Bader said Fernwood's tax collection is not included. Mr. Searfoss asked if this budget is assuming Fernwood is not paying us. Mrs. Bader said that she left a 90% collection rate but if she assumed Fernwood would not pay she would have reduced it to 88.2%. She is assuming they are paying next year. Mrs. Featherman asked if this was transfer taxes instead of just taxes. Mrs. Bader stated there was a portion that we received and we are still owed another portion.
- C. Mr. Gress asked if the 2.3% would be the tax increase with no use of fund balance and no school closing. Mrs. Bader said correct.

X. **PUBLIC PARTICIPATION – LIMITED TO BUDGET AND AGENDA ITEMS**

- A. Mr. Bob Pohlman asked how can Fernwood sell their property and not pay back taxes unless we did not put a lien on it. He suggested using the fund balance. Mr. Pohlman suggested that something be done with the special education budget. He also heard that maintenance on J.M. Hill should not be done; therefore if the school is going to be closed they should inform everyone.

Mr. Gress explained the process of delinquent tax collection. He also mentioned that a healthy fund balance should be around 8% to help with prices going up and help with the ratings when borrowing bond money. Mrs. Featherman said she was under the impression that the State mandates that we have an \$8 million fund balance. Mr. Dirvonas said it is recommended but not mandated that we have 8% fund balance. Mr. Meachem asked how much of the fund balance money do we need to use to drop the increase below the index. Mrs. Bader said if you want to hold millage level we would have to use \$2 million. Mr. Meachem asked how much do we have. Mrs. Bader said we have \$35 million. Mrs. Laverdure said the money is allocated for different areas such as health insurance, PSERS and unassigned items. Mr. Searfoss asked how much is in the unassigned portion of fund balance. Mrs. Bader said there is \$8 million or \$9 million for unassigned items. Mr. Meachem asked if we used \$2 million of the \$8 million, how would that impact the potential tax increase. Mrs. Bader said every time you don't raise taxes you lose it forever and the fiscal future of the school district is not stable due to increasing funding issues. Mr. Searfoss said in years past they used fund balance but we need to be cautious since we needed to borrow money. Mrs. James asked how much money will we need for PSERS. Mrs. Bader said every year we will need \$2 million (4% increase). Mr. Searfoss asked for how many years do we have a cushion in the fund balance for PSERS. Mrs. Bader said we have \$9 million which is about 2 years. Mrs. James asked how much would we need for the increase of health care benefits. Mrs. Bader said for 2012/2013 it is 9% but we don't know the increase for years after that. Mrs. Featherman said that she heard the district was not able to meet salaries due to a low fund balance. Mrs. Bader said that they did have a low fund balance in 2009, \$2 million, where they had to take out a tax revenue anticipation note of \$10 million. Mr. Meachem asked where are we with the Fernwood delinquency. Mrs. Bader said on December 31st they became delinquent. Mr. Dirvonas said they have until September 2013 to catch up on their 2011 tax bill. We can't take action to force them to pay at any particular time. Mr. Dirvonas said his office has been in touch with the buyer and seller on the transaction. As of July 1st, after the budget is passed, any taxes that are assessed in the counties (Monroe and Pike), there is an automatic lien attached to all properties.

- B. Mr. Larry Dymond said we need to buy smarter and do more bidding by advertising and shopping. He suggested bidding out healthcare and stay away from consortium. He also suggested looking at all items and get everyone together to address all these issues. Mr. Searfoss said a lot of these cuts came from many employees in the district.
- C. Mr. Jeff Campbell asked why the preliminary budget had a savings of over seven million dollars but this new figure on the proposed budget has a savings of over six million dollars. Mrs. Bader said because the elimination of full day kindergarten was removed. Mr. Campbell asked if we have a ten million dollar shortfall. Mrs. Bader said that we do. Mr. Campbell asked how can we pass a final budget when the timeline for the decision for the Board to consider school closing is in conflict with that. Mrs. Bader said that Act 1 requires that we pass a proposed final budget 30 days prior to the final budget. Mr. Campbell said he thought there were laws and procedures in place of when they have to vote on closing a school. Mr. Searfoss said he is correct there are procedures for both and they are in conflict with each other. Mr. Campbell said you would have to make a decision on the budget before they make a decision on closing either J. M. Hill Elementary or Smithfield Elementary. Mr. Dirvonas said that we are dealing with conflicting schedules. The proposed budget has to be adopted by the end of May (30 days before final budget) without regard to the school closing because the Board cannot vote on the school closing, one not both, until June 4th. The next step is the Board votes for the final budget which will include a school closing if that is what the Board voted on. If they vote not to close a school then they would need to find more cuts to include in the final budget. Mr. Campbell said he does not see the cost of closing one of the buildings, so he does not see how the Board can make a decision. Mrs. Bader said this proposed final budget does not take any consideration with closing a school building.
- D. Ms. Betty Cook said the East Stroudsburg Area School District is not the only district having these problems. Why can't we work with an independent agent to buy machines and other items along with other districts as well as getting a lawyer for negotiations that will work with all districts? She suggested joining forces to help bring the cost down.
- E. Ms. Kerrie Curtis said that if this budget needs to be passed before voting upon a school closing then closing a school should be considered for the next year year's budget. She said since the district already has six million dollars in savings, they should cancel voting on June 4th.

- F. Mr. Scott Amori said he noticed that our district returned to 2002 student numbers; therefore we have 250 more people employed. In his calculations this is \$8.5 million. He asked where are the layoffs and staff reductions and believes this should be addressed by the Board. Mrs. Featherman said since the Columbine incident security had to be heightened and more people had to be hired. Mrs. Laverdure said we also opened a new school; therefore, hired more staff but we have downsized responsibly. Mr. Amori said that we cannot accomplish this by just attrition. Mr. Gress said that graduation requirements were increased; therefore, staff was increased, but this will be looked at.
- G. Ms. Hema Tagliaferri said that she visited two schools and does not see why office staff cannot handle buzzing the people into the building when the person who does it just sits there all day. She said the activity buses that leave at 4:15 p.m. from the High School South will only leave a child 1 hour and 15 minutes to practice or be part of the activity. She asked if this has been looked at to make sure that the children have enough time. She also said mixing high school kids with middle school kids can create an unsafe situation with bullying and may cause buses to be delayed. She said the cameras on the bus are erased within 24 hours; therefore, may not help with the situation. Mrs. Laverdure said Ms. Tagliaferri can contact Mrs. Holcomb with her concerns. Mr. Gress said that they will be reviewing the activity bus issue because some activity buses do not carry any children in them.
- Mr. Meachem asked how often do they do the study on bus ridership. Mrs. Holcomb said once per week. Mrs. Laverdure said the activity bus comes out of the stadium not directly from in front of the high school. Mr. Meachem asked have we looked at how the programs will be impacted by the reduction of this bus run. Mrs. Holcomb said they will look at what activities the students sign up for to provide the buses and always have a backup plan.
- H. Ms. Sharon Maly-Cramer said she wants clarification because if there is no decision to be made on closing the schools and a balanced budget was presented at 7.2%, so are we just going through the motions. She thought we needed \$10.2 million. She said this means that we are not counting on closing the schools. Mr. Gress said if we raise taxes by 2.3% the schools can remain open and without touching fund balance. On June 4th if we decide to close a school then the budget will be decreased by whatever the savings is plus additional cost for closing the schools. Money was found in delinquency in taxes, elimination of activity buses, activity fee, etc. Ms. Maly-Cramer asked if there will be definite numbers available for the public to view regarding closing a school. Mr. Gress said most likely after June 4th they will know.
- I. Mr. Chris Brooks asked if Mrs. Bader has knowledge of the foreclosure sale and was this used to determine the budget. Mrs. Bader said she looked at actual delinquent collections not forecasting anything but just looking at what we already collected. Mr. Brooks asked why the district is considering closing J. M. Hill Elementary and Smithfield Elementary when Bushkill Elementary's student numbers are decreasing. He commented that repairs on J. M. Hill Elementary should be done if they are planning to lease the building.
- J. Ms. Joyce Leonard asked the Board to consider the timeline. Although it is not their fault, there are legitimate concerns and more time is needed to make an educated decision. Mr. Meachem said the timeline was given to the Board and they have worked with it with administration. Not everyone will be happy with the outcome. Mr. Gress said they did jump into this in the last minute. A year should have been taken to review all details because it will affect about 2,000 students from various elementary schools. Mr. Bradley said this is something that should have been addressed a year ago which was not done by the previous Board. Now they are trying to take care of it and will be beneficial to all concerned.
- K. Mr. Michael Leonard said it is a shame that we don't see the art in prevention. He said the person sitting at the desk is the first line of defense so if you remove that person then you have to worry about the next person and it becomes a problem. We need to do the right thing and do the research with security, law enforcement and the educational process of the district. He said the Board should rearrange the dates and hold fundraising events to get the alumni of the district to donate money. He also suggested getting sports professionals' help with fundraising.

XI. PREPARATION OF PROPOSED 2012-2013 BUDGET

ACTION BY THE BOARD:

Motion was made by Roy Horton to set a Special Board Budget meeting for the consideration of adopting a proposed final budget on Monday, May 14, 2012 at 7:00 p.m. in the Administration Center Board room and to simultaneously broadcast at Middle Smithfield Elementary. Motion was seconded by Robert Cooke and passed 8-1. Michael Meachem voted no.

XII. PERSONNEL ITEMS

A. Central Administration Staff - Resignation

ACTION BY THE BOARD:

Motion was made by Douglas Freeman to approve, with regrets, the resignation of Patricia T. Bader as Business Manager of the District effective at the end of the workday on June 25, 2012. Motion was seconded by Robert Gress and carried unanimously, 9-0.

(See page 3)

XIII. FISCAL ITEMS

A. Bus Purchases

ACTION BY THE BOARD:

Motion was made by Douglas Freeman to recommend that the Business Manager be directed to immediately develop and advertise bid specifications for the purchase/buy back and sale of school buses to meet the District's current and ongoing needs to keep the District current in accordance with its current transportation arrangements, any and all of which bids shall be subject to final acceptance and approval of the Board as to the final number of buses to be purchased/sold and the price to be paid. Motion was seconded by Roy Horton. A roll call vote was taken and passed unanimously, 9-0. Ronald Bradley, Robert Cooke, Eileen Featherman, Douglas Freeman, Robert Gress, Roy Horton, Marjorie James, Michael Meachem and William Searfoss voted yes.

B. EBTEP Funding Rate

ACTION BY THE BOARD:

Motion was made by Douglas Freeman to approve the funding rate of \$1,225 per month per employee for employee medical claims to the Employee Benefit Trust of Northeast PA (EBTEP) as per the recommendation of the Trust Consultant. Motion was seconded by Eileen Featherman and carried unanimously, 9-0.

C. J.M. Hill Renovations

ACTION BY THE BOARD:

Motion was made by Douglas Freeman to reject all bids received for HVAC and Electric System upgrades at the J. M. Hill Elementary School. Motion was seconded by Robert Cooke and carried unanimously, 9-0.

D. Copier Lease

ACTION BY THE BOARD:

Motion was made by Robert Cooke to authorize the Business Manager to lease seven (7) additional Canon copiers from Topp Business Solutions, Inc. for a four (4) year term and an annual base lease amount not to exceed \$44,000 and an annual total cost not to exceed \$70,000 with the terms and conditions of the lease documents to be subject to review by the Solicitor and Bond Counsel and subject to the actual model numbers and monthly costs being confirmed by the business office. The total annual cost (Service and Supply plus Equipment Lease Costs) may fluctuate due to increasing or decreasing copy usage. Motion was seconded by Eileen Featherman and passed 8-1. Michael Meachem voted no.

(See page 4)

XIV. ANNOUNCEMENTS/INFORMATION

Mr. Searfoss reminded everyone that there will be a Special Board meeting on May 14, 2012 at 7:00 p.m. in the Administration Center conference room.

XV. ADJOURNMENT 8:53 P.M.

Respectfully Submitted,

Patricia L. Rosado,
Board Secretary