

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
May 10, 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: Jason Gullstrand.

- III. **School Personnel Present:** Brian Borosh, Louis Carbajal, Diane Kelly, Daryle Miller, Craig Neiman, William Riker, Patricia Rosado, Bill Vitulli and Steve Zall.

- IV. **Community Members Present:** Bonnie Peterson.

Other: Ray Kase – K-12 Tech Solutions

- V. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to approve the agenda for May 10, 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 George Andrews and carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the minutes of the April 13, 2021 meeting. Motion was seconded by Richard Schlameuss.

VI. ITEMS FOR DISCUSSION:

a. **Technology Department Review**

Mr. Brian Borosh said the Board members received a PowerPoint from Mr. Kase with some of his recommendations. Mr. Borosh said he has some progress notes that he will go over with the Board. Mr. Ray Kase, K12 Tech Solutions, said that Mr. Borosh reached out to him to help in order for a study to be done so that his department can produce service in a better fashion. He presented a PowerPoint of the ESASD Technology Department Review.

He said that the presentation is based on a 33-page report. He will go over the recommendations that he has as follows:

He said that the purpose of this project is to find ways of operating more effectively and efficiently in the delivery of technology services. The Goal is to improve service delivery

today and use a framework to implement processes that will scale for future service delivery needs.

Past to Present:

The numbers of supported devices have grown dramatically.

The ways that these devices are used for instruction continues to evolve.

The importance of tech support has become mission-critical.

Methodology:

Critical Questions

Are proper Service Delivery processes and procedures in place to ensure that technology support is obtained in an efficient, cost-effective manner?

Does the Technology staff have the right tools to deliver adequate support?

Is the Department properly staffed and are their skills, roles and job description focused to deliver best-in-class technology support using industry – best – practice methods?

Methods:

Interviews with technology, administrative and instructional staff

Online survey of all staff

Examination of materials and systems

Methodology:

Online Survey

645 Responses

Overall very positive feelings about tech support services currently delivered.

Some services available to users need clarity/communication to understand what services are available and how to access them.

New processes need to be put into place to streamline service delivery.

Recommendations:

1. Adopt an ITIL/ITSM (IT Service Management) process model to efficiently and effectively manage customer requests for service.
2. Implement a new ITSM-based incident management.
3. Use remote management tools.
4. Use a resource-based model for delivering building-level service to customers.
5. Implement a project management system for the Technology Department.
6. Develop and implement a Technology Communications Plan.
7. Develop and implement Change management practices in the Technology Department.
8. Move Social Media and Webmaster duties to the Administrative Level.
9. Implement a department-wide documentation system.
10. Review, revise and publish the process for adopting new educational software. 24.10
11. Review and revise job descriptions to align with a new service delivery model.
12. Align salaries of the network team to reflect skills and responsibilities.
13. Include department goals and mission as part of the existing goal-setting process.

Mr. Borosh reported on the Current Progress as follows:

Reviewing ITIL Course Offering for the summer (Rec 1)

Phase 2 of Reviewing Incident Management Systems (Rec 2)

Expand Remote Management Tools (Rec 3)

Resource Based Model for Delivering building level Service (Rec 4)

Project Management – module to be part of Incident Management System – or Microsoft Project. (Rec 5)
Technology Communications Plan (Rec 6)
ITIL Based Change Management – Summer (Rec 7)
Social Media & Webmaster Duties to Administrative Level – Central Office/Board Discussion - (Rec 8)
Department-wide Documentation System – Fall - (Rec 9)
Adopting New Educational Software – New Framework being established currently. (Rec 10)
Review and revise job descriptions – Summer - (Rec 11)
Align Salaries of Network Team – Central Office/HR/Board - (Rec 12)
Implement Goals – will set goals this summer for 2021-2022 FY/SY - (Rec 13)

Mr. Schlameuss said the progress is a good start. Mrs. Bear said the presentation was very well put together. Mr. Schlameuss said it is encouraging to see that the district is taking a dive into the department and planning for the future. Mr. Borosh said we want to have a process on how to conduct the whole department. Mrs. Bear said the goal is to have a system and to have a ticket system of what needs to be done in order to see the whole process. Mr. Borosh said his department wants everyone to take advantage of the help desk by placing all their requests/issues this way it would be one system that will route everything. This system would be used for all ITEC staff by reviewing the tickets and taking care of the requests/issues. Any outside organization, i.e. the IU 20, would also use this system. He said they are looking at the old system to be used by the staff and the new system to be used by the students. Mr. Andrews asked if the ITEC system will be used for maintenance concerns, too. Mr. Borosh said it would be for technology issues only. Mr. Andrews asked if School Dude is for the maintenance items; therefore, the technology part would be removed from School Dude. Mr. Borosh said it may be removed. Mr. Borosh said before a ticket is created, the individual needs to make sure that everything was tried on their end first. He said they are going to work to get people to learn the framework of the issues in order for the ITEC staff to conserve time and determine what is needed. Mrs. Bear said this will help manage the time of the staff so that they are not jumping from emergency to emergency. The system should be able to prioritize the requests. Ms. Borosh said the new system will help with a lot of issues. Mrs. Bear said they can handle issues remotely from wherever they are. Mr. Dymond said they keep forgetting each month to discuss the district website's upgrade. Mr. Borosh they have been working on it. He said he will bring them more information on the district website next month. We are looking at a new template with more dynamics. Dr. Riker said they have held meetings to discuss the district website. Mr. Dymond said the biggest issue about the website is that it is tough to find things. Mr. Borosh said we will minimize this issue. We have been working with a High School South student who's been helping us with the website. Mr. Borosh said when he told the student that they need to work on the district's Facebook, the student informed him that students are more likely to use Instagram and Twitter. The district needs to work from the students' perspective. Mr. Andrews asked if Administration is also inputting items under the schools' information. Mr. Borosh said they are going to centralized the site but all schools will also use the template for their school in order to set consistency. Mr. Schlameuss said the concern is the content. Mrs. Bear said each school's information needs to be updated. Mr. Andrews said and everyone needs to use the same format. Mr. Borosh suggested they look at the High School South website because some of their templates will be used for all schools.

- b. HS South Auditorium Epson Projector \$7,553.95
Mr. Brian Borosh said the current projector in the High School South Auditorium is barely functional and has exceeded its lifespan. The auditorium is approximately 95' x 82' x 22' and therefore, necessitates the need for a larger projector. The lowest quote was from ePlus at \$7,553.95 and it is a PEPPM price. Mrs. Bear asked how soon will it be installed. Mr. Borosh said, hopefully, sometime in June. He said they are hoping that the company has the projector in stock. Mr. Andrews asked if they are buying a projector that is better than the one that is in there now. Mr. Borosh said, "yes" because the projector that is in there now is old. Mrs. Bear asked if the projector will help with having meetings in-person and via zoom. Mr. Borosh said it will help with meetings as well as with other things as well, i.e. professional development and social distancing. The current projector is not for large crowds.
- c. Ironton Global Contract for SIP Phone Service \$12,450.96
Mr. Brian Borosh the Iron Global Contract that he provided to the Board members is an extension of the current contract since he did not realize that the current contract was up this year. He said he is requesting to extend our current Ironton Glob SIP contract for 1 year. The district currently contracts with Ironton Global to provide 40 SIP phone lines, as well as 120 DID's for telephone service. The district will go out for an RFP next year but would like to extend the current contract for one year. He said he met with IronTon Global to review our account and asked for a one-year extension and they proposed a \$25.00 monthly decrease, which is \$300 annually. Mr. Schlameuss asked if the cost is per SIP trunk. Mr. Borosh said the price is the total cost and not per SIP trunk. It costs \$18 per line at a total cost of \$1,037.58 and annually \$12,450.96. The amount of phone service has been decreased substantially.
- d. NWEA – MAP K to 12 Growth License \$31,175.00
Dr. Bill Vitulli said the NSWE contract renewal is for a tool they use for grades K-5. It helps administration see where there are learning gaps. The tool is used 2-3 times per year for grades K-5 grades. The only difference is that it varies from year to year due to the amount of students they need to purchase for. Mr. Dymond said the information says it's for K-12 grades. Dr. Vitulli said that is just the name of the company. Mrs. Bear asked if this tool is for Math and Reading. Dr. Vitulli said it is and it is also for Science this year. Mr. Dymond asked if the tool detects improvement. Dr. Vitulli said the tool measures improvement to help determine what the student is lacking. Mrs. Bear said it monitors progress at different times of the year. She asked if is different than Dibels. Dr. Vitulli said it is and they use NWEA in conjunction with Dibels. Both measures will be especially needed this coming year.
- e. AED Unit Replacements - \$15,547.20
Mr. Craig Neiman said the Security Department is asking to replace some of the AED units. They received quotes and the lowest quote came in at \$15,547.20 from AED Superstore. Mrs. Bear asked if there are any grants that can help with this purchase. Mr. Neiman said he does not know but can look into it. Mrs. Bear said that AED units can be received through grants. Mr. Schlameuss said the Moyer Foundation gives free units via grants but they do not provide grants to replace them. However, it would not hurt to look into. Mrs. Bear said she knows LVHN and St. Luke's also gave out AED units. She said if they get a contract with us through the RFP, they may be able to assist us with AED units. Mr. Schlameuss asked which vendor is providing the units. Mr. Neiman said AED Superstore is providing the units. Mr. Dymond said AED Superstore is providing an eight-year warranty,

which is good. Mr. Andrews asked if the units need to be replaced Mr. Schlameuss said the battery or programming may need to be replaced but they are hard to find. Parts may also be hard to find and that is why the whole unit needs to be replaced. Mr. Schlameuss asked if the district has a contract with Cintas. Mr. Schlameuss said Cintas can also provide AED units if we already have a contract with them. Mr. Schlameuss said although the price for the units is good, it would not hurt to look at the other options. Mr. Neiman said he will look into both items the grants and Cintas.

f. Parking Lot Sweeping - \$15,650.00

Mr. Craig Neiman said the district is looking to hire a company to do the sweeping of the parking lots. They did several quotes and two vendors responded; S & G Asphalt and Abe Paving. The district is recommending the lowest quote of \$15,650.00 plus trip charges from Abe Paving. Mr. Andrews said the Grounds Department should perform this work department. This item should go through the Property/Facilities Committee. Dr. Riker said it is fine to place this item through the Finance Committee because it is not a new item; therefore, the Finance Committee is approving the cost and not the project. Mr. Andrews said we can probably purchase the equipment to do it in order to save on the cost. This expense is a lot of money to sweep the parking lots. Dr. Riker said he does not know if the district has the equipment to do this job. Mr. Daryle Miller said we do not have the equipment. Mr. Dymond suggested that the district buy the machine that is needed in order for the staff to do this job. Mrs. Bear asked how much will the machine cost. Mr. Dymond said even if it costs about \$15,000 to purchase the item, it will benefit the district by having the equipment for about 10 to 15 years. Mr. Schlameuss said if the staff does this job, what other project(s) will not get done. He said we need to consider the labor and cost. Mr. Andrews said they should evaluate this item to see what is the best solution. They need to determine which way would be more cost effective. Mr. Dymond said the district paid to have this done before and quality workmanship was not done. Dr. Riker asked which schools were affected by the poor workmanship because he never heard a complaint. Mr. Dymond said he believes it occurred at Middle Smithfield Elementary and at the two parking lots up North as well as the North bus lot. Mr. Dymond said the company went over the hours that they were supposed to work, too. Mr. Schlameuss said the project should be approved now and then discussed at the Property/Facilities Committee for next year because it has to get done this year. Mr. Schlameuss said he is sure the individuals that are overseeing this project, can sign off on the work that it is being done properly because it is their job to oversee their department. Mr. Andrews said that it will be Mr. Miller's responsibility to do this task.

g. Child Nutrition Nationwide Waiver Update for School Year 2021-22

Mr. Craig Neiman said he shared with the Committee members the Child Nutrition Nationwide Waiver. The waiver has been extended through the 2021-2022 school year, which means that students will receive free breakfast and lunch. This is good news for the families and students who normally pay. Mr. Andrews asked if we have to apply for this waiver. Mr. Neiman said the district has to apply for the waiver. Mr. Andrews asked if Mr. Neiman or Ms. Collevichio will be applying for the waiver. Mr. Neiman said that Ms. Collevichio will be applying for the waiver. Mr. Neiman said the extension of the free meals, presents a challenge for the Food Serviced Department because the subsidy we are receiving is not covering all of the costs due to the fact that not all students are participating and taking advantage of the free meals. He said it will be interesting to see if all students will take advantage of the free meals once they come back in the fall. If the number of participants go up, so will the reimbursement dollars from the State.

h. 2021-22 School Lunch Prices – Craig Neiman

Mr. Neiman said due to the lack of sales this past year, the Food Service Department is increasing some of the A-La-Carte food prices, as indicated in the package that the Board received. The regular lunch and breakfast meals will remain the same price. Mr. Andrews said some prices are high. Mrs. Bear said the prices are all reasonable. Mr. Andrews asked if the Food Service Department is sure that some kids can afford to pay for the increase in prices. Mrs. Bear said that some teachers also buy the A-La-Carte items. Mr. Dymond said that they will have to have another discussion about the prices due to the price of food going up. Mr. Neiman said the district needs to see a good increase in student participation with the free meals so that all cost is covered through the State reimbursement.

i. Refunding Update Series 2016 Bonds

Mr. Craig Neiman said he does not have any back up with regards to the Series 2016 Bonds refinancing but wanted to provide an update. He said as part of the dual tracking, the bank notes are occurring. The RFP went out about two weeks ago and were due back today. PFM solicited a healthy list of banks. Mrs. Bear asked if there is a large list of who responded. Mr. Neiman said he does not have that information yet but PFM will be providing all the information at Monday's Regular School Board meeting. There will be a resolution for the Board to consider and take action on. Mrs. Bear asked if the live auction will take place before Monday's meeting or will it occur after. Mr. Neiman said the live auction would occur after the Board's vote at the May Regular School Board meeting. Mr. Dymond asked if the district is looking for the auction to occur in June. Mr. Neiman said the live auction would most likely occur in June.

j. Piano Donation

Mr. Craig Neiman said that the Board received information regarding a piano donation from a community member. All details were provided to the Board and according to the Policy, the Finance Committee needs to approve the donation and forward it on the Regular School Board meeting for full approval. Mr. Schlameuss asked which school will be receiving the piano. Mrs. Bear said the information is from Ms. Stevens who works at Lehman Intermediate School. Mr. Dymond said who will be moving it. Dr. Riker said the district has not looked into yet. If the district can, then they will move it. Otherwise, just like before, they will need to hire a company to move it. The cost will be about \$300 dollars. If a company needs to be hired, that expense will be brought back to the Finance Committee.

k. Sun Life 2021 Renewal – Life, AD&D, LTD – no rate increase

Mr. Craig Neiman said our Sun Life Insurance, for Life, AD & D and LTD needs to be renewed. There is no rate increase from CM Regent Solutions.

l. Mazzitti & Sullivan EAP Services 2021 Renewal \$1.33/month/employee (decrease from \$1.50)

Mr. Craig Neiman said similarly our EAP Services from Mazzitti & Sullivan needs to be renewed. The rate per employee per month was decreased from \$1.50 to \$1.33. You can see on the contract all the services that they provide. Mr. Andrews asked if they provide counseling for our employees. Mr. Neiman said they do. Mr. Andrews asked how many employees use it. Mr. Neiman said we are down from what they would like to see. We are at about a 4.5% to 5% usage district-wide. Mrs. Bear said this may be the reason for the rate decrease. Mr. Neiman said the district tries to create awareness by sending out monthly newsletters to all employees. We would like to get the participation up to about 10%. It

may be that many prefer to get services that are covered through the Blue Cross Blue Shield Insurance. Mr. Dymond asked if the cost is about \$16,000 per year. Mr. Neiman said the cost is for about 2,000 employees. Mr. Schlameuss said it is an important resource for HR to have. Mr. Andrews said since Blue Cross/Blue Shield and even the Unions have their own plan, is this service a necessity. It's good for the employees to participate, but is this the best way to do it. Mr. Schlameuss said that if a bus driver gets a DUI or get a random drug test, this is the program they would go to in order to remediate that problem or they can go for counseling as well as any additional services. We need to have this service in place to deal with these issues. Mr. Andrews asked if everyone is aware of this service. Mr. Zall said, "yes, absolutely". He said he has discussions with the employee and shares a brochure with them. He said as Mr. Schlameuss said, this service tends to be used more for immediacy issues. If they require ongoing services, then they go through the Blue Cross Blue Shield Insurance.

m. Athletic Trainer Services – Request for Proposals

Mr. Craig Neiman said that an RFP was prepared for Athletic Trainers Services as they spoke previously at a Finance Committee. He said that he feels this is a good time to go out and solicit for these services. Mr. Dymond asked how many trainers does the district need. Mr. Neiman said that number will be provided through the RFP. They will tell us what we will need depending on the district's size. Mrs. Bear said there are numerous events that will need multiple trainers at a time. Mr. Neiman said that those who will respond will provide a staffing model. Dr. Riker said that all details are in the RFP for Intermediate Schools and High Schools. Mrs. Bear said we also need an athletic trainer for North/Lehman athletics, since Mr. Rossi is going to the South area. Dr. Riker said the RFP will be sent to St. Luke's, Lehigh Valley Health Network, East Stroudsburg University and Mountain Valley Orthopedics. He said he is not sure if we are required to advertise all of the RFPs. If the RFP needs to be advertised, the RFP will be. Mr. Schlameuss said he would recommend when the score sheet is devised on how to grade the respondents, it should include extra points if they use local students such as East Stroudsburg University does. Mrs. Bear said other local colleges should also be considered. Mrs. Andrews suggested sending the RFP to Geisinger, too. Mrs. Schlameuss said because of the value of this RFP, it should be publicized in order to send it out to as many people as we can. Dr. Riker said the RFP is being sent out this week and will not be presented to the Board at the Regular School Board meeting since the Finance Committee provided the approval. Mrs. Bear said that the RFP was spoken about at the previous School Board meeting; therefore, everyone is aware of it.

n. Government Software Solutions Proposal for Tax Bill printing services – no rate increase – Mr. Craig Neiman said the Government Software Solution proposal is for tax printing services for Pike, Porter and Price townships. There is no rate increase.

o. Current Projects within the District

Mr. Craig Neiman said he provided the latest current projects list to the Committee members. Mr. Schlameuss thanked Mr. Neiman for placing the projects on a multi-page document. Mrs. Bear said now she can view it better. She thanked Mr. Neiman as well.

p. 2021-22 Budget Update

Mr. Craig Neiman said he provided three documents with reference to the 2021-22 budget. One document is the document at a glance, which he does not plan to go over. This document ties into the PDE 2028 document, which gets submitted to the State. The PDE 2028 document, which gets provided to the State, includes the budget by category.

Mr. Neiman presented the 2021-22 Budget update as follows:

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Budget Themes

Structural Deficit Budget Issues Continues

Unfunded State Mandates – Dramatic increase in Charter School costs, pension costs continue to increase

When/How many Cyber Charter students return to ESASD

When/How many ESACA students return to EASD buildings

Assumes flat funding from the State (Hoping to get a budget from the State in June)

Federal Funds – ESSERIII

Fixed Cost/Contracted Cost growth

Covid Impact/Uncertainty

- Local Revenue (EIT, Interest Income), Costs, Federal Funding

Focus on maintaining educational excellence for all ESASD students

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Budget Change from last Presentation

	<u>2021-22 Budget As of April</u>	<u>2021-22 Budget As of May</u>	<u>Change from April to May</u>
Revenue	\$160,215,366	\$162,133,989 (2.5% tax increase included)	\$1,918,623
Expenditures	\$170,978,781	\$168,965,274	(\$2,013,507)
Revenue over Expenditures	(\$10,763,415)	(\$6,831,285)	\$3,932,130
Beginning fund Balance	\$43,964,036	\$43,964,036	0
Ending Fund Balance	\$33,200,621	\$37,132,751	\$3,932,130

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2021-22 Budget Comparison to Prior Year

	<u>2020-21 Budget</u>	<u>2021-22 Budget</u>	<u>Variance</u> <u>\$</u>	<u>Variance</u> <u>%</u>
Revenue	\$160,104,718	\$162,133,989	\$2,029,271	1.27%
Expenditures	\$165,285,625	\$168,965,274	\$3,679,649	2.23%
Revenue over Expenditures	(\$5,180,907)	(\$6,831,285)	(\$1,650,378)	
Beginning Fund Balance	\$49,144,941	\$43,964,034		

Ending Fund Balance	\$43,964,034	\$37,132,749	(\$6,831,285)	-15,54%
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Mr. Dymond asked what makes up for the expenditure increase. Mr. Neiman said he will explain that soon.

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2021-22 Budget Cost Categories Compared to 2020-21 Cost Categories

2021-22 Budget	2020-21 Budget
Supplies – 3.6%	Supplies – 3.9%
Purchased Services – 4.4%	Purchased Services – 4.6%
Contracted Services – 5.1%	Contracted Services – 5.0%
Charter Schools – 4.7%	Charter Schools – 2.7%
Debt Service – 10.2%	Debt Services – 11.4%
Salaries & Benefits – 70.9%	Salaries & Benefits – 71.4%

All categories equal or are down from year over year except for Charter Schools.

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ESSER III – Blended yet Separate. He is excluding this from the budget because they do not know how much of it will be spent next year.

<u>2021-22</u>	<u>General Fund</u>	<u>ESSER III</u>	<u>Total Budget</u>
Expenses	\$168,965,274	\$14,541,856	\$183,507,130
Revenue	\$162,133,989	\$14,541,856	\$176,675,845
Total	(\$6,831,285)	\$0	(\$6,831,285)
Capital Projects	\$0	\$?	\$0

Stimulus Operational & Learning Loss expenses (20% minimum) will be reflected in the General Fund Budget, although they are one-time funds.

Potential for ESSER III Funds to be used for approved use Capital Expenditures (mainly HVAC)

May Proposed Final Budget EXCLUDES ESSER III Funds. June Final Budget will INCLUDE ESSER III Funds.

Mrs. Bear asked how much of the ESSER money are they estimating to place in the budget. Mr. Neiman said he will probably place half of it in the budget. Mr. Andrews asked if the ESSER money can be used against the current deficit. Mrs. Bear said if we do that then what happens next year when we do not have ESSER, how would we balance the budget. Dr. Riker said you should use ESSER money for one-time expenses only. Mr. Andrews said he understands that. Dr. Riker they are looking for HVAC project so that it is not a reoccurring expense. Mr. Andrews asked if the use for this expense can close the budget expense. Mr. Neiman said it won't. Mr. Schlameuss said that they are adding the expense and then using ESSER money to cover it. Mr. Neiman said the chart on page 6 indicates how it will work. Mr. Andrews said the expense would be a wash.

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2021-22 Budget Cost Drivers

	<u>2021-22 Budget</u>	<u>Increase / (Decrease) over 2020-21- \$</u>	<u>Increase / (Decrease) over 2020-21- %</u>
PSERS	\$23,898,479	\$643,085	2.8%
Charter Schools	\$8,000,000	\$3,600,000	81.8%
Everything Else	\$137,066,795	(\$563,435)	(0.4%)
Total Expenditures	\$168,965,274	\$3,679,649	2.2%

Mrs. Bear asked if we did not have the large Charter School expense, would the budget be balanced. Mr. Neiman said they would still have a deficit but not as large as it currently is.

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PSERS Employer Contribution Rate, which has increased from 2002-04 at 3.77 to 2020-22 at 34.94

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Charter School Impact

Actual 2020 – 251 students = \$4.5

Budget 2021 – 250 students = \$4.4

Estimated 2021 – 519 students = \$10.1

2020-21 Rate per Student

Regular Ed - \$15,264.54, Special Ed \$39,195.69

Rate per Student has increased each year based on PDE 363 calculation

Mr. Andrews asked if the district knows how many special education students attend charter schools. Dr. Riker said a small percentage do.

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Charter School Cost Trend from 2015-16 at \$3,726,824 to 2021-22 at \$8,000,000

2021-22 Budget assumes a minimum of 100 students return to ESASD – Risk?

Mrs. Bear asked what is the progress in getting 100 students back into the district. Dr. Riker said they are working on it and it is not going as quickly as he would like it to go. Mrs. Bear said she shared the testing results from the district and compared them with some Cyber Schools and parents were surprised that Cyber School results are not good. Mrs. Bear said a lot of the Cyber School’s percentages were not good. The students were 38% proficient in reading and 14% math. The graduation rate is 85%. Some schools had 10% proficiency in math, 34% in English and a 60 % graduation rate. People do not realize how much our ESACA Program and Brick and Mortar classes have to offer. They also do not realize that Cyber schools cause their tax dollars to go up. Mr. Andrews asked if there is any way we can advertise this information. Dr. Riker said we cannot use public funds to advertise this information. Mr. Schlameuss said, we as Board members can share this information with others. Dr. Riker said people think that Cyber Charters are free but it causes an average of about \$20,000 per student. Mr. Dymond asked if this information can be placed on the district’s Facebook page. Mr. Schlameuss said we are not sure if we can do this. Dr. Riker said when you want a formality for your students, you place them in a

Cyber School but when you want them to learn, you keep them at the district schools. Mr. Neiman said it does not help that there are neon signs in the highways promoting Cyber Schools.

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Tax increase history compared to index

2010-11 3.9% to 2021-22 4.2% and a tax increase in 2012-13

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Millage Scale and Associated Revenue

2021 Millage Rates based on STEB (State Tax Equalization Board) Market Value

Rebalance:

Monroe = 30.75 and Pike = 123.66 (down \$5 a mill from 10 years ago)

2020 Median Homestead Assessed Value:

Monroe = \$110,340 and Pike = \$24,150

	<u>New Millage Rate</u> <u>Monroe/Pike</u>	<u>Revenue Generated</u>	<u>Annual Impact on</u> <u>Median Homestead</u> <u>Monroe/Pike</u>
1.0%	31.06/124.90	\$939,974	\$37.71/\$29.86
1.5%	31.22/125.51	\$1,409,961	\$54.67/\$44.80
2.0%	31.37/126.13	\$1,879,948	\$71.64/\$59.73
2.5%	31.52/126.75	\$2,349,935	\$88.61/\$74.66
3.0%	31.68/127.37	\$2,819,921	\$105.58/\$89.59
3.5%	31.83/127.99	\$3,289,908	\$122.54/\$104.52
4.0%	31.98/128.61	\$3,759,895	\$139.51/\$119.46

Mr. Andrews asked if Mr. Neiman's assumption is that the average home's value is about \$110,340. Mr. Neiman said as he gets new information, he will need to update that to about \$137,000. Mr. Andrews said it is going up every day. Mrs. Bear said not for the assessed value. Mrs. Bear asked if we get back taxes for when people sell their home. Mr. Neiman said yes. Mr. Schlameuss said it depends because some would go to a County sale first.

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Proposed Final Budget Assumptions

2.5% Real Estate Tax increase included

ESSER III Funds excluded

Will be included in June Final Budget

Budget Deficit of \$6.8 million

\$0.6 million covered from Pension committed fund

\$6.2 million covered from Assigned Fund Balance

Administration will continue to look for budget cuts over the next month to reduce the impact on Fund Balance

Mr. Schlameuss said that the Board approved the use of the fund balance for this school year. He asked if Mr. Neiman estimates that we will need to use that amount. Mr. Neiman said he is not sure but may not need to due to the 7 million dollars of ESSSR funds. He said we budgeted a 5.2 million-dollar deficit but estimates now it would be 3.9 million dollars. Mrs. Bear said we still have Cyber Charter Schools bills coming in because they are behind by two to three months. Mr. Neiman said she is correct. Mr. Schlameuss said what he is trying to say is that the money assigned for this year can be rolled over to next year. Mr. Neiman said Mr. Schlameuss is correct. He said he hopes the 7 million dollars will help this year and they will not need to draw as much from the fund balance.

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Other Tax motions – May Board Agenda

1. Be it resolved that the 1% Earned Income Tax be proposed to remain in effect and be placed on all residents of the District for the 2021-22 fiscal year, of which 0.5% is shared with local municipalities; and
2. Be it resolved that the \$10.00 Occupational Privilege Tax be proposed to remain in effect and to be placed on all workers in the District for the 2021-22 fiscal year; and
3. Be it resolved that the 1% Real Estate Transfer Tax be proposed to remain in effect for the 2020-21 fiscal year, of which 0.5% is shared with the municipalities.

Mrs. Bear asked if the Federal Funds that the district receives will stay the same for next year. Mr. Neiman said that he does not have any information on the title funds yet; therefore, he left the amount the same as this year. Mr. Schlameuss said unless they increase, this amount is what we would need to work with. Mrs. Bear said that President Biden said he wants to increase Federal Funding. Mr. Schlameuss said we would receive new money through a certain formula but we have to get new money first.

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Meeting Schedule

1. May 10th Finance Committee Meeting – 2021-22 Budget Update
2. May 17th Board Meeting – Budget Update and Proposed Final 2021-22 Budget Vote
30 Day Advertisement window begins
3. June 14th – Finance Committee Meeting -2021-22 Budget Update
4. June 21st – Board Meeting – Budget Update and Final 2021-22 Budget Vote

Mr. Schlameuss said the budget presentation was greatly prepared with a lot of good reasoning. Mrs. Bear said she was looking at the Proposed Final General Fund budget document, which Mr. Neiman provided, and some expenses are going up a lot. Mr. Neiman said it may be that some adjustment within some line items were made. Mrs. Bear said she is looking at the 2611 account and there was a big increase. Mr. Neiman said some money was shifted. One account increased and the others decreased. Mrs. Bear said it looks like it increased by 1% increase. Mr. Neiman said this took place in Fiscal Services. Mr. Bear said most accounts remained the same except for medical but this cannot be controlled. Mr. Neiman said based on the PDE 2028 report, he provided to the Board a summary page that details the expenditures where support services are up by 2.61%, and Debt Service/Transfers were down by 8% which totals (\$563,436). Mr. Neiman said the total expenditures were 3.6 million dollars. He said it gets difficult to see on the line items because there are adjustments. Mrs. Bear said this document was helpful. Mr. Dymond asked if each department has put in a budget with what they feel they will need and have they supplied any details on the overall number. Mr. Neiman said, “yes they have”. In October or November, they filled out a budget that included their

justifications. The software that is used has an area where you can justify every expenditure. Mr. Dymond said every month we have people coming to ask for something that is in their budget. He wants to make sure that they have received a number of how much they can spend. Mr. Neiman said we all see the numbers and know the requests. Mrs. Bear said what Mr. Dymond is asking is if they have to buy what was in their budget. Dr. Riker said the Board can deny any item even if they have the money in their budget. Mr. Schlameuss said there may be a time where they budgeted something but decide to buy something else that fits within their budget. Mr. Dymond said but when your budget is tight, this may not need to be purchased. No one should look to buy more. Mr. Schlameuss said there is little wiggle room in the budgets. Mr. Dymond said managing the expenses helps us but it is not the fix all either. Mrs. Bear said that is why we are doing single-item purchases. Dr. Riker said people are spending less not more. Mr. Neiman said the increases are in Salaries, Charter Schools and Contracted Services, which is 85% of the budget. Mr. Schlameuss said we can buy all the necessary tools, but it is the people that we need to do the job. Mrs. Bear said technology is also needed. Mr. Dymond said that robots will replace people someday. Dr. Riker asked Mr. Dymond if he is suggesting that we hire robots to replace people. Mr. Dymond said that is where the world is heading.

VII. RECOMMENDATIONS BY THE PROPERTY & FACILITIES COMMITTEE:

1. D'HUY ENGINEERING INVOICES

- a. Resica & Middle Smithfield Elementary Water Filtration – Invoice #52321 \$328.00
 - b. High School North Sanitary Liner Replacement – Invoice #52322 \$4,455.00
 - c. High School South Pool Repairs – Invoice #52324 \$2,191.15
 - d. Lehman Intermediate & Bushkill Flooring Replacement – Invoice #52325 \$5,000.02
 - e. Resica & Middle Smithfield Elementary Water Filtration – Invoice #52618 \$3,300.00
 - f. High School North Sanitary Liner Replacement – Invoice #52619 \$5,356.91
 - g. High School North & Lehman Intermediate Window Replacement – Invoice #52620 \$1,497.90
 - h. Lehman Intermediate & Bushkill Elementary Flooring Replacement – Invoice #52621 \$1,905.42
 - i. High School North and South Hand Wash Stations – Invoice #52622 \$3,779.10
 - j. JM Hill Entrance Vestibule Renovation – Invoice #52623 \$1,787.00
2. Rigid Water Jetter with Hose and Reel – quote, Hajoca \$7,658.04
 3. Trane Invoice #311637018 \$12,000 – JL POD HVAC Upgrade – Dehumidification. Total Project Cost - \$31,969.
 4. TERP Consulting Invoice #7446 \$3,600
 5. All State Technology High School South Pool Repairs Bid - \$380,750.00
 6. CSI Proposal – JT Lambert Intrusion System \$10,901.97
 7. Keystone Fire Protection Co. – Change Order \$3,680.

VIII. RECOMMENDATIONS BY THE EDUCATION P&R COMMITTEE

- a. VEX Robotics – IQ Classroom Bundle and Field Kit – quote, \$38,312 to be paid with ESSER funds.
- b. North High School Resources Purchase Funded by ATSI Grant Money – quotes, \$5,088.60

IX. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

X. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the following items. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

1. The following Property/Facilities Committee meeting items:
 - D'HUY ENGINEERING INVOICES
 - a. Resica & Middle Smithfield Elementary Water Filtration – Invoice #52321 \$328.00
 - b. High School North Sanitary Liner Replacement – Invoice #52322 \$4,455.00
 - c. High School South Pool Repairs – Invoice #52324 \$2,191.15
 - d. Lehman Intermediate & Bushkill Flooring Replacement – Invoice #52325 \$5,000.02
 - e. Resica & Middle Smithfield Elementary Water Filtration – Invoice #52618 \$3,300.00
 - f. High School North Sanitary Liner Replacement – Invoice #52619 \$5,356.91
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 - h. Lehman Intermediate & Bushkill Elementary Flooring Replacement – Invoice #52621 \$1,905.42
 - i. High School North and South Hand Wash Stations – Invoice #52622 \$3,779.10
 - j. JM Hill Entrance Vestibule Renovation – Invoice #52623 \$1,787.00
 - Rigid Water Jetter with Hose and Reel – quote, Hajoca \$7,658.04
 - Trane Invoice #311637018 \$12,000 – JL POD HVAC Upgrade – Dehumidification. Total - Project Cost - \$31,969.
 - TERP Consulting Invoice #7446 \$3,600
 - All State Technology High School South Pool Repairs Bid - \$380,750.00
 - CSI Proposal – JT Lambert Intrusion System \$10,901.97
 - Keystone Fire Protection Co. – Change Order \$3,680.
2. The following Education Programs & Resources Committee meeting items:
 - a. VEX Robotics – IQ Classroom Bundle and Field Kit – quote, \$38,312 to be paid with ESSER funds.
 - b. North High School Resources Purchase Funded by ATSI Grant Money – quotes, \$5,088.60
3. The quote from ePlus in the amount of \$7,553.95 for the purchase of an Epson Projector for the High School South Auditorium.
4. The one-year proposal with Ironton Global beginning July 1, 2021 for SIP Phone Service at an annual cost of \$12,450.96.
5. The quote from NWEA in the amount of \$31,175.00 for the purchase of MAP K to 12 Licenses to facilitate student testing.
6. the quote from AEDSuperstore an Allied 100 Company in the amount of \$15,547.20 for the purchase of Districtwide AED units. (Will also check for grants)
7. The quote from ABE Paving in the amount of \$15,650.00 for the purchase of Districtwide Parking Lot Sweeping services. (Further review to be done for next year.)
8. The cafeteria school lunch prices for the 2021-22 school year as follows (no increase in lunch prices).

9. The donation from Glady Walker of a Kohler and Campbell upright piano that will be added to the Lehman instrument collection. (An estimate, if needed, will be looked into.)
10. The one-year proposal with CM Regent beginning July 1, 2021 for Life, AD&D, and LTD insurance at the rates as set forth in the agreement presented.
11. The one-year proposal with Mazzitti & Sullivan beginning July 1, 2021 for EAP Services at the rates as set forth in the agreement presented.
12. For the RFP for Athletic Trainer Services be distributed to St. Luke's, LVHN, ESU, Geisinger, and Coordinated Health, as well as be advertised.
13. The proposal from Government Software Solutions to provide tax bill printing services for the collection of 2021-22 school real estate taxes for Lehman and Porter Townships at the rates as set forth in the agreement presented.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to adjourn. Motion was seconded by George Andrews and carried unanimously, 4-0.

XI. **NEXT MEETING – June 14, 2021**

XII. **ADJOURNMENT: 7:23 p.m.**

Respectfully submitted,
Patricia L. Rosado
Board Secretary