

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
March 8, 2021
VIA Zoom & Administration Center Board Room
5:30 P.M.
Minutes**

- I. **The Chairman**, Rebecca Bear, called the Finance Committee meeting to order at 5:30 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. **Board Committee Members Present:** George Andrews, Rebecca Bear, Larry Dymond and Rich Schlameuss.

Board Non-Committee Members Present: Wayne Rohner and Lisa VanWhy.
- III. **School Personnel Present:** Brian Baddick, Brian Borosh, Anthony Calderone, Melissa Collevechio Diane Kelly, Craig Neiman, William Riker, Patricia Rosado, William Vitulli and Steve Zall.
- IV. **Community Members Present:** Jennifer Floyd
- V. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the agenda for March 8, 2021 and with members of the Committee reserving the right to add to the agenda and take further action in the best interest of the District. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the minutes of the February 8, 2021 meeting. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

VI. ITEMS FOR DISCUSSION:

1. Wide Area Network
 - i. PenTeleData (Fiber)
 - ii. IntegraOne (Cisco Switches)
 - iii. ePlus (Ciena Switches)

Mr. Brian Borosh said that tonight he is presenting three components for the wide area network. He said he spoke about this item previously at a Property/Facilities Committee and Finance Committee meeting. There are three pieces to this project. The first is the Fiber Optic piece. The district would like to move from a lit fiber service to a dark fiber service. In the current lit data, PenTeleData owns the electronics on either end of the fiber optic cable. The district currently pays for the electronics as part of the contract. We are now going to a dark fiber contract, which means we lease the fiber only and we purchase the electronics to light that fiber on either end. He said he began the RFP process in November. They created two RFPs one for fiber and one for equipment. The results were

placed on the Form 611 and provided to the Committee members. They received quotes from Crown Castle and PenTeleData. PenTeleData came in with the lowest quote at a total of \$988,639.46. PenTeleData has fiber all over through Blue Ridge. Crown Castle does not but has a point of presence in the area. Crown Castle will have to build fiber out since they do not own it. An RFP and accompanying eRate Form 470 were issued on November 6, 2020 along with the timetable of the process. The total cost is for a ten-year contract. This means that the monthly bill will be cut in half. Right now the district pays \$15,280. The bill will now be \$7,403.65. There is a non-recurring cost of \$100,201.27 for fiber building, which will be fully funded through the ESSER Grant. Mr. Borosh said piece number two was for an RFP for equipment. They needed different electronic gear to light it. IntegraOne came in with the lowest price for the Cisco gear in the amount of \$87,901.00. The third piece is the Ciena equipment for the North Campus, which needs higher equipment due to the length. EPlus came in with the lowest quote of \$95,822.60. Mr. Andrews asked what is the difference between the two choices from PenTeleData for \$988,639.46 for the dark fiber without the IRU that costs \$1,336,684.58. Mrs. Bear said she had the same question. Mr. Borosh said the IRU is a different pricing component with basically more maintenance. It costs about \$80,000 less for lit which is what we have now. Last year, the IRU prices were much higher than the dark fiber pieces were. Mrs. Bear asked if one is better than the other. Mr. Borosh said dark fiber is better without the IRU. Mrs. Bear asked why is it more expensive. Mr. Borosh said the cost is for more services than what we need. He said what he is presenting is the total cost for the upcoming 10 years. There are 120 months, which is a ten-year contract, which is budgeted. Out of the \$988,639.46, \$100,000.00 will be full funded by the ESSER Grant. Mrs. Bear asked if the total amount minus what the grant is paying for will be divided by the 120 months ($\$888,639.46 / 120$). Mr. Borosh said it would and the amount would be about \$7,400.00 a month. Mr. Borosh said the other expenses are for equipment pieces. The Ciena gear is from ePlus and the Cisco gear cost approximately 1.9 million dollars. Our existing contract was for five years with the option to renew for another year. The current contract expires on June 30, 2021, which is approximately 1.833 million dollars. If we transfer the current contract into a ten-year contract, the cost savings is about \$641,000. Mrs. Bear asked if the district would need to pay the switches up front. Mr. Borosh said that is going to be broken down differently. The district gets Federal eRate funding on various things but the non-recurring cost of \$100,000.00 is eRate ineligible. However, eRate can be applied for the monthly bill at an 80% discount reimbursement. The district pays 20% when we apply. This will render a further savings. Mrs. Bear asked if the district is only paying 20% of the \$888,639.46 and of the \$116,276.32.00. Mr. Borosh said that \$14,211.96 out of the \$116,276.32 eRate ineligible. Whatever amount is not eRate eligible will come out of the ESSER Grant. The monthly bill is cut in half and over the life of the contract. Based on what we have now, the district will save approximately \$641,000. Mr. Dymond asked if the district will own everything. Mr. Borosh said the district will own everything as soon as the purchase is done. If the Committee recommends all items to the Board for final approval and the Board approves it, it will be ordered. Mr. Dymond said he hopes that at the end of the ten years, the district should be able to continue to use the items if they are not obsolete in order to get more years out of the products. Mr. Borosh said we will be hard pressed if they do not update some items. Mrs. Bear said hopefully the items may cost less at the end of the ten years. Mr. Borosh said the way the current wide area network is now is that we have 1 gig for 5 elementary schools and J. T. Lambert Intermediate. They also have two 10 gigs servicing the North Campus. With this equipment, every school will have 10 gigs and north will have 40 gigs. Mrs. Bear asked if the North Campus includes H. S. North, Lehman Intermediate and Bushkill Elementary. Mr. Borosh said it does and their gigs will double while the other schools will go from 1 to

10. Mr. Borosh said if at any time we need more speed, we can buy the electronics to change it. In the past, we had to renegotiate and open the contract but now we could be able to add whatever speed is needed. Mr. Schlameuss asked if our speed is determined by Blue Ridge or by the equipment we place on the band? Is the district paying for the bandwidth? Mr. Borosh said no we are paying for the fiber optic cable. That is why it is dark. Mrs. Bear asked if the equipment will be able to handle all of the students' Wi-Fi in order for them to do their work in school. Mrs. Bear asked if the students' computers will move faster? Mr. Borosh said they will still be limited by the internet bandwidth. It will provide speed between the campuses for other internal items such as the cameras and the phone system. Mrs. Bear said she hopes this equipment will work with the new phones. Mr. Borosh said that the phones do not take up much of the system. These products will now be the ESASD bandwidth. Mr. Dymond asked if the manufacturer will set up the equipment. Mr. Borosh said the IntegraOne vendor charged \$6,000 for the installation of all of the equipment. For Ciena, it was different amounts for the installation of all of the equipment. This line item is eRate eligible. The ineligible eRate expense \$14,211.96 is for the warranty and training. Mr. Borosh said the price includes installation and the configuration set up. Mrs. Bear asked if there will be an extended warranty for the Integra One product. Mr. Borosh said there will be a reoccurring fee of about \$1,400 a year for the warranty, which he can absorb in the ITEC budget. If there is an issue at any time that will need an equipment to be replaced, it is guaranteed to be done within four hours. Mrs. Bear asked if the \$14,000 will also include this service. Mr. Borosh said it would. Mr. Borosh said sometimes we need to pay more for the warranty and service because we cannot wait long for a replacement if something breaks down. Repair service will be rapid. Mr. Borosh said he had an eRate attorney review the district's current PTD contract. The attorney took out some items and added others. The results of this review will be given to the Board members for Monday's Regular School Board meeting.

2. Wi-Fi Locksets

- i. Hardware (Sargent Locksets), A.G. Mauro
- ii. Software and Integration, CSI

Mr. Brian Borosh said the district would like to purchase Wi-Fi locksets for the Administration Building due to safety and security issues. He said they plan to install 19 swipe locks, one for each office suite. Currently, there is one test model swipe lock in the mailroom. The expense for the 19 locksets will be paid through the PCCD 2019 Grant. He said he provided all the details on the Form 611. During normalcy times, there are a lot of people that come into the building. These locks will secure the office suites. The Administration Center will serve as a testing site. If they work out, the locksets can be added at the schools. The district will probably install them at the elementary schools first. If there is ever a lockdown, the students and staff can remain in their room. Mr. Borosh said they have been working on this project for about 16 months in order to make sure they have everything in order. He said Matt Hirsch, Maintenance Supervisor, is satisfied with the door hardware. Mr. Borosh said the district received three quotes and A.G. Mauro submitted the lowest Co-Stars quote at \$17,065.00. Mrs. Bear said A.G. Mauro's quote seems to be significantly lower. Mr. Borosh said they seem to sell significantly more locks than the other two companies. Mrs. Bear asked what happens if the Wi-Fi or Internet goes down. Will the locks not work and can a key be used? Mr. Borosh said the information is stored locally on the lock. The lock does a check two times a day. The locksets are battery operated. Mrs. Bear said, therefore, even if the power or lines go out, the locksets retain the information locally of who has access. Mr. Borosh said yes and once the connection is established the locksets will update its system. Mr. Schlameuss asked what technology does it use. Mr. Borosh is it is HID and other technologies can be used. Mr. Andrews said

unfortunately this is something that has to be done. Mrs. Bear said it is the nature of the current times. Mr. Borosh said by installing these locksets in the Administration Center, it will help to see if it is worth doing at the school buildings. Mrs. Bear said hopefully the district can get more grant money to help with expanding this project to all school buildings. Mr. Borosh said he checked with Mrs. Angela Byrne, the Grant Coordinator, regarding the grant. She said normally it comes out around this time and will keep an eye out for it to see if the grant will continue. Mr. Borosh said he does not think the grant will go away; therefore, believes the district will be able to use the grant for the rest of the buildings. Mr. Borosh said that Mrs. Byrne will keep an eye out to see if the grant comes in. Mr. Borosh said he hopes to create a schedule on placing the locks in each school. He said he can probably complete two schools per year. The second part of this project is the software and integration. The district has to buy licenses for each lockset to integrate it with our Genetec System. CSI submitted a proposal for the Sargent Wi-Fi locks. They also setup a couple of demos. CSI even set up a meeting with the University of Pittsburgh to view the locks at the campus. They have thousands of locks. He said they met with them to discuss, ask and answer questions. Mr. Schlameuss asked if the locksets will require a proprietary server. Mr. Borosh said they would and it is already set up. He said they moved to the Genetec System because it is better for the locksets. He said they could have used Honeywell but they did not like it. He said they build a Genetec migration in case they plan to use it in the schools. They are building the system to use inside and outside the locks. Mr. Dymond asked if the Genetec System cost \$7,642.00. Mr. Borosh said page 2 of CSI proposal includes the amounts for the 19 licenses (\$4,142.00) and the ancillary services of \$3,500.00. Mrs. Bear said the total cost is \$7,642.00. Mr. Borosh said the total amount includes the equipment and installation. Mr. Dymond asked if the A.G. Mauro expense is included in this total price. Mr. Borosh said A.G. Mauro's quote is different. The total for CSI is \$7,642.00 and the total for A.G. Mauro is \$17,065.00. Mr. Andrews said the total expense is about \$25,000. Mr. Borosh said he is correct. Mr. Dymond asked if there is an annual charge for CSI. Mr. Borosh said the expense is for a five-year license fee. The expense will then be built into the yearly budget. The cost would be about \$600 for each lockset at the Administration Center. If other locksets are added, there will be a license cost for each extra lockset. Mr. Dymond asked if this expense will be an annual expense for the Administration Center. Mr. Borosh said, no, and it is the total for 19 licenses for five years. Mrs. Bear asked if the district would need to pay the \$4,142.00 up front. Mr. Borosh said, yes, and the total cost is for a five years and not annually. Mrs. Bear asked if they add any locksets, will they need to pay a license fee per lockset. Mr. Borosh said, yes. Mr. Schlameuss asked if each lockset will have a backup with a key entry. Mr. Borosh said they will. He said if someone uses a key with this system, an alarm will go off. They can review the cameras to see if there is an issue. Security will be able to see if the person entering does not belong in the area. Mr. Bear asked if each lockset can be programmed to allow you into specific rooms. Mr. Borosh said, yes. With the rekeying process, it will take care of the issue that is going on. Entry access will not be able to override doors with key entry. They can only enter into rooms that they have access to. Mr. Borosh said for example; if someone from his office wants to go into the Superintendent's office, they will have access to go in there but not have a key that allows access. There will always be a record of each entry. Mrs. Bear said there will no longer have unlocked doors. Mr. Borosh said that is correct. He said they reviewed all areas and worked with maintenance. They had Mr. Hirsh looked over everything since the doors are heavy duty. Mr. Hirsch said the locksets are good. The first lockset they looked at was very flimsy so it can break easily. Mr. Borosh said his main concern was not so much about the technology but with hardware piece. Mr. Andrews asked if everyone will need to have two cards now. Mr. Borosh said, no, just one. Mrs. Bear asked if an

individual will have access to North and South schools. Mr. Borosh said teachers can be assigned a time and a building. Mrs. Bear asked how will it work with subs that are in several buildings. Mr. Borosh said the sub will be issued a programmed card at each building. If there is a lockdown and someone is knocking, they will not be able to get in the room but staff would be able to get into any room. Key entries do not have records but Wi-Fi locks do.

3. Technology Department Review
i. K12 Tech Solutions

Mr. Brian Borosh said that the handout he provided to the Committee members is a proposal from K12 Tech Solutions in order for them to do a review of the ITEC Department. He said he would recommend for the review to be done because he has been at the district for 13 years, and the department's structure has remained the same. He said he would like someone from the outside to look over the effectiveness of the department. Page one of the proposal indicates that K-12 Tech will deliver answers to three clarifying questions: 1. Are proper service delivery processes, procedures and personnel structure in place to ensure that technology support is obtained in an efficient, cost-effective manner? 2. Does the technology staff have the right tools to deliver adequate support? 3. Is the department properly staffed and are their skills aligned with district goals in order to deliver adequate support.

Mr. Borosh said several methods will be used to gather the data that answers these three questions: i.e., an analysis of all existing department documentation including, but not limited to, job descriptions, process documentation and current performance metrics based on existing data contained in the work order system and interviews with ITEC Department Staff. All data will be anonymized and comments will be identified by originators and surveys given to customer groups. These measures will help to establish if the department's organization responsive to the needs of the district, have adequate technology management tools in place, staff properly trained, etc. The cost to conduct this review is \$5,000, which he has available in his budget. Mrs. Bear said this review will help to look at all employees in the department and their allocation as well as other areas in the department. Mr. Dymond asked if Mr. Borosh will bring back the results to the Committee. Mr. Borosh said he will be meeting with Dr. Riker, Mr. Zall and Mr. Neiman to go over the results. Depending on what the report will look like, it may need to be discussed during an Executive Session. He said that he feels this is a good time to look at the department, since they have one staff member that resigned. Mrs. Bear said the information will help Mr. Borosh to decide if he needs to replace the person that resigned. The district can possibly save money on a staff member's salary, if they do not fill the position. Mr. Schlameuss said the report can also indicate that it may cost the district more money. He said it is a good time to have this review since technology has changed a lot and roles and responsibilities may need to be added. Mrs. Bear said she hopes they will get good feedback from the staff and asked if they will be surveying the students, too. Mr. Borosh said they will survey some students through a controlled method. The principals will pick certain students who are learning through hybrid and in-person. Mrs. Bear said she recommends that in order to make it an accurate poll, they should choose different types of students and not just students that involved in clubs and activities. Mr. Borosh said they do not plan to survey the elementary students, although maybe just the 5th graders. They will speak to students in small groups and make sure to socially distance. Mr. Dymond asked what is the timeframe for this work. Mr. Borosh said if the Committee recommends this proposal to the Board members and final approval is done, K-12 Tech can begin on March 16th. Mr. Dymond said the district may be back to a normal schedule

before the work is completed. Mr. Borosh said K12 Tech has worked with larger districts, so they know what needs to be done.

4. Grocery Bid Proposal –

Ms. Melissa Collevchio said tonight she would like to present and make the recommendation for the Food Services Department to take part in a food buying group for groceries for the 2021-22 School Year. The name of the bid group is Tri-State. She said in the backup, they will see that being part of this group will certainly decrease their food cost. The piggy-back fee to join the group for 2021-2022 is \$20. The Tri-State bid is for five years and the 2021-2022 is the final year of the five-year price lock. Ms. Collevchio said she feels it is in their best interest because it reduces labor hours and dollars that the district would spend on advertising the bids and the overall bid process. Tri-State only deals with one grocery vendor, U.S. Foods. Product availability is much less of an issue. Order entry is all electronics. No Sales Reps will be coming into the building. Tri-State has a lot of food items available at a lower cost. Tri-State is currently comprised of over 30 school districts. A copy of the agreement is included in everyone's packet. Mrs. Bear said that in the past, Mr. Schmid would bring bids for different items, i.e. breads, milk, etc. She asked if this company will replace what he did in the past. Ms. Collevchio said this agreement is just for purchasing groceries. She said bids for the bread and other items went out last week. Mr. Neiman said that Ms. Collevchio approached him about this agreement last week. He said in the previous district where he was they participated in the group and it was very successful. He said he was planning to discuss this group with Ms. Collevchio, but she was ahead of the game. Mrs. Bear asked if any schools in the area are part of this agreement. Ms. Collevchio said as of late, Lake Wallenpaupack and Tunkhannock School Districts joined but there are other districts from the Southern regions that are also part of the agreement. Mrs. Bear asked if more join does the cost decrease. Ms. Collevchio said, yes, prices decrease. Mrs. Bear said more districts in the area should get involved. Ms. Collevchio said as long as the districts are not part of a management company, they can join. Mr. Schlameuss said this is a cooperative agreement more than piggybacking. He said this is a different item of structure. Ms. Collevchio said the terminology on the agreement states piggy-backing because it is in the middle of the contract. Mr. Dymond asked where is their distribution center. Ms. Collevchio said U.S. Foods is out of Allentown. Mrs. Bear asked if the district deals with U.S. Food. Ms. Collevchio said currently the district does not deal with U.S. Food because they did not put in a bid on any grocery items last year. The district uses Reinhart Food Services and Pocono Pro Foods. Recently, Pocono Pro Foods was bought out by a company in New Jersey.

5. Fox Model 450 Oboe, Instrumental Music High School South \$5,700

Mrs. Bear said Ms. Katie Clogg is not present tonight but is asking to purchase an oboe for H.S. South in the amount of \$5,700. Dr. Riker said this purchase was brought to the Finance Committee because it is over \$5000. Mr. Schlameuss asked if the purchase fits into this year's budget. Dr. Riker said it does. Mrs. Bear asked if the students rent the instruments or do they get to keep them. Dr. Riker said the students are provided with an instrument. Mrs. Bear said her daughter had an instrument and was given one in school and one to take home since it was heavy. Mr. Andrews asked if this purchase is to replace an old oboe or do they need to give it to a new student. Mr. Neiman said that according to the back-up documentation, it indicates that it is for a new student.

6. 2020-21 Financial Update

Mr. Craig Neiman said he provided a detailed package regarding the revenue profile to the Committee members tonight. He said he looked at local revenues and wanted to share this information with the Committee members. According to the records, the last update was in the fall and many things have changed. He said he will also present an expenditure update. Lastly, he will go over the upcoming meeting schedule and how he would like to approach the 2021-2022 budget.

Page 3 – Local Revenue - Real Estate Tax Collections.

Mr. Neiman said the district collected \$87,470,812.00 in real estate taxes as of December 31, 2020. In December 31, 2019, they collected \$87,732,705.00. The difference is \$261,893.00 less than last year. It is about 0.3% behind the prior year. Although the reassessment occurred, it did not have a big impact on the tax collection.

Page 4 – Local Revenue - Earned Income Tax.

\$3,420,000 was budgeted for Earned Income Tax. Last year's withholdings were \$2,524,589 and this year, as of February the total is \$2,569,290. The withholdings are trending 1.8% or \$44,701 ahead of the prior year.

Page 5 - Earned Income Tax Trend.

The graph has four bars. The earned income tax is not spread over evenly over the months but rather through quarters. Mr. Neiman said he presented three years of collection. Compared to the last two years, there was a strong collection in July 2020, which it may have been affected by the State tax. The district's books are on a lag so the funds may have been received a couple of months back. The collections in October, November and December are probably reflecting prior months. The most recent month, November looks stronger than the last two years in November. In December and January, the district collected less than in the past few years. There is more news to come. March and April are normally low-dollar months but may tell us if we will do good or not. Mr. Neiman said he will monitor each month in order to do his budget for the next year. Mrs. Bear said according to the graph, it looks like 2018 was better than 2019. Mr. Neiman if you are looking at the year's total, then yes. Ms. Bear asked if the collection will continue to go down. Mr. Neiman said he believes it will but will review it further. Mr. Dymond asked where does Mr. Neiman get the information from the County or State. Mr. Neiman said the district uses Berkheimer. Mrs. Bear said collections may be down a little but not as high as the expenditures. Dr. Riker said we estimated higher but does not remember the percentage. Although, we did better than predicted. Mrs. Bear said the district was very conservative.

Page 6 – Local Revenue - Real Estate Transfer Tax.

As of February 28, 2021 the tax collected totaled \$1,172,714 compared to February 28, 2020, when the district collected \$700,747, which is an increase of \$471,967.

Page 7 – Local Revenue - Investment Income.

As of February 28, 2021, the investments in the bank accounts total \$85,665.00. Last year, on February 28, 2020, the investment totaled \$735,262.00, which is way lower than this year due to the interest rate environment we are in. We are down to 0.01% compared to last year at 1.33%. Mr. Schlameuss asked is this due to the Stocks and Bonds market. Mrs. Bear said this is the interest rate for the savings accounts. Mrs. Bear asked if this investment is for our bank accounts. Mr. Neiman said these are for a couple of the PSDLAF accounts' monthly rates. They also include savings and CD

accounts. The district cannot invest in stocks and bonds. He said we work with the banks and they are familiar with what a school district can invest in. Mrs. Bear asked if the district is allowed to do online savings since they give higher interest rates. Mr. Neiman said he will continue to work with the bank. He said the savings are handled similar to the way that they handled them at the district where he came from. Mrs. Bear said she is part of the finance world and can see the rates across the banks. Some banks cap a certain percentage at a certain amount.

Page 8 – State/Federal Revenue.

Mr. Neiman said the State is flat to prior year and on budget. We have received some significant one time, unbudgeted grant money through Federal means. The district is looking on how to allocate it and will speak more about it. We need to use funds wisely and not with an item to do with new programming because these are one-time non-repetitive funds. The estimate for ESSER III is about 14,000,000.00 but nothing is set in stone. Mr. Schlameuss said since they are one-time funds, we do not want to spend the money in any long-term programs or endeavors. Mrs. Bear asked if we are allowed to use the grant for the Network upgrade in order to pay the ten-year contract up front, which will save us money. Mr. Neiman said he would have to look into this possibility. Dr. Riker said the district would need to cover the high cost for Cyber schools by paying for other things with these grants. Mrs. Bear asked if we were told that we cannot use the grant to cover the cyber school costs. Dr. Riker said the district was not informed if these funds can pay for Cyber school costs.

Page 9 – Expenditures Status as of February 2021.

Mr. Neiman said as you can see the first line of the expenditures is for salaries and benefits. The district budgeted 188.1 million dollars and up-to-date 60.6 million dollars have been spent, which means that 57.5 million dollars is left for the remainder of the school year (about 4 months) on what was budgeted. He said we should be in good shape. The next line is the charter schools expense. 4.4 million dollars was budgeted for charter schools. As of now 4.5 million dollars was spent, which is \$100,000 more than what was budgeted. We are already over budget and we do not have all the invoices in yet. All other spending was budgeted at 4.4 million dollars. The actual current spending is 27.3 million dollars, which leaves a balance of 15.5 million dollars. We are through 56% of the budget spending or 92.4 million dollars out of the 165.3 million dollars that was allocated. Dr. Riker said that they have received some requests from departments to buy what they didn't originally budgeted for. Some items are not being approved. Dr. Riker said he wanted to inform the Committee in case the employees reach out to the Board members with their request. Mrs. Bear said the individuals should just submit their request in writing for consideration. Dr. Riker said that is what they were directed to do and then administration will let them know. This procedure is similar to what is on the agenda tonight. The Committee can then say yes or no. Mr. Schlameuss said everyone is already past half of the year and should not be needing major items. Dr. Riker said depending on the item, he will be instructing them to place it in their next year's budget.

Page 10 – Charter School Impact.

Mr. Neiman said he looked at the charter school enrollment in 2020, which was 251 students at 4.5 million dollars. The district budgeted for 250 students at a total of 4.4 million dollars. As of now, we have 519 students enrolled in charter schools. This amount will end up costing the district about 10 million dollars. Mrs. Bear asked if this expense is typical especially from the district that Mr. Neiman came from. Mr.

Neiman said he can speak about two districts. Where he previously worked, they had about 14 students enrolled at a charter school. They were able to keep the number flat. At the district where he is a Board member, the cost has grown tenfold over time. He said they have been in the uncomfortable position to consider cutting programs. Mrs. Bear asked if their numbers have doubled from last year. Mr. Neiman said he is not sure if it has doubled in Bethlehem. Dr. Riker said this is an opportunity to remind the Board and the public that ESACA saved the district about 50 million dollars. Although it's a large expense now, ESACA is the largest operational cyber school with 2,800 students. There are approximately 2,500 students in ESACA that were not part of it last year. The cyber expense could have been far worst. Mr. Neiman said it will be a big challenge trying to budget this expense for next year's budget. Hopefully students will come back to brick and mortar next year. Mrs. Bear said the number may possibly go down, but we need to budget for a higher number. Dr. Riker said that budgeting the correct amount will be a challenge. Charter Schools advertise that it is free but it costs the district. The community does not understand that when they select their charter school compared to ESACA, it costs the district more money. Our community could help us by not electing these schools but instead having their student attend ESACA. We do not know the number of students who will return. We will offer an asynchronous program to get students to come or stay with us. Mrs. Bear asked if the district sends the students that attend outside charter schools, a flyer informing them about ESACA. Dr. Riker said Dr. Vitulli has tried all methods to advertise ESACA. Also, our school police go out to verify that students that attend an outside charter school, live in our district. Some may take offense but some residency check may save us about \$10,000, because if they move away, we do not have to pay their charter bill. Chief Mill and his department do a great job with the residency checks. It is not easy because some individuals become agitated but it's worth it. Mr. Bear asked if many have been found that do not live in our area. Dr. Riker said he does not have a definite number. Mr. Neiman said he does not know how many. Mr. Neiman said he had this issue at his previous district because families do not let you know when they move out of the district but the charter bills keep coming. He said he will continue to work on this matter in this district to make sure we are processing accurate billing. Mr. Dymond asked how many charter schools do we provide transportation to. Dr. Riker said we do not transfer a lot; therefore, it may be a small number. Mrs. Bear asked if we transfer Notre Dame students. Dr. Riker said we transfer Notre Dame and Evergreen students. Mr. Dymond asked if the district transports the students that attend a charter school at Lehigh Valley. Dr. Riker and Mr. Neiman said they are not sure but will check on it. Mr. Dymond said he would like to know if we transfer students to Lehigh Valley. Dr. Riker said there is a mileage limit. Mr. Neiman said the limit is 10 miles within the district boundaries. Dr. Riker said the district is not transferring to all cyber charter schools. He said; hopefully, a small number of students are being transported.

Page 11 – Potential Year End Position

Mr. Neiman said the revenue was budgeted a 160.1 million dollars and the expenditures at 164.3 million dollars. There is a budgeted expenditure of 165.3 million dollars. The budgeted deficit is negative 5.2 million dollars plus the charter spending of 5.7 million dollars leaves a total budget deficit of 10.9 million dollars. He said he is hopeful that this is the worst case scenario. We cannot spend outside of the budget and the original deficit that we worked through. Mr. Schlameuss said the Board allocated some money from the fund balance to cover these expenses. Mr. Neiman said the Board allocated 5 million dollars. Mr. Schlameuss said we can use the 5 million dollars and move other expenses around to cover the cyber charter expense. Mr.

Schlameuss asked if with the 160.1 million dollars of revenue that was budgeted and one million dollars of underperformed revenue as well as the ESSR grants, can they all help with the deficit. Mr. Neiman said if our spending is going up, the expenditures will too. Mr. Andrews said another item to consider is the State budget which has not been passed yet.

Page 12 – Meeting Schedule

Mr. Neiman said he will provide an update of the 2021-22 budget to the Finance Committee members on April 13th and another update at the May 10th meeting since the proposed final budget will need to be approved at the May 17th Regular School Board meeting. He asked if the Committee members would like him to also present a budget update at the Regular Board meeting in April and May. Mrs. Bear said she would prefer that he present the budget at the Regular Board meetings since all Board members will be present as well as the public. Mr. Schlameuss said the Board members and the public should be informed about how the charter schools have been significantly impacting the district. Dr. Riker said he agrees because the public thinks charter schools are free. Mr. Neiman said as he continues to receive any updates, he will let the Committee members know.

7. Berkheimer Resolution

Mr. Craig Neiman said the Berkheimer Resolution was written in order for the Bookkeeper and the Chief Financial Officer to have access into the system to run reports. It now needs to be updated due to the fact that Tom McIntyre is no longer there. The names would now have to be changed. He said he thought it would be best to indicate that the Bookkeeper and the Chief Financial Officer has access to obtain the reports as opposed to having the names be placed on the resolution. Mr. Neiman said this was the point of the resolution to have two individuals be able to have access to the reports.

8. Additional Hours for Virtual Classwork Help Schedule B appointments

Mr. Craig Neiman said additional hours are needed for the virtual classwork help schedule B program due to the pandemic. Dr. Riker said the Board previously approved this item and now additional hours are needed. Mr. Schlameuss asked if the additional hours need to be approved at the next Board meeting. Dr. Riker said if the Finance Committee recommends it for Board approval, it will be placed on the Board agenda. Mrs. Bear asked if the Education P & R Committee will need to place this item on their agenda. Dr. Riker said this item will appear on the Education P & R Committee agenda but the district requested that this item be sent directly to the Finance Committee in order to be placed on the next Regular School Board meeting agenda and in order not to delay the approval for another month.

9. Vehicle List (excluding buses)

Mrs. Bear said the Committee was provided with a list of vehicles. Dr. Riker said the Environmental Services Department is no longer requesting a vehicle. Mr. Andrews said they got the result that was expected that they do not need another vehicle. Mrs. Bear said since they are not purchasing a vehicle, the Committee does not need to discuss this item.

10. Current Projects within the District

Mrs. Bear asked if there are any questions on the current projects. Mr. Neiman said he will review the format of this report in order to make it more legible. Mr. Andrews

asked if the information that they received is for the current projects. Mr. Neiman said Mr. Andrews is correct. Mr. Andrews asked if the current project listed have been budgeted for. Dr. Riker said they are. Mrs. Bear asked if he highlighted items are the ones that are being approved tonight. Dr. Riker said they are. Mr. Dymond said that Mr. Romagno stated that they need a truck to transport cylinders for the fork lift. He said the mechanic changed the valves in the tank to hook them up. They can probably come up with a procedure to fill them up at North instead of transporting them.

VII. RECOMMENDATIONS BY THE PROPERTY & FACILITIES COMMITTEE:

1. D'HUY ENGINEERING INVOICES

- a. Invoice #50476 \$491.41 - High School North & Lehman Intermediate Water Heater
- b. Invoice #52064 \$3,534.97 – Lehman Intermediate & Bushkill Elementary Flooring Replacement
- c. Invoice #52326 \$1,712.75 – J.M. Hill Entrance Vestibule Renovation
- d. Invoice #52323 \$1,375.00 – Transportation Building Underground Storage Tank Removal

2. Miller Sports Construction – Resica Elementary Gym and Stage Floor Sand and Refinish - \$18,990.00 (Funded from General Fund)

Mrs. Bear said the Resica gym floors desperately need to be sand and refinished. Dr. Riker they are using the money for Resica Elementary that would have gone to pay for the vehicle.

VIII. RECOMMENDATIONS BY THE EDUCATION P&R COMMITTEE

1. Edgenuity – E-Dynamic courses - \$3,900
2. OFF2CLASS – Invoice #ESASD-001-21012021 Software Services - \$453.60
3. MTSS Grant Allocation - \$4,274.56

Mrs. Bear asked why do we keep getting more Edgenuity courses. Dr. Riker said the classes are for more students. Mrs. Bear asked when do we stop adding more students into the elective courses. Dr. Vitulli said this expense is for the elective courses for the second semester that was discussed at the Education Programs & Resources Committee meeting. The number of students that would be choosing the electives could not be predicted. Mrs. Bear said the students who are in brick and mortar are not given the same option because if they want an elective and the class is full, they are told to pick something else or sit in a study hall. Why are we not doing the same with the virtual students? Dr. Vitulli said these are courses that technology is using. They used it last year and during the first semester. Mrs. Bear said she is questioning the class size. If the district has a limit of 26 for brick and mortar students, why not have a limit with Edgenuity classes. She said the district keeps coming back each month to obtain approval for more Edgenuity classes. Dr. Vitulli said we are not coming back each month. These are classes for the second semester. We could not predict how many the district would need. Mrs. Bear asked if the virtual students pick their classes in the beginning of the year. Why can we not limit them like the brick and mortar students are? Why do these students have free range? The district is not being equitable to the brick and mortar students. The district is taking teachers away from the brick and mortar students to give to the Edgenuity students. Dr. Riker said this is not the case with the electives. Mrs. Bear said it is when you keep adding elective courses for the students in Edgenuity. She said that she is happy that the virtual students want the electives but the brick and mortar students cannot have what they want. Dr. Vitulli said no teacher has been removed from a brick and mortar class to teach these courses to virtual students. These courses were used last year and during this year's first semester. Mrs. Bear asked Dr. Riker if he

understands what she is trying to say. Dr. Riker said he understands what she is asking. This is not what the money is for. He said Mrs. Bear is correct with the fact that the brick and mortar classes have limited spaces. Meanwhile, virtual classes like ESACA have more spaces. Therefore, the Board will have to provide direction to administration if they want ESACA, who provides more space, to limit the spaces to equal those of the brick and mortar students. Mrs. Bear said the brick and mortar students should be allowed to take Edgenuity courses as opposed to sitting in a study hall. Dr. Riker said she suggested this previously. Mrs. Bear said she never received an answer regarding her suggestion. Dr. Riker said she received an answer. Mrs. Bear asked if the district made the arrangements for the students in brick and mortar to be able to sign up for the electives through Edgenuity. Dr. Vitulli said the district made all courses available to anyone who wanted it. Dr. Vitulli said he does not believe any student signed up. Dr. Riker said her suggestion is a great idea. The district's goal is "student voice and student choice". Whether they are brick and mortar or virtual, they will be given the choice of what courses they want to take. This is the district's mission. We do want to provide flexibility to the students who are in a study hall. Mrs. Bear said this happened to her son and other students who could not get a course so they had to sit in a study hall. She said the district needs to do a better job with communicating these options to all students. Mr. Schlameuss asked if the issue with these students happened during the second or first semester. Mrs. Bear said it happened during the first semester. Mr. Schlameuss said this issue should no longer occur. Mrs. Bear said students have always sat in a study hall due to lack of space in an elective class. Dr. Riker said this has happened for years but no longer will happen. Mrs. Bear said this year they have flexibility because the courses are being paid through a grant but next year, the district needs to think about capping due to enrollment costs. Grants may not be available next year. Dr. Riker said this is a conversation for the Education Programs & Resources Committee. Mrs. Bear said that Mr. Neiman would need to know how to budget for this expense. Mr. Neiman said his other concern is that if we are not flexible with students, they may want to leave the district to attend a charter school, which will cost the district more money than paying for the courses at the district. Mr. Schlameuss said if we are going to practice "student voice, student choice", we need the students to see what courses and teachers they will be selecting. Mrs. Bear said the students would need to know in advance. Mr. Andrews said the district may be offering new programs in the future. Mrs. Bear said we need to provide the courses in-house, too. Mr. Dymond asked if students want to be in Edgenuity, do they have a fixed time and schedule or do they log in at any time. Dr. Riker said they are asynchronous. Mr. Dymond asked what length of time are the courses. Dr. Vitulli said the total for all courses is about 800 to 900 hours. The elective courses total about 40-50 hours. Mr. Dymond said the Edgenuity courses would not take away from their brick and mortar. This may keep the students from going to an outside charter school. Mrs. Bear said the district should not be telling any student that classes are full. Mr. Dymond said in the past it may have been too much to offer but now we should be able to.

IX. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

X. **ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION**

1.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Richard Schlameuss to recommend that the Board consider for approval the quote from PenTeleData in the amount of \$988,639.46 for the lease of Dark Fiber to all District buildings. Motion was seconded by George Andrews and carried unanimously, 4-0.

2.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Richard Schlameuss to recommend that the Board consider for approval the quote from A.G. Mauro in the amount of \$17,065.00 for the purchase of 18 Wi-Fi locks (Hardware – Sargent Locksets). Motion was seconded by Larry Dymond and carried unanimously, 4-0.

3.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Richard Schlameuss to recommend that the Board consider for approval the Statement of Work from K12 Tech Solutions in the amount of \$5,000 for the ESASD Technology Department Review. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

4.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Richard Schlameuss to recommend that the Board consider for approval the authorization to seek bids for grocery supplies for the 2021-22 fiscal year through the Tri-State Food Service Group at a cost of a piggyback fee of \$20.00. Motion was seconded by George Andrews and carried unanimously, 4-0.

5.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Larry Dymond to recommend that the Board consider for approval the quote from Nazareth Music Center in the amount of \$5,700 for the purchase of a Fox Model 450 Oboe. Motion was seconded by George Andrews and carried unanimously, 4-0.

6.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Richard Schlameuss to recommend that the Board consider for approval the resolution from Berkheimer. Motion was seconded by George Andrews and carried unanimously, 4-0.

7.

RECOMMENDATION BY THE COMMITTEE: Motion was made by George Andrews to recommend that the Board consider for approval the additional advisor hours for Virtual Classwork Help appointments during the 2020-2021 school year. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

8.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Larry Dymond to recommend that the Board consider for approval the following Property/Facilities Committee meeting items: Motion was seconded by George Andrews and carried unanimously, 4-0

1. D'HUY ENGINEERING INVOICES

- a. Invoice #50476 \$491.41 - High School North & Lehman Intermediate Water Heater
- b. Invoice #52064 \$3,534.97 – Lehman Intermediate & Bushkill Elementary Flooring Replacement
- c. Invoice #52326 \$1,712.75 – J.M. Hill Entrance Vestibule Renovation
- d. Invoice #52323 \$1,375.00 – Transportation Building Underground Storage Tank Removal

9.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Richard Schlameuss to recommend that the Board consider for approval the following Property/Facilities Committee meeting item: Motion was seconded by George Andrews and carried unanimously, 4-0

- 1. Miller Sports Construction – Resica Elementary Gym and Stage Floor Sand and Refinish - \$18,990.00 (Funded from General Fund)

10.

RECOMMENDATION BY THE COMMITTEE: Motion was made by George Andrews to recommend that the Board consider for approval the following Education Programs & Resources Committee meeting items: Motion was seconded by Larry Dymond and carried unanimously, 4-0.

- a. Edgenuity – E-Dynamic courses - \$3,900
- b. OFF2CLASS – Invoice #ESASD-001-21012021 Software Services - \$453.60
- c. MTSS Grant Allocation - \$4,274.56

XI. **NEXT MEETING – April 13, 2021**

RECOMMENDATION BY THE COMMITTEE: Motion was made by Larry Dymond to adjourn. Motion was seconded by George Andrews and carried unanimously, 4-0

XII. **ADJOURNMENT: 7:11 p.m.**

Respectfully submitted,
Patricia L. Rosado
Board Secretary