

**EAST STROUDSBURG AREA SCHOOL DISTRICT  
BOARD OF EDUCATION  
FINANCE COMMITTEE MEETING**

**June 14, 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, Scott C. Ihle, Diane Kelly, Fred P. Mill, Craig Neiman, William Riker, Patricia Rosado, William Vitulli, Nadia Worobij and Steve Zall.
- IV. **Community Members Present:** Michal Peterson.
- Other:** Josh Grice – D’Huy Engineering
- V. **Approval of Agenda and Minutes**

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to approve the agenda for June 14, 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 Richard Schlameuss to approve the minutes of the May 10, 2021 meeting. Motion was seconded by George Andrews and carried unanimously, 4-0.

VI. Items for Discussion:

a. North Campus Lagoon Liner sludge removal

Mr. Josh Grice, D'Huy Engineering, said he would like to update the Board on Lagoon Liners at the North campus. There are two lagoons that are basically the same size. The lagoons need to be drained and reinstalled. Prosser emptied one lagoon and there was sludge matter at the bottom of it. Due to this issue, the schedule of replacing the liners has to be changed and contractors agreed to change the time schedule at no extra cost to the district. They are considering moving the sludge from one lagoon to another in order to be able to change the liners. Once they secure all options they will come back to the Property/Facilities Committee with the information. Mr. Andrews asked if they are expecting to get this work done at no extra cost. Mr. Grice said that is what he is hoping to do. Mrs. Bear said no further information is needed at this time. The Property and Facilities Committee can follow-up with this issue.

b. New Horizons ITIL 4 Foundations Training for Technology Department, quote - \$15,500.00

Mr. Borosh said during our recent Technology Department review, Ray Kase, Consultant, made several recommendations. His top recommendation was that the department adopt an ITIL ITSM (IT Service Management) process model to efficiently and effectively manage customer requests for service and for the department to be trained in this service delivery model. The ITIL process model is a new concept to the vast majority of Technology Department staff members, and; therefore, we are requesting to have all department trained on the framework to provide better technology support to all students and staff at ESASD. The Colonial IU #20 has consortium pricing that was negotiated with New Horizons to provide technical training. We are utilizing the pricing and were, in fact, able to negotiate the initial price down by what was first provided. The initial cost was \$20,845 but he was able to get it for \$15,500, which is \$1,410.10 per department. This expense will be incurred through the ESSERS grant. Mrs. Bear asked if this includes the software. Mr. Borosh said the software is the next item on the agenda. Mr. Schlameuss asked if this training is technology related. Mr. Borosh said it is customer service training. He said the training is to improve the communication piece of the department. Mr. Dymond asked if the employees will be training for one day. Mr. Borosh said they will be training for eight hours for two days. Mr. Andrews asked how many people will be training. Mr. Borosh said eleven individuals will be training. Due to COVID-19, they will be training remotely.

c. One-To-One Plus Service Management Software July 1, 2021 to June 30, 2024, quote - \$26,725.00

Mr. Brian Borosh said the district is in need of upgrading its service management software (helpdesk ticketing). This was also a recommendation of the Technology Department review done by Ray Kase. A new service management software will allow the district to provide better service to students and staff, as well provide a more efficient

and effective service delivery model. This software suite also includes an asset inventory module, project management, check in/check out device module as well as integration with our SIS, Sapphire, and direct Google, JAMF and Active Directory integrations. A subcommittee of the Technology Department consisting of seven staff members were formed. The subcommittee compiled a listing of eleven service management solutions and reviewed all in depth. Three vendors were invited to present to the entire Technology Department. All members of the department overwhelmingly decided on One-To-One Plus at an annual recurring cost of \$8,245 and a one-time implementation fee of \$1,990. This cost is nearly \$2,000 less than what the district is currently paying for their current asset management module, Parago.

Mr. Andrews asked if this software is for IT only. Mr. Borosh said it is. Mr. Andrews asked if this cost is the same as School Dude's cost. Mrs. Bear asked if School Dude's cost will be reduced. Mr. Borosh said this cost will be about \$5,600 less than School Dude. Although it is a three-year contract, the district will pay it annually. Mr. Schlameuss asked if data management for the assets can be transferred into this new system. Mr. Borosh said they will integrate the information for the Chromebook inventory. Mrs. Bear suggested using this system for when the Freshman return to school to turn in their old devices and receive their new ones. Mr. Borosh said they are preparing to start this process on 8/6/21. Mrs. Bear asked if this system will help to make the exchanging of device easier. Mr. Borosh said it would and if any of them come backed damaged it's easier to keep a record of it. It would be more efficient with reference to the billing. Mrs. Bear asked if the principals can track the devices in their own building. Mr. Borosh said they will have the access to do so. The funding for this software will come out of the Technology Department's budget.

d. Blackboard - New Website Template, quote - \$18,700.00

Mr. Borosh said the district website template needs to be upgraded. The existing template for the district is several years old and the website is in need of a new and fresh brand look to comply with ease of browsing and more innovative and recent web design principles. The district met with Blackboard to review custom templates to upgrade its website. Upon review of the options presented and the promotional pricing available until the end of June, the Creative Diamond custom template was chosen with a one-time design fee of \$18,700. Normally it would cost \$23,500. Mrs. Bear asked if training will occur for everyone that will be uploading information on the website so that everything is done in a consistent manner. Mr. Borosh said he will communicate this information to everyone after Monday's meeting. Mr. Andrews asked if the website will contain one basic template. Mr. Borosh said it will be a unique design that will be created for our district. Mrs. Bear asked if Blackboard will provide the training. Mr. Borosh said they would. Mr. Dymond asked if the district will need to pay \$18,700 yearly. Mr. Borosh said, "no" it is a one-time expense through the ESSERS Grant.

e. EHD Commercial Insurance July 1, 2021 to July 1, 2022, proposal - \$859,027.00  
Mr. Neiman said the total annual premium for the district's insurance is \$850,027.00. He said Mr. Rob Thompson, from EHD Commercial Insurance, said the cost of insurance on all property insurance has increased. Mr. Andrews asked if it is due to the many buildings we have. Mr. Neiman said right now our property total is about \$455 million and the increase in insurance is 2% over last year's amount. This trend is occurring across the industry. Mrs. Bear said that the automobile premium rate went down. Mr. Schlameuss said that holds true for everyone. Mrs. Bear said that the Cyber Liability premium rate is up. Mr. Schlameuss said that is also true for everyone. Mrs. Bear asked if the district received more worker's compensation claims. Mr. Neiman said we can reduce this line in the coverage but he would recommend status quo in order to avoid any risk. Mrs. Bear asked what insurance does the district self-insure with. Mr. Neiman said the district has self-insured medical insurance.

f. Athletic Trainer Services - update

Mr. Neiman presented a PowerPoint regarding the Athletic Trainer Services as follows:

Purpose/Scope (page 2)

The District requested proposals for Athletic Trainer Services to be provided at the North High School, South High School, J.T. Lambert Intermediate School and Lehman Intermediate School for a period of five years.

- Services to commence at the beginning of the 2021-2022 school year
- Retirement provides opportunity to look at current program
- Fortunate to have multiple providers in the immediate area

RFP for Services? (page 3)

- RFPs may be used for service providers, where mandatory public bidding is not required.
- Not required to use RFPs for service providers, but often a worthwhile approach.
- Based on the nature of the Athletic Trainer Services, it can be difficult to quantify the cost and impact on the District.

Response Status (page 4)

1. Lehigh Valley Health Network/Coordinated Health
  - RFP Package received on May 24<sup>th</sup>
2. St. Luke's University Health Network
  - RFP Package received on May 24<sup>th</sup>
3. East Stroudsburg University
  - RFP Package received on May 25<sup>th</sup> (a day late)
4. Geisinger
  - Declined to provide services – not currently looking to expand to the Stroudsburg Area.
5. Mountain Valley Orthopedics
  - No response

Review of Proposals (page 5)

- Scorecard developed to rate each proposal based on RFP requirements
- Committee reviewed and scored each of the three submitted proposals
- Order of review (Based on timing of receipt of proposal):
  - a. Lehigh Valley Health Network/Coordinated Health
  - b. St. Luke's University Health Network
  - c. East Stroudsburg University
- Each Committee member scored individually
  - a. Committee consisted of Board members and Administrators
- St Luke's University Health Network selected based on the highest average score.

Timeline (page 6)

May 24 – RFPs received by the District

May 28 – RFPs opened by the District

June 3 – Internal Team Reviews and Scores RFPs

June 14 – Finance Committee Meeting

Committee determining if RFP is being recommended to the School

Board

June 21 – School Board Meeting

Selected provider to present proposal to the School Board. School Board to vote on five-year contract/proposal

Mr. Andrews requested that a copy of the proposals be sent to all Board members because the Board members need enough time to view it all. Mr. Schlameuss asked if the proposal and RFP can be sent to all Board members prior to Monday's meeting. Mr. Neiman said that Mr. Dymond and Mr. Andrews were part of the committee that reviewed all RFPs and were part of the recommendation. Mr. Andrews said that all Board members will need to review all items before making their decision.

g. Designation of Depositories for the 2021-22 Fiscal Year

Mr. Diane Kelly said that annually, the school districts are required to designate depositories for school funds. The 2021-2022 depositories for school funds are as follows:

1. ESSA Banks and Trust, East Stroudsburg, PA (contains the majority of our funds)
  - General Fund, Payroll, Tax Collections, Tax Escrow, Workers' Comp Escrow, Scholarship Accounts, Special Activity Accounts (North and South), Student Activity Accounts (North and South), Cafeteria Fund, Concession Fund, and Paypal.
2. Pennsylvania School District Liquid Asset Fund, Lancaster, PA
  - General Fund (contains majority of our investments)
3. Pennsylvania Local Government Investment Trust, Harrisburg, PA
  - General Fund and Capital Reserve.

Mrs. Kelly said that Mr. Andrews requested a report, which she provided to all of the Committee members. Mr. Neiman said this report is included in the Board book every month, as per School Code. Each month it includes the opening balance,

receipts interests and disbursements out of each account. He said Mr. Andrews requested account numbers, which Mrs. Kelly provided the last four numbers of each account on the report. The bank statements are also provided monthly with the account numbers blacked out. He asked if everyone wants this report at the Committee meeting each month. Mr. Andrews said it is not necessary because he just wanted to see where each account is represented in the report. Mrs. Bear said she was not aware that the district had a Paypal account. Mrs. Kelly said the Paypal account is used for student transcripts so that we do not give out the district's bank information. Mr. Schlameuss asked if another account has to be created as a result of the bond refinancing. Mrs. Kelly said the account with First Keystone has not been set up yet. Mr. Schlameuss asked if the new account should be in this report. Mrs. Kelly said it will be once it is set up. Mrs. Bear asked which bank account will be moved. Mr. Neiman said he is reviewing all funds to see where he will move the money from. Mr. Dymond asked if this information is in his packet. Mrs. Bear said it is not but was handed out tonight. Mr. Dymond asked what is being discussed tonight. Mr. Neiman said he should have it at his place. Mr. Neiman said this report will be part of the Board Book on Monday. Mrs. Bear asked when would we need to have the account set up. Mrs. Neiman said it should be set up after the closing on Monday, 6/21/21. Signatures cards will need to be prepared. Mrs. Kelly said she will be working on it this week.

h. Homestead/Farmstead Resolution for the 2021-22 Fiscal Year

Mr. Neiman said the Homestead/Farmstead document is a standard annual exclusion resolution. Some highlights from the document are that the discounts for the coming year equal \$439.64 compared to the 2020-2021 Fiscal Year, which was \$441.57 (about \$2 difference). The main driver of that calculations are the gambling funds made available at the State level as well as the number of homestead and farmstead properties. This resolution includes a reference to the 2021-22 millage rate which assumes the tax increase of 2.5%. If the Board does not approve the tax increase, he said he will need to re-write the resolution.

i. IPads for Psychological Testing, quote - \$7,453.20

Mr. Baddick said that the form 611 is included in their packets justifying the purchase of the Ipads that are used by the School Psychologists. The Psychologists use the Ipads with a program named, Q-interactive for a testing protocol program in order perform testing on their students. Two years ago when the Psychologists came over from the IU, they were issued repurposed Ipads in order for them not to use paper booklets. Using the Ipads is a more secure approach and it is cost effective. Each Psychologists received two Ipads, one for them and one for the child since it is an interactive program. We cannot support the Ipads any more since they have met their average life span. He said they would like to replace the Ipads by purchasing two per School Psychologists. Currently, the district has six Psychologists and are searching for the seventh person. Mr. Baddick said they would like to purchase 16 Ipads in order to continue to do the testing quickly, accurately and confidentially. The Ipads will be purchased with the 2020-21 funds from his Special Ed/Pupil Services Department. Mr. Andrews asked if this is a CoStar purchase. Mr. Baddick said it is

an Apple computer purchase. Mrs. Bear remarked that Apple is offering a standard \$5 discount on the Ipads. Mr. Andrews asked if the ESSERS Grant can pay for the Ipads. Dr. Riker said he does not believe that they will be able to buy the Ipads with the ESSERS Grant. Mr. Dymond said what does Mr. Baddick mean that the Ipads are coming to end of life. Mrs. Bear said the Ipads are old. Mr. Baddick said originally the Psychologists were given used Ipads and they have gotten the most use of them that they can. The Psychologists would like to continue using the software as opposed to paperwork. Mrs. Bear asked how long has his department been using the electronic version of the testing. Mr. Baddick said they have been testing electronically for the past two years. Mrs. Bear said her daughter was given the paper test and it took a long time to get the results. Mr. Dymond asked if they give the test electronically, do they get the results rapidly. Mr. Baddick said they do and if they use the paperwork for the testing, it can only be used once so they have to make copies, which proves to be more expensive. With the Q-interactive program, it is web based and secure. The Psychologists can use multiple tests as per the need. Mrs. Bear asked if they have different level testing. Mr. Baddick said that they do. Mr. Dymond asked if the district's system backs up the Ipads. Mr. Baddick said that it does. Mr. Andrews said using the Ipads is quicker and cost effective. Mr. Baddick said Mr. Andrews is correct. Mrs. Bear said using the Ipads makes it easier and saves time for the Psychologists. Mr. Baddick said Mrs. Bear is correct. The tests can be downloaded into the Ipads. Mrs. Bear said the Ipads will also assist the students. Mr. Andrews said purchasing the Ipads will be make everything more efficient.

j. Athletic, Medical, and Industrial Tech Ed Bids - \$8,087.25 40.46

Mr. Neiman said the bids that are done is an annual process that the district goes through to bid out the various supplies for Athletic, Medical and Industrial Tech Ed. The quantity and prices of the actual items that are needed are indicated on the handout. Mrs. Bear asked why are the nurses buying chapsticks. Mr. Neiman said the nurses supply this item to students as needed. Mrs. Bear said it would only be a one-time use because students cannot share this item. Mrs. Bear asked if the nurses are allowed to hand out medications such as Tylenol. She said she thought that parents had to supply any medication that a child receives. Dr. Riker said it is part of the standing orders that Dr. Bart signs off on that allows the nurses to disperse some medications.

k. Current Projects List

Mr. Neiman said he provided the list of current projects to the Committee members. Mr. Andrews said some of the projects will be removed from the list soon. He sees at least three of them that will be removed. Mrs. Bear said it is good to see that they are almost completed and will be taken off the list. Mr. Andrews said he is sure that they will be replaced with other projects. Mr. Dymond said that he circled a couple of projects because the Smithfield Elementary Lot Seal Coating project is listed as 81%

complete but that was already completed. Also the tank removal that is at the Transportation Building was already completed. Mrs. Bear said the district probably did not get the final bill for the projects. Mr. Dymond said he does not believe this is the case since he recalls receiving money back for them. Mr. Neiman said he is not familiar with the projects. Mr. Ihle said his department did not handle the tank removal project. Mr. Dymond said the hot water replacement at North HS/Lehman says that \$33,000 is still outstanding. Mr. Ihle said that project was completed. Mrs. Bear said that the district should confirm that these projects are done and adjust the paperwork as needed. Mr. Neiman said the district paid some bills for these projects in April and May; therefore, he will check to see if there are any bills that still need to be paid or if these projects are done. Mrs. Bear said she relies on the Property/Facilities Committee to ensure that this list is correct. Dr. Riker said that the document is specific to the payments and not necessarily indicating whether the projects are completed. Mr. Schlameuss said if no other payment is needed then that would indicate that we do not have to pay the balance. Dr. Riker said that is correct; therefore, it would mean that there is extra money available. Mrs. Bear said she hopes no more funds will be needed to pay these projects. It would be nice to have that extra money for other projects.

1. Commitment of Fund Balance

Mr. Neiman said in accordance with the Governmental Accounting Standards Board (GASB) Statement 54 the Board annually may commit or constrain a portion of fund balance for specified purposes, which can include Capital Reserve Funds, PSERS or any other Board approved purpose with the amount to be determined following the close of the fiscal year but prior to the final audited financial statements being prepared. He said he shared what the General Fund balance and composition of that is as of June 30, 2020 as follows:

1. Non spendable		
a. Prepaid Expenses	\$	343,075
2. Committed		
a. Future Retirement Benefits	\$	18,545,532
b. Future Healthcare Costs	\$	6,000,000
3. Assigned		
a. Capital Projects	\$	5,700,000
b. Student Athletics	\$	21,924
c. Future Budget Expenditures	\$	8,488,285
d. Future Educational Programs	\$	3,971,000
4. Unassigned		
a. Unassigned	\$	6,075,127
Total General Fund Balance		\$49,144,943

Mr. Neiman said he is asking in the event that the District realizes a surplus from its operations following the close of the audited fiscal year 2020-2021, it is recommended that the Board authorizes the commitment of fund balance with the amount to be



determined by the Administration following the completion of the annual audit and prior to the final financing statements being prepared. He said he is not sure how the Board handled this item in the past but he asking for a motion on Monday's agenda that would basically give him some autonomy in the Business Office so that he can assign the fund balances appropriately so that the fund balance does not go above what is supposed to be. He said he will work with the auditors when they determine their final position in the fall. The Board will not see all assignments prior to the financial statement being finalized. He said he would like to inform the Board of this activity that will happen in the fall. He said he has some ideas of what needs to be done but will not know until the fiscal year is closed out. Mrs. Bear asked how was this process done in the past. Mrs. Schlameuss said he believes that in July, Mr. Neiman will have a sense of the numbers and the Board can then make a recommendation, which will need to be approved. Mr. Neiman said that is exactly what he is asking. Mr. Andrews said the bank account report that they received tonight says that the General Funds currently has \$75 million and in the other handout it says the

Fund balance is \$49 million. How do we reconcile the difference? Mr. Neiman said what they were handed today was the current fund balance. What he is now talking about is when the fund balance was last reconciled on June 30, 2020. Mr. Andrews said; therefore, the treasury report is more accurate. Mr. Schlameuss said that the treasury report includes all the money that we received throughout the year, which is the money that we have to spend through the end of June and the money that we have to continue on to the new year. There is a lot more money but it is all the money that we have until the next tax season. Mr. Andrews said he understands that it is the money that we have now. Mr. Neiman said we reconcile the fund balance once a year and part of the reconciliation is that you take into account the timing differences. The district accrues revenues and expenditures at year end so what Mr. Andrews is currently holding in his hand will not account for any accounting accruals at year end close. Mr. Schlameuss said the district can still have millions of dollars of expenses that will come in. Mr. Andrews said he understands that bills will still need to be paid. Mr. Schlameuss said that the treasury report from the end of May will not show the expenses for June which is about \$18 million. Mr. Andrews said he is trying to see how to reconcile both reports. Mr. Neiman said Mr. Andrews is trying to compare apples to oranges. The district only reconciles once a year, which is the year end audit. Mr. Dymond said the audit is based on June 30, 2020. Mr. Neiman said that is correct. Mr. Schlameuss said the money has to hold us over until September or October because that is when we start receiving funds again. Mr. Andrews said both reports contain a big difference because it is only done once a year on June 30<sup>th</sup>. He asked Mr. Neiman if he believes the fund balance will come in higher than last year. Mr. Neiman said it is a wild card right now. Last year, the Board budgeted a \$5 million deficit. Mr. Schlameuss said we will not know how much the district will have until the books are closed on June 30, 2021. He said in the middle of July, the district may get a sense of how much it may be. Mr. Neiman said we may not get all Charter school invoices until about September. He said he leaves the books open for a couple of months to help them get the full accruals and the actual numbers. Once all bills

come in, the books can be closed. The May bank statement is definitely behind on displaying all final numbers. Mr. Andrews asked which document they received will be changed. Mr. Neiman said the treasury report that they received today will have all bills past May 2020. Mr. Andrews said; therefore, it is a working document.

m. Budget Transfers to Close the 2020-21 Fiscal Year

Mr. Neiman said similarly to the Fund Balance, budget transfers are to close out the 2020-21 school year. Annually, the Business Office works with our local auditor to make all reconciling entries, budget transfers and final payments to close the fiscal year. Any payments will be presented for Board approval as usual and closing procedures will be completed with the independent auditor as required by State and mandated auditing procedures. He said he is looking for a motion to give the Business Office some latitude with working with the auditors with the budget transfers so that everything balances to wrap up the fiscal year. All transfers will be brought to the Board for approval. Dr. Riker said we do this process every year. Mrs. Bear said she recalls doing this process this before. Mr. Dymond asked if the district is doing any better with line items within each of the budgets. Is everyone adhering to their budgets? Mr. Neiman said he does know of any issues except for the Charters schools expense. Mrs. Bear asked if all budgets are doing well. Dr. Riker said the various budgets is not causing the deficit issue. Mr. Dymond asked if everyone is keeping within their budget. Are there not many adjustments and transfers as their used to be. Mr. Neiman said there will always be some monthly budget transfers but will ask Diane Kelly if there are any more than usual. Mrs. Kelly said some budget transfers that are needed are still occurring. The Board will also see the end-of-year budget transfers in order to balance the accounts but there are not as many as there used to be. Mr. Neiman said the Business Office will need to transfer funds to cover the Charter school expense. Mr. Dymond said, hopefully, we will get legislation shortly. Mrs. Bear said she does not foresee that happening. Mr. Andrews said the issue is moving forward. Mr. Schlameuss said it may be moving but not in the direction that the district would want it to. Mrs. Bear said it does not seem to be going in the direction that would benefit the district.

n. 2021-22 Final Budget Presentation

Mr. Neiman said that he left three budget documents at the Committee members' seats; the presentation, the budget book and the PDE 2028 documents that gets sent to the State.

Mr. Neiman said he will present the Final 2021-22 Budget to the Committee members tonight and hopes to have their decision on what will be recommended to the entire Board on Monday. He presented 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

Federal Funds – ESSER III

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 May Proposed Final</u>	<u>2021-22 Budget As of June-Final</u>	<u>Change from May to June</u>
Revenue	\$162,133,989	\$172,313,062 (Includes \$10 M of ESSER III funds)	\$10,179,073
Expenditures	\$168,965,274	\$177,316,096	(\$8,351,686)
Revenue over Expenditures	(\$6,831,285)	(\$5,003,898)	\$1,827,387
Beginning fund Balance	\$43,964,034	\$43,964,034	0
<b>Ending Fund Balance</b>	<b>\$37,132,751</b>	<b>\$38,960,135</b>	<b>\$1,827,387</b>

Mrs. Bear asked if the revenues include the 2.5% tax increase. Mr. Neiman said the revenues include the 2.5% tax increase. Mrs. Bear asked if we would not have included the tax increase the deficit would have increased. Mr. Neiman said the tax increased total \$2.3 million; therefore, the deficit would be about \$7 million. Mr. Andrews asked if the deficit would come out of the fund balance. Mrs. Bear said the Board already took out \$5 million for the 2020-21 school year; therefore, we cannot continue to do so.

2021-22 Budget Comparison to Prior Year

	<u>2020-21</u> <u>Budget</u>	<u>2021-22</u> <u>Budget</u>	<u>Variance</u> <u>\$</u>	<u>Variance</u> <u>%</u>
Revenue	\$160,104,718	\$172,313,062	\$12,208,344	7.63%
Expenditures	\$165,285,625	\$177,316,960	\$12,031,335	7.28%
Revenue over Expenditures	(\$5,180,907)	(\$5,003,898)	\$177,009	
Beginning Fund Balance	\$49,144,941	\$43,964,034		
<b>Ending Fund Balance</b>	<b>\$43,964,034</b>	<b>\$38,960,135</b>	<b>(\$5,003,898)</b>	<b>-11.38%</b>

Mrs. Bear asked how much of the expenses are for Charter schools. Mr. Neiman said that he will explain the charter school expenses in more details in an upcoming slide. ESSER expenses are also part of the expenditures.

ESSER III

<u>2021-22</u> <u>Expenses</u>	<u>General Fund</u>	<u>ESSER III</u>	<u>Total GF Budget</u>
	\$167,316,960	\$10,000,000	\$177,316,960
Revenue	\$162,133,062	\$10,000,000	\$172,313,062
Total	(\$5,003,898)	\$0	(\$5,003,898)

\$14 million was awarded and \$10 million was allocated in the 2021-22 school year but if not all money is spent, it will roll over to the next school year. The district is also hoping to get more money from the State but has not heard anything yet. Stimulus Operational & Learning Loss expenses (20% minimum)  
Capital Expenditures (mainly HVAC)  
Other one time allowable expenses.

2021-22 Budget Cost Drivers

	<u>2021-22 Budget</u>	<u>Increase / (Decrease) over 2020-21- \$</u>	<u>Increase / (Decrease) over 2020-21- %</u>
ESSER III	\$10,000,000	\$10,000,000	*
PSERS	\$23,640,628	\$385,234	1.7%
Charter Schools	\$8,000,000	\$3,600,000	81.8%

Everything Else	\$135,676,332	(\$1,953,899)	(1.4%)
Total Expenditures	\$177,316,960	\$12,031,335	7.3%

Mr. Andrews asked if the Charter school number is an indicator that the same amount of students attending this year will attend next year. Mr. Neiman said in the upcoming slide, they will see that the district is estimating that 100 students will be returning to the district from Charter Schools. If less return, the district will have a bigger deficit. Mr. Andrews said and if more return the deficit will be less. Mr. Neiman said there are a lot of moving parts and is hoping they understand the many aspects of the budget.

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PSERS – Employer Contribution Rate

- Rate plateauing; however, rates forecasted to increase approximately 0.5% each year for the foreseeable future.
- Anticipate approximately \$1.0 million of additional cost each year.
- Headcount reduction in 2021-22 Budget lessens impact
- Uncertainty surrounding PSERS fund  
Impact to LEAs?

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Charter School Cost Trend

- 2020-21 – 519 students attending Charter Schools  
Increase from -250
- 2020-21 Charter School Budget - \$4.4 million  
Actual costs of \$10.1 million drive a \$5.7 million unbudgeted expenditure
- 2020-21 Charter Cost per student  
Regular Ed - \$15,265  
Special Ed - \$39,196
- 2021-22 Budget assumes a minimum of 100 students return to ESASD – Risk?

Mrs. Bear asked how is the district doing with the effort of returning 100 students to the school district. Dr. Riker said they are halfway there and heard that one issue is about the wearing of masks. Mrs. Bear asked if we are mandating that students wear a mask. Dr. Riker said we are not mandating masks and that is a good thing for some but not for all. Mr. Andrews said we cannot please everyone. Mrs. Bear said that another item that may bring them back is that the district is offering five-day instruction. Dr. Riker said that they are still confident that 100 students will return to the district. Mrs. Bear said she is hoping 200 students return. Dr. Riker and Mr. Schlameuss said they hope so, too.

Page 9

Tax increase history compared to index

2010-11 3.9% to 2020 4.2% and a tax increase in 2021-22 of 2.5%

Page 10

Final Budget Assumptions

- 2.5% Real Estate Tax increase included
  - Generates approximately \$2.3 million of new revenue
- 2021 Millage Rate
  - Monroe: 31.52     Pike: 124.37
- Annual Tax Increase Impact on Median Assessed Homestead
  - Monroe: \$105     Pike: \$20
- ESSER III assumed at \$10 million
  - Revenues and Expenditures offset each other
- Budget Deficit of \$5.0 million
  - \$0.5 million covered from Pension committed fund
  - \$4.5 million covered from Assigned Fund Balance

Mrs. Bear asked what was used for the median assessment in Monroe county. Mr. Neiman said he used \$137,000 of assessed value.

Mr. Schlameuss said he would like to acknowledge that the committee for the past few months have supported the budget 4-0 but at the May Board meeting two members voted no. We cannot do this tonight. We either have something to present to the Board or we don't. Do we still have two members that will vote no? Mr. Andrews and Mr. Dymond said they will vote no. Mr. Andrews said that the State has three billion dollars of excess funds. Mrs. Bear said but we do not know how much the district will get from these funds. Mr. Andrews said one billion dollars will go towards fair funding. Mr. Schlameuss said if Mr. Andrews and Mr. Dymond will be voting no tonight then this budget fails. We need to give direction to administration in order to figure out the budget. If the two committee members choose to vote, "no" then what staff are they going to lay off. Mr. Andrews said we already did. Mrs. Bear said they were not furloughed but rather not renewed. Mr. Schlameuss asked where are we getting the \$2.3 million. Mrs. Bear said we do not know what money the district will be getting from the State. Mr. Schlameuss said Rep. Rosemary Brown told him that our district is not getting any money. He said that Kristine Bush also said that we are not getting any money. Mrs. Bear said that Mario Scavello told her that we are getting zero. Mr. Dymond said he did not hear that the district is not getting any funding from the State. Mr. Schlameuss said that the district is not getting any additional funds. Mr. Schlameuss said he personally spoke to Rep. Rosemary Browne and Kristine Bush. Mr. Dymond said that there have been publications that schools are getting more funding. Mr. Bear said we do not know what schools will get what. Mr. Dymond said typically we get some through a formula. Mr. Schlameuss said if we get \$1 million then where do we get the \$1.3 million from. Mr. Dymond said we can get it from the fund balance. Mr. Schlameuss said the fund balance does not replenish each

year. Mr. Andrews said some of the capital reserve will not be spent because some of the projects are being done through the ESSER grant. Mr. Schlameuss said not all projects can be done with the grant. Mr. Andrews some projects can be done. Mr. Schlameuss said there will be no extra money left over from the projects. There will be a hole in the budget. Mr. Dymond said if we get \$10 million on ESSERS and spend it, it might not benefit us this year but it may not several years down the line due to improving the efficiency of the equipment. Mrs. Bear asked what happens if we do not get all Charter school students back. Mr. Schlameuss said we have \$10 million in the capital budget to spend if we spend \$7 million in the HVAC project. Was that project originally on the list? Mr. Dymond said it was not. ESSERS will pay for that one and then they can spend the capital budget on the projects that are already being worked on. Mr. Schlameuss we might have to take money from the capital projects to plug the hole in our deficit this year. Using ESSERS money for the HVAC project does not put us in a better position. Mr. Dymond said it would for the first year. Mr. Schlameuss said it will not help all years. Mr. Dymond said if we had the money, the district would have put it in the budget. There are many projects to be done and equipment to be replaced. Mr. Schlameuss asked Mr. Rohner that as a realtor, is he finding that families are moving in to settle in the area. Mr. Rohner said he is seeing families moving in the area. Mr. Schlameuss said we do not have any idea if any students moving in the area are in Cyber or Charter schools nor do we know who they are. As it is, if we do not raise taxes, this committee needs to fill that \$2.3 million hole. This is a hard decision to make and there are a lot of assumptions to consider because we do not know what will happen with next year's funds nor do we know how many students will return from the cyber charter schools. Mr. Andrews said if we increase taxes, homeowners will be impacted with inflation as well. Mr. Schlameuss and Mrs. Bear asked where will the funds come from. Mr. Schlameuss asked will the funds be pulled from the fund balance. He said he hopes we get more from the State. Mr. Andrews said we can look at raising next year's taxes by 4.2%. Mr. Schlameuss said we may not be allowed to do so. Mr. Andrews said there is a possibility to get money from the State this year and hopes we do. The State is not treating the public right. Mr. Schlameuss said he agrees. Mrs. Bear said we have never been fairly funded. Mr. Andrews said we have to continue to try and advocate for fair funding. Mr. Schlameuss asked if we take \$2.3 million from the revenues, are we taking it out of the capital projects. Mr. Neiman said the capital reserve is a separate fund and once funds get moved into that fund, it cannot come back to the General account. \$5.7 million was assigned for capital reserve. Once it is in there, it has to be spent on the projects and not to cover the deficit. We can take from the money that was earmarked but not from the capital funds to cover the deficit. Mr. Schlameuss said we can then de-obligate funds with Board approval in order to move the funds into the unassigned general use funds. Mr. Neiman said the Board can assign any committed unassigned or assigned funds as they like. Dr. Riker said that money is not being replaced and they cannot raise enough funds this year and next year on tax increases to offset this deficit. Mr. Schlameuss said next year, we will need to raise taxes, furlough staff, cut

programs, etc. Mr. Dymond said we need to work together and spend money wisely in order to make it work. Mr. Schlameuss said we need to cut \$2.3 million from our budget. Mr. Andrews asked if we can take the \$2.3 million from the PSERS account. Mr. Schlameuss said we cannot take anything from the non-assigned funds. Mr. Andrews said PSERS have \$18 million that can be used. Mrs. Bear said that money was assigned in case it is needed. Mr. Schlameuss said the Board assigned that money to help with the PSERS issue. The Board can reassign it but it will not cover the gap and we never get the money back. We will need to set aside money for buses and other expenses for next year. We will probably have to drop more expenses, too. Mr. Dymond said the more money we have sitting in our accounts, the more money we spend and we are still behind each year. We need to plan better and wiser. Mr. Schlameuss said we have been ahead for the last ten years. Mr. Dymond we have a reserve. Mrs. Bear raising taxes is about \$8.75 a month for the average homestead in Monroe County and for Pike County it is \$1.66 a month. She said for her home it would probably cost her an additional \$15 per month. Dr. Riker said his recommendation to the Committee is that if they use any monies to cover the budget deficit with the fund balance, they will need to reduce the expenses by that amount, i.e. reducing programs, cutting resources and furloughing staff. He said they have to make up any money they use from the fund balance. Mr. Andrews said we already cut staff. Dr. Riker said the Board did not cut staff but rather Administration made some nonrenewals. The Board will have to furlough because the administration cannot. Mr. Schlameuss said the Board will have to cut programs, staff, electives, sports, etc. He said we need to raise taxes this year. Mrs. Bear said the Board did not increase taxes for years. Mr. Schlameuss said if we do not have a majority to vote on the increase, then at the Board meeting, we are without a budget and we will be in a bind. We need to hash everything out tonight. He asked what is the game plan. Mrs. Bear said that she does not want to raise taxes but we need to. Mr. Schlameuss said he does not want his children's education to suffer. Mr. Andrews said he does not want the kids to be hurt. Mrs. Bear said she does not want her kids to be hurt either. Mr. Dymond said we spent \$800,000 tonight on software, which is half of the budget deficit and we are looking to upgrade software. Dr. Riker said these expenses are part of education but the Board has not set any money aside to purchase buses in the approximate amount of \$1 million in next year's budget. Nor did they put any money in the fund balance for capital projects. Therefore, as soon as the Property/Facilities Committee burns through the rest of the money, there will be no more projects that can be done. Mr. Dymond said, we, as a district have done nothing. Dr. Riker said we have not had a tax increase in nine years and were able to balance the budget. Mr. Dymond said we are not fairly funded. Dr. Riker said that is not the district's fault. He said people have fought this issue for many years. Mr. Dymond said three Superintendents went and lobbied at Harrisburg. Dr. Riker said and he was told by them that it was a big waste of their time. Mr. Schlameuss said to Mr. Andrews and Mr. Dymond that the two of them need to help them balance the budget. We cannot go forward without having at least a 3-1 vote. We need to give direction to Mr. Neiman and Dr. Riker. Mr. Andrews



asked if 2.5% is the minimum that they can raise taxes. Mr. Schlameuss said it is not. They can raise it by 1% but they will need to allocate the funds from elsewhere. Mr. Andrews said he does not want to cut program but currently there are about 12 students per classroom. Mrs. Bear said that there are about 25 students in a high school classroom. Dr. Riker said Grades K-2 have about 22 students in a class, Grades 3-5 has about 27 students in a class and the high schools have about 30 students. Mr. Andrews said when he looks at the amount of teachers, it comes out to about 12-13 in a class. Mr. Schlameuss said they have to consider the special ed classes, too, which have a lower ratio in their classrooms. We do not know if new money will come in from the State. Mr. Schlameuss said we should have been increasing taxes 1 percent each year but we didn't. Mrs. Bear said that other districts are raising taxes as much as they are allowed to and they have been raising taxes each year. As hard of a decision this is, we cannot sit on the sidelines hoping for the State to give us money. She said she heard that the districts from the Central part of the State are happy with the current funding formula because they get more money and they are lobbying to keep it as is. We can lobby for the change but more districts are lobbying to keep it the same. Mr. Andrews said we are being short-changed by about \$14 million each year. Mr. Schlameuss said this issue does not solve our decision today; therefore, what is the Committee going to do. Mr. Neiman said when he started at the district and looked at the financial statements, he saw the healthy fund balance, which is a blessing to have but there has been a cost increased. We are at a fork in the road and living in a blissful place. Charter Schools expenses are hindering us but he hopes students will come back. The Charter school issue did not get any better in other school districts, too. Once we continue to draw from the fund balance, you do not get ahead. Mr. Andrews he has heard over the years that we cannot do anything about the property taxes because of the good fund balance that we have. Mr. Schlameuss said it is not due to property taxes. Mr. Dymond suggested taking the deficit from the fund balance. Mr. Schlameuss asked which section of the fund balance should the money be taken from. Mr. Dymond said wherever they want to take it out of. He asked how many individuals were not renewed. Dr. Riker said 13 individuals were not renewed. Dr. Riker said the funds from those non-renewals are included in the budget presentation tonight. He said every year they look at whether to renew the temporary professional employees as well as not hiring due to attrition. Mrs. Bear said salary negotiations are coming up. We cannot tell teachers and support staff they cannot get a raise. Mr. Schlameuss said this amount is already calculated in the budget. Mr. Dymond said that they are saying this year that we are \$12 million under budgeted. Mr. Schlameuss said this year it is estimated to be \$5 million and not due to expenses but due to the revenue projection. He said revenues have been good but we did not anticipate the Charter school expense or otherwise we would have been closer to a balanced budget. Mrs. Bear said they will happen next year, too. Mr. Schlameuss said we can hope more students come back and reach out to people. Dr. Riker said the district has a plan to continue getting students back into the district. He said they cannot do anything about the people that are moving into the area because we do not know who they are. Mr.

Schlameuss asked if there is a way to know who they are so we can send them information. Mr. Rohner said the realtors do not have complete information but they can get it from their deed. Mr. Dymond said they can ask the families if they have kids. Mrs. Bear said we can send letters to them about registering their child.

Mr. Rohner said he is waiting for Public Participation in order to speak before they vote on a motion. He asked if the district is only getting \$10 million for the ESSER Grant and not \$14 million. Mr. Schlameuss said for this year it is \$10 million but it totals about \$14.5 million. He said we have multiple years to spend the funds. They need to be spend the funds in the ESSER III grant by 2024. Mr. Rohner asked what is the difference between the \$10 million and \$14.5 million. Dr. Riker said in order to get any of the money, you have to spend 20% on learning gaps as a result of COVID. Under \$3 million has to be spent on that before September 2024. The rest of the money is for one-time purchases because it will not be replenished. Mr. Rohner asked if the ESSER funds are reflected as revenue. Dr. Riker said it is reflected as revenue and expenditures; therefore, it zeros itself out. Mr. Rohner asked what was the percent that was spent in the current budget balance sheet in the end of May. Mr. Neiman said it is not reflective of what we spent because we do not have all bills in yet like the Charter bills. Mr. Rohner said what is the projected amount that will be spent since last year we had a \$400,000 surplus. Mr. Neiman said they spoke about a \$6 million Charter School expense. Some of that was offsetted with the ESSERS grant, which helped but it is not recommended. The district had a \$5 million budgeted deficit, but he believes it will end up being about \$3 million this year. Mr. Andrews asked if they vote for the budget as is and they get more money from the State, can they change their mind. Mr. Neiman said the district needs to lock in the millage because we do not know when the State will have their funds. Mr. Andrews asked can they put in the motion that if we vote for it and the State give us more funds, we do not have to have the tax increase. Dr. Riker said the district has a \$5 million deficit from this year; therefore, it will reduce the money for this year. Mr. Andrews said if the district gets more this year, they can give it back next year. Dr. Riker said the structural deficit will not be fixed and the district is spending \$5 million which is more than the Board is bringing in with the 2.5% increase. Mr. Rohner said the fund balance in 2020 was \$49 million minus the \$5 million dollars that was allocated for this year's deficit equals \$44 for this fiscal year. Mr. Schlameuss said it will be \$39 million as of June 2022 if you include what we are looking to spend next year. Mr. Rohner said he is trying to figure out the fund balance. He said he sees a current fund balance of \$75 million. Mr. Schlameuss said we do not have a fund balance of \$75 million because that is the total all of the money in the district's accounts. All that money has to last us, at least, until October of this year. We do not get money until tax bill payments start to come in. Mr. Neiman said July and August are the lightest cash flow that comes into the district. Dr. Riker said payroll goes out through all of the summer. If the State does not pass a budget, some districts have to borrow money to cover their payroll. Mr. Schlameuss asked where are we pulling money from and how are we

going to pay it back. Mr. Andrews said if we have a \$7.5 million deficit, where will the fund balance end at. Mr. Schlameuss said at the end of 2021-2022, it would be down to about \$35.5 million but the funds do not replenish. We cannot keep pulling from the fund balance. Mr. Andrews said he agrees. Mrs. VanWhy said she voted against the proposed final budget last month because the Board was given some suggestions by Dr. Riker on budget cuts and the Board did not have this discussion. We will need to raise taxes and cut some items. We will still be in the hole even if we raise the taxes. We have not done it for a long time and she is an advocate for not raising taxes but we need to do it this year. Mr. Schlameuss said it is never a good time. Mr. Andrews said we should have raised the taxes in prior years. Mr. Schlameuss said we need to make a decision tonight on what we are going to do. Mr. Andrews said he will vote on it in order to forward it to the entire Board. Mr. Schlameuss asked what will happen if on June 24<sup>th</sup> the legislators agree on a budget and we get \$2.5 million. Can the Board have an emergency meeting and change the budget. Dr. Riker said they can but they will still need to cut programs and furlough staff for the \$5 million that you do not have. If that occurs, that means the next hard decision you will need to make will be about cost reductions, less programs and furloughs. He said he does not think that this means for them to change their minds about the 2.5% tax increase. Mr. Andrews said this will be the case unless we get the full fair funding. Mrs. Bear said she will believe it when she sees it. Dr. Riker said if we get \$14 million that we have been short changed every year, we will be fine. Mr. Dymond asked when will the fair funding case go to the Supreme Court. Mr. Schlameuss said it will go for oral arguments in September. Mrs. Bear said we will not see a final decision on this case this year. Mr. Schlameuss said the case will not be final until at least three years due to the various steps, i.e. oral arguments, decision, appeal, etc. Dr. Riker said he appreciates Mr. Neiman's comments because he has done a good job as a new person coming in and has worked well with administration and the staff by doing their best on the budget. Mr. Andrews said we should have more discussion on the budget. Mrs. Bear said she does not want to raise taxes but we need to. Mr. Dymond said that Charter schools charge so much money and do not have the same education that we offer, nor do they offer sports and activities. Mr. Rohner said Charter school children play sports. Dr. Riker said they play sports in the district but they have to pay for it. Mr. Rohner said Senator Scavello told him that as long as the fund balance is as large as it is, the district will never get more money. Mr. Rohner said that is the reason that he would want to spend the fund balance down and vote no for a tax increase. Mr. Schlameuss said Senator Scavello told him the same thing. He said he realizes this is the reason but the fund balance is the reason why the district is not in a hole like other districts are. Mr. Rohner said that he does not see many students coming back to brick and mortar because the district did something to push them to Charter schools so they will not come back. Mrs. Bear said she would love to speak to them to see what the district did in order to better ourselves. Mrs. VanWhy said she would like to see their educational assessments when they are done. Dr. Riker said their needs may not be educational. Mrs. Bear said they may need

flexibility in hours or receive other offers from them that the district does not offer. Dr. Riker said if their needs were educational, they would not be attending a Charter school.

VII. Recommendations by the Property & Facilities Committee

- a. D'Huy Engineering Invoices:
  - i. ESASD Additional Retainer Tasks Middle Smithfield - Invoice #52811 \$6,409.92
  - ii. High School North Roof Replacement – Invoice #52812 \$1,092.08
  - iii. Resica & Middle Smithfield Elementary Water Filtration – Invoice #52813 \$5,632.50
  - iv. High School North and Lehman Intermediate Window Replacement – Invoice #52814 \$16,537.35
  - v. Lehman Intermediate and Bushkill Elementary Flooring Replacement– Invoice #52815 \$24,043.07
  - vi. High School North and South Hand Wash Stations – Invoice #52816 \$522.50
  - vii. High School South Pool Repairs – Invoice #52817 \$4,994.89
- b. Philip Rosenau – Invoice #400411765 \$8,370.91
- c. HSN/LIS Roof Replacement - Jottan, Inc. - Change Order No.1 (Decrease) \$142,600.00
- d. HSN/LIS Roof Replacement - Jottan, Inc. - Application for Payment No.13 \$17,500.00
- e. J.M. Hill Vestibule – Bognet, Inc. - Application for Payment No.1 \$9,000.54

VIII. Recommendations by the Education P&R Committee

- a. Cengage Learning, ESACA Curriculum, quote - \$1,045.00
- b. Off2Class, Software Services, quote - \$2,210.00
- c. Edgenuity, ESACA Curriculum 2021-22, quote - \$82,295.00
- d. Edgenuity, ESACA Curriculum 2021-22, quote - \$130,800.00
- e. Edpuzzle, 3-year subscription until June 30,2025, quote - \$40,272.00
- f. Mote Unlimited, 4-year subscription until June 30, 2025, quote - \$38,812.50
- g. Screencastify District Licenses 2021-22, quote - \$45,000.00
- h. Nearpod Premium Plus+DCL+SEL 2021-22, quote - \$193,534.00
- i. Brainpop 2021-22, quote - \$17,950.00
- j. McGraw Hill Intermediate SS books and subscriptions 2021-22, quote - \$189,833.45
- k. Ripple Effects, quote - \$64,440.00
- l. Edgenuity, 2020-21 overage, quote - \$11,600.00

Mr. Andrews asked if the Education Programs & Resources Committee recommendations are being paid through ESSERS grant. Dr. Vitulli said that some of

them are being paid through the grant and the rest are being paid through the Curriculum Department's budget. Mr. Neiman said that he and Dr. Vitulli went over and saw that a lot of them are reoccurring expenses; therefore, cannot be covered through the ESSERs funds as to not increase the Curriculum spending. Mr. Dymond asked if the whole \$817,000.00 for these expenses will be covered by our budget. Mr. Neiman said he is correct and it will not affect the 2021-22 budget. Mrs. Bear said some items were put on hold due to COVID i.e. McGraw Hill Intermediate; therefore, now is being purchased. Dr. Vitulli said with reference to curriculum, you can expect yearly assessments with elementary and secondary items. Sometimes both areas will have a need in update. Mrs. Bear said a lot of teachers used this software and found it beneficial. Mr. Andrews asked if the Chromebooks are being used as a crutch for the teachers. Mrs. Bear said she does not believe so. She said she found, as a parent, that doing homework assignments on the Chromebook, no paper was used. Everything was done via the app. Mr. Andrews asked if Edgenuity has an issue with a website where answers are being found. Dr. Vitulli said that they are working with the companies that have answers along with Edgenuity to come up and with an agreement for them not to post the answers. Mr. Andrews asked how do the teachers grade the students that are cheating compared to the students that are not. Mr. Schlameuss said his daughter said she did better in the classroom than at home. Mr. Andrews said it is hard for teachers to grade in this situation. Dr. Vitulli said not all kids get on Edgenuity to cheat. Students work hard and teachers work hard to help the kids graduate. Mrs. Bear said you can also cheat in a brick and mortar school. Dr. Vitulli said these software purchases are not for student remediation but it is a service-type of software where teachers can serve the students. The work can be individualized depending on the needs of the students. Dr. Vitulli said by purchasing these software, the district will be ahead financially about \$13,000 after four years. Mrs. Bear said some software teach in a fun way and can help the district compete with Cyber schools to help get the students back. We need to stay relevant and ahead of the curb. Mr. Dymond said that he did not hear tonight that we added funds to prepare for inflation. The prices for everything is going up. With the tax increase, we will still come up with a negative of 4% or 5% in the next school year. He asked if the district oversees what goes on in Charter schools. Mr. Neiman said only if they are in our district. Mrs. Bear said Pleasant Valley has one. Dr. Riker said Pleasant Valley School District does not control the PV Charter School. Mr. Schlameuss said a lot of the charters are statewide so we do not control them. Mr. Dymond said even with the tax increase, we will still end up with a \$5 or \$6 million deficit. Mr. Schlameuss said he does not believe that is possible because 70% of the budget is for salaries, which has been budgeted for as well as the curriculum items. There may be increases in small items, i.e. food, material, supplies, fuel, etc., which are a very small part of our budget. Mr. Schlameuss said; however, Mr. Dymond makes a good point. Mr. Andrews said the increase in all of these items hurts the normal person like the tax increase that the district is proposing. Dr. Riker said if you take people who are on fix income over nine years and apply inflation to them is similar to the position

that the district is in. Over the past nine years, the district has absorbed all expenses and increases without a tax increase. Now we have zeroed out our savings. Mr. Andrews said over nine years, inflation has been low. Dr. Riker inflation has not been low when looking at food prices.

IX. Public Participation - Limited to Items of Discussion

None

X. Advisory Recommendations for Consideration by the Board of Education

A.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the quote from New Horizons for the purchase of ITIL 4 Foundations Training for Technology Department, in the amount of \$15,500.00. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

B.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the quote from One-To-One Plus for the purchase of Service Management Software from July 1, 2021 to June 30, 2024, in the amount of \$26,725.00. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

C.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the quote from Blackboard for a New District Website Template, in the amount of \$18,700.00. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

D.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the 2021-22 insurance providers and premiums as presented in the total amount of \$859,027.00. Motion was seconded by George Andrews and carried unanimously, 4-0.

E.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval a five-year contract with St. Luke's University Health Network beginning July 1, 2020 to provide Athletic Trainer Services. Motion was seconded by George Andrews and carried unanimously, 4-0.

F.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the depositories for school funds for the 2021-2022 fiscal year as listed with funds invested in accordance with the School Laws of Pennsylvania and the East Stroudsburg Area School District's Board Policy. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

G.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the 2021 Homestead and Farmstead Exclusion. This will result in a maximum tax reduction of \$439.64 for each approved homestead and farmstead within the School District for the 2021 tax year. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

H.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the Board consider for approval the bid from Apple Inc. for the purchase of iPads for Psychological Testing, in the amount of \$7,453.20. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

I.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Larry Dymond to recommend that the Board consider for approval the award of bids for Athletic, Custodial, and Tech Ed supplies to the lowest responsible bidders as presented. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

J.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the commitment of fund balance in amounts to be determined by the Administration following the completion of the annual audit and prior to the final financial statements in the event the District realizes a surplus from its operations following the close of the audited fiscal year 2020-2021. Motion was seconded by George Andrews and carried unanimously, 4-0.

K.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the authorization to Administration to make necessary budget transfers to close the 2020-21 fiscal year in conjunction with the District's independent audit. Motion was seconded by George Andrews and carried unanimously, 4-0.

L.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the that the East Stroudsburg Area School District does hereby adopt its General Fund Budget for the 2021-22 fiscal year in the amount of \$177,316,960 and the tax rates listed for the 2021-22 fiscal year. These rates represent a 2.50% mill increase for Monroe County and a 0.58% mill increase for Pike County. Motion was seconded by Rebecca Bear. A roll call vote was made and carried unanimously, 4-0. George Andrews, Rebecca Bear, Larry Dymond and Richard Schlameuss voted yes.

M.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the following recommendations, which were made by the Property/Facilities Committee. Motion was seconded by George Andrews and carried unanimously, 4-0.

- a. D'Huy Engineering Invoices:
- b. ESASD Additional Retainer Tasks Middle Smithfield - Invoice #52811 \$6,409.92
- c. High School North Roof Replacement – Invoice #52812 \$1,092.08
  
- d. Resica & Middle Smithfield Elementary Water Filtration – Invoice
- e. #52813 \$5,632.50
- f. High School North and Lehman Intermediate Window Replacement –
- g. Invoice #52814 \$16,537.35
- h. Lehman Intermediate and Bushkill Elementary Flooring Replacement– Invoice #52815 \$24,043.07
- i. High School North and South Hand Wash Stations – Invoice #52816 \$522.50
- j. High School South Pool Repairs – Invoice #52817 \$4,994.89
- k. Philip Rosenau – Invoice #400411765 \$8,370.91
- l. HSN/LIS Roof Replacement - Jottan, Inc. - Change Order No.1 (Decrease) \$142,600.00
- m. HSN/LIS Roof Replacement - Jottan, Inc. - Application for Payment No.13 \$17,500.00
- n. J.M. Hill Vestibule – Bognet, Inc. - Application for Payment No.1 \$9,000.54



N.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the following recommendations, which were made by the Education Programs & Resources Committee. Motion was seconded by George Andrews and carried unanimously, 4-0.

- a. Cengage Learning, ESACA Curriculum, quote - \$1,045.00
- b. Off2Class, Software Services, quote - \$2,210.00
- c. Edgenuity, ESACA Curriculum 2021-22, quote - \$82,295.00
- d. Edgenuity, ESACA Curriculum 2021-22, quote - \$130,800.00
- e. Edpuzzle, 3-year subscription until June 30,2025, quote - \$40,272.00
- f. Mote Unlimited, 4-year subscription until June 30, 2025, quote - \$38,812.50
- g. Screencastify District Licenses 2021-22, quote - \$45,000.00
- h. Nearpod Premium Plus+DCL+SEL 2021-22, quote - \$193,534.00
- i. Brainpop 2021-22, quote - \$17,950.00
- j. McGraw Hill Intermediate SS books and subscriptions 2021-22, quote - \$189,833.45
- k. Ripple Effects, quote - \$64,440.00
- l. Edgenuity, 2020-21 overage, quote - \$11,600.00

XI. Next Meeting - July 13, 2021

Mrs. Bear asked that the October 11<sup>th</sup> meeting be rescheduled due parent/teacher conferences that will occur on that night. Dr. Riker suggested that she bring this discussion up at the September 14<sup>th</sup> meeting.

**RECOMMENDATION BY THE COMMITTEE:**

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

XII. Adjournment: 7:53 p.m.

Respectfully submitted,  
Patricia L. Rosado  
Board Secretary