

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
March 14, 2022
Administration Center Board Room and Via Zoom
5:30 PM
Minutes**

I. The Chairperson, Rebecca Bear, called the Finance Committee meeting to order at 5:32 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, Wayne Rohner and Richard Schlameuss.

School Personnel Present: Anthony Calderone, Diane Kelly, Craig Neiman, William Riker, Patricia Rosado and William Vitulli.

III. **Community Member Present:** Larry Dymond.

Other: John Molloy, PFM Asset Management (via Zoom)

IV. **Approval of Agenda and Minutes**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the agenda for March 14, 2022 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.

Motion was made by George Andrews to add to the agenda the discussion of the St. Luke's Sponsorship Program. Motion was seconded by Wayne Rohner.

Motion was made by Richard Schlameuss to add to the agenda the discussion of How Football Fields will be paid for. Motion was seconded by George Andrews.

The agenda with additions was carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the minutes of the February 14, 2022 meeting. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

V. Items for Discussion:

a. PA OPEB Trust Update

Mr. John Molloy, Managing Director of PFM Asset Management, said Mr. Neiman had asked him if he could help with the idea of how much the district might consider contributing to the Pennsylvania OPEB Trust if you decide to move forward in funding with OPEB. We do that in a variety of ways. We gather a bunch of information that is familiar to us from actuarial reports, financial statements and budget information to try to come with, for you, the bookends of what a minimum contribution might look like, what a maximum funding would look like and where in the middle does it make sense to be. This is to give you the information you may need relative to that kind of decision. The handout has a little bit of background as follows:

On page 3 – Funding your Liabilities - Why Fund OPEB Liabilities?

It is information looked at by auditors, rating agencies, investors and creditors and public agencies. For School districts, it does come into play the debt issuance and here is a way to set aside funds for the important long-term liabilities that you have relative to retiree health care. Those are fairly significant and we do not see health care cost declining. The OPEB trust gives us a very good way to save and invest for those kind of liabilities.

Page 4 – Funding Considerations - Source Data

Review of Actuarial Report from July 2020, which is the most current.

Recent Financial Statements – We’ve talked a little bit with Mr. Neiman about available cash. There is no secret that the school districts have plenty of budgetary considerations to deal with as well. He’ll be more aware of those more so than me.

Be Aware:

In funding OPEB Liabilities there are different ways of that you can do that, i.e. Paygo, which is “pay as you go” whatever the expenses are relative to retiree health care costs. Some districts may set aside funds in a designated fund that provides a little bit more of a segregation of funds. Perhaps a different way that you can invest, yet still within the school code of investments or school code related to investments. The third is the OPEB Trust. You could use a trust that you’ve created or you can use a group trust like the Pennsylvania OPEB Trust that would create it for you and would have done all that legal work that we spoke about before. The key about putting the money into a trust, is once the dollars go into that trust, the funds can only be withdrawn for qualified OPEB expenses. As we think about dollars that you may contribute, now let’s think about the amounts

of qualified OPEB expenses. Let's think about the sort of annual timing of those expenditures themselves and that should help to narrow down the dollar amounts a little bit. The other thing is to remember that the funds have to be for qualified expenses and cannot be withdrawn for other budgetary purposes. Once they are in the trust, they are set aside exclusively for the beneficiaries of that trust, which would be the retirees for that purpose of health care costs. It cannot be taken back out for all the other important things that school districts do. Many of those expenses are probably in your lettered agenda items for this evening. I wanted to make sure we talked about that because some folks would like to put a lot into the trust because it has a very good track record for investing. You do not want too much in the trust if there are other important needs for those funds. Down the road, if you do get to that point where the old OPEB Liability is fully funded or otherwise satisfied because you stopped offering the benefit, any dollars that are over the fully funded amount, not needed, those can be withdrawn under certain circumstances. This would require some help from your Solicitor. It is not really hard to do. I wanted to give you those cautions. Let's take a look on the next page and talk about some amounts.

Page 5 – Funding Considerations

The four dollar amounts that you see at the top of the page on the left, those come right out of your district's actuarial evaluation for OPEB from the Actuarial Firm, Conrad Siegel, who does the report every couple of years. The first and last numbers are really those bookends that I mentioned a moment ago. The \$1.779 million is what's called a minimum annual contribution; otherwise known in the pension world as the service cost or normal cost. This would be the amount of benefit that employees would earn each year in OPEB if it is added to a trust. At the other extreme, the \$33.2 million that you see is called total unfunded liability currently that would be the total liability for all of the employees that are in the program today and earning benefits. This is the number you would take if you say we want to fully fund against this outstanding liability. It would certainly be a large sum. What do you find in the middle? There are two numbers that coincidentally are about the same number \$2.9 million and \$2.98 million. We call them desired contribution 1 and 2. The \$2.9 million is effective service cost, which is the first number, plus the interest on the unfunded liability. Each year the unfunded liability grows by an amount kind of equal to the added benefit that each person gets having been employed for another year. Putting those two things together really kind of helps to make a dent in the unfunded liability over time. The second number actually cited comes from your actuary report but includes other factors. Because it is so similar, we thought let's just use the service costs and interest on unfunded liability rather than the OPEB expense. If you would

contribute the minimum annual contribution, you know that covers the current year cost of the future benefits for the folks that work for you today. The desired contribution eliminates any increase and any of the unfunded liability for the year so that that will look good on the financial statement for sure. We've heard the number perhaps as much as \$6 million is something that you've considered. From a financial perspective, that would take you from zero percent funded against that liability, the \$33 million to about 18% funded. That will certainly improve the overall financial statements and it would serve to reduce the future years' interest charges on the unfunded liabilities because there would be additional dollars in the trust that would help to offset those. Those are again kind of the book ends of \$1.8 million and \$33 million. Our recommendation would be for you to be somewhere in the middle but closer to \$1.8 million. If you had the means to do \$6 million, it would make a nice dent and give you an overall sizeable account to help offset costs going forward based on market value appreciation in the trust. Let me give you two more pages very quickly.

Page 6 – Performance and Asset Allocation

The next slide will give you a performance update for the trust. When we were together last, we had the September numbers. We do have the December numbers now. December was a good quarter as it finished up a very good year. If you go back to the inception numbers, which are pretty close to 10 years' numbers, that will give you a good long-term look at the trust. Our asset allocation has not changed much and we still have the three series of conservative, moderate and growth. We can talk about those at a different time, if you'd like. The last thing that I wanted to share with you is on the next page.

Page 7 – Joining the Trust

There are three steps should you decide you want to move forward. These are things to keep in the back of your mind. There are resolutions that your Board would want to make, which include adopting the Trust Agreement to join the trust. The second one would be selecting an investment option; those are one of three choices that we talked about before. The last would be related to the amount to contribute and you could make a resolution to contribute an amount for a year or within a year. You could do that resolution to sort of dollar cost average or stage your investments, over a period of time as well, so try to be real flexible with that.

Mr. Andrews asked how are we funding the health cost now. Why are we doing this? Mr. Neiman said what we are talking about this evening is the unfunded PA OPEB Liability that sits on our balance sheets. Every year our auditor goes over

the financial report with us. If you look at the net position of the district, anyone else out of public schools in Pennsylvania would say this is a bankrupt organization because our liabilities exceed our assets. However, the largest part driving the negative position is the future pension costs as well as our future healthcare cost for retirees. At the request of Mr. Schlameuss several months ago, he asked us to look at ways to potentially make better use of our cash that is sitting in our bank account than we normally are, knowing that the money that sits in our general fund balance is aligned around school code in terms on how we can invest that. Mr. Molloy is explaining the PA OPEB Trust on how we can move some of our money out of the general fund and into the PA OPBEB Trust so that we can hopefully realize a better return on our funds to earmark and pay down that old debt life. We are not alone in this. Basically, all other 500 school districts in the State are dealing with this same issue.

Mr. Andrews said whatever money we put into this fund... Mrs. Bear said it is not FDIC insured. Mr. Andrews said we may lose money. Mrs. Bear said not may but we will lose money. Mr. Andrews said and the money cannot be taken out. Mr. Neiman said this is similar to the Capital Reserve Fund. We have the General Fund and the Capital Reserve Fund, which is separate to that. We elected to transfer money out of the General Fund to the Capital Reserve Fund. We can only use that Capital Reserve Fund for things related to our buildings. We can never bring that money back to offset anything in the General Fund. Except this is investing in a trust and not in our funds that are in our books. It would be earmarked for these future expenses. Mr. Andrews asked how is this related to PSERS. Mr. Neiman said this is not PSERS. Mr. Andrews said PSERS handles our health insurance and we pay it on our own. Mrs. Bear said PSERS does not handle healthcare but they handle retirement. Mr. Neiman said PSERS is your pension. Mr. Andrews said what you are saying is that we are self-insured. Mrs. Bear said that is correct. Mr. Rohner asked when are we going to be provided with the participation agreement that was mentioned here in order for us to read it. Mr. Neiman said Mr. Molloy came back based on the Committee's request to talk more about dollar amounts. Mrs. Bear said the questions she had asked are not answered in this presentation. I had asked what fees are paid to PFM? What are the breakpoints? What funds are we using and what are the internal fees within the funds that we are using? What is the cost? With the way the market is going right now, we are down a lot this year. The 2.79 looks great for last year but this year it does not look good with the pullbacks that we are having, inflation, war in Russia and Ukraine, feds doing their rate hikes, etc. The whole ten-year look back in the market has been fabulous for everybody. The market has been up since the crash in 2008 except for a few hiccups, i.e. Greece in 2015, terrorists in

2018 and COVID. We have not had what we have going on right now in the International Global Economy. In my opinion, based on what I read and what the Chief Investment Officer that I work with said, 2022 it is going to be a tough year. Mr. Andrews said he views it differently. At the district, we are involved with negotiations with some of our unions. They are going to say we are going to take this money out and put it in a fund that we can't touch so that money can't be used for negotiations. Mr. Bear said we already put money aside for PSERS, correct? Mr. Neiman said it is a long-term liability that is not funded at the moment. Mrs. Bear said how do we pay it right now for someone who is retired. Mr. Neiman said we have the minimum annual contribution that it is worked into the budget. Mrs. Bear asked are we budgeting for it for what we currently have. Mr. Neiman said yes. Mr. Schlameuss said what you are paying yearly is the 1.779 as indicated in the budget. Mr. Neiman said that amount is based on the last actuary report. Mrs. Bear asked what happens if we put money in and we lose it. Mr. Rohner said then we lose it. Mrs. Bear said if that happens then we can't fund what we need to in the future due to the market that continues to be on a roller coaster ride. My question is, is this the right time? It is good idea, but is this a good idea now to take that much money and put it in the trust? Mr. Schlameuss said when we first started talking about it two months, it was a good idea but today not so much. Mrs. Bear said it is scary for me to invest two million dollars from our budget. Mr. Schlameuss said the money is from our reserve fund. Mrs. Bear asked what happens if the market is down from 7%. Seven percent of two million dollars is a lot of money to lose. Mr. Schlameuss said the money would be in the trust. Mrs. Bear said you can still lose money. Mr. Schlameuss said even if we lose money this year we may get more of it next year. Isn't better to buy low and hope to get high. Mrs. Bear asked but is it at its lowest. Mr. Andrews asked if it is in the reserve then we can use it for whatever but if we put it in this fund then we have to use it for the specific item. Mr. Schlameuss said that is correct. We are under no obligation to invest. Mrs. Bear said we should have thought about this in 2015. Mr. Schlameuss said he just learned about this trust six months ago. Mr. Andrews said it was not a bad idea six months ago. Mrs. Bear said there are multiple parties involved in the trust. You have PA OPEB Trust, PFM and the Law office of Michal Balducci and Fox Rothschild. Do we pay fees to all of these parties as well as the bank?

Mr. Molloy said because of the way that the trust has structured its investment vehicles to work like mutual funds, there is an expense ratio or at least the equivalent of an expense ratio for each of the funds. It is made up of the fees that each of those parties would charge. Yes, we can share all of that with you. Mrs. Bear asked do you get paid a fee as well. For example, in my business, if I

manage somebody's account, we use mutual funds separately managed accounts and there are fees for that. Then I as the investment advisor or my team charges a management fee as well. Mr. Molloy said that is a very good distinguished. You may be looking at all the entities on page 12. Mrs. Bear said how do all those people get paid. Mr. Molloy said each of those are paid through what I was calling the expense ratio of the series or the fund. The total for those groups is about 85 basis points. The investment option themselves are invested in underlined mutual funds of ETF like you described in your own business. Each of those have their own cost. Mrs. Bear asked if 85 basis points over the whole trust. If there are 20 school districts that put in \$2 million, the 85 basis points are over the whole trust of 40 million dollars. Are there grade points for lower amounts? Mr. Molloy said there are. The trust is right about at a breakpoint where that the cost would go down. Mrs. Bear said 85 base points is high. Where I work, we charge for up to million 1 %, for the next million .67 and it goes down from there. You are looking at millions of dollars and you are charging more than I would charge for my business. Mr. Molloy said I'd be happy to talk to you about this. Mrs. Bear said this is important because it comes out of the net return. If the fund is doing x amount or worse, we are still paying you 85 basis points and the other fees. Mr. Molloy said that is correct. Mr. Andrews said 7% growth is high. Mrs. Bear said you are not going to see that high percentage any more. Those days are gone. The good news is that with the feds raising the interest rates, you are going to see the bank savings rates go up and borrowing rates go up. We got a good interest loan when we did the bonds. Mr. Schlameuss said based on the conversation, I believe we should table this for a couple of months to see where the market goes. Mrs. Bear said she agrees because if we invest we may see the market be on the down trend and we would still have to pay all these fees. I can check the funds and check for all the fees. Mr. Molloy said he can give the Board all of the information. Mrs. Bear said I cannot make a decision without that information. I know how the fee structure works. I think 85 basis points is a lot of money to pay. I know you have to pay the four entities but it is a lot for me to swallow for such a large fund. Mr. Schlameuss suggested tabling this item. Mrs. Bear said we can wait to see what happens with the market and the war. We may also suffer lost with supplies from these countries, too. Mrs. Bear asked Mr. Molloy what is your company's outlook for this year. Mr. Molloy said the influx is with a great deal of uncertainty with the same situations you mentioned. We had tremendous returns and have expected that we borrowed from the future on some of those returns. Our assumption is we expect lower return for equity around the world and we are seeing some of that this year with the pull back on the equity market. When you look at fixed income coming out of incredibly low rates like we saw in 2020, they were not that high prior to that. Rising rates will take away

from the price return on fixed income instruments. Our expectations are that rates will rise rapidly. They are not anywhere near to settling into. A few increase rates will surely help the average investor. The total returns will be down after that upgrade stability higher yield investors will be stable. The portfolios are in a bit more of a rough period for the next several months as we see all of the financial plays. The unknown is something that markets really dislike. It is bad but risk is ok. The markets dislike all unknowns. That is when you will see lower prices. We continue to tell investors to place long-term investments and sticking with their plans. It's the way to go. For folks with your decision to invest in the trust or not, we will say although is not a bad time to invest but just not fully. Maybe invest by quarters and/or years to average up and downs. We believe you cannot time those ups and downs. Follow your long-term strategies. Mrs. Bear asked Mr. Neiman do we have funds now to commit to this. Mr. Neiman said in the fund balance, we committed 24 million dollars, \$18 million for PSERS and \$6 million for future healthcare cost. The \$6 million referenced for the trust investment is the \$6 million dollars for future healthcare cost. Mr. Neiman said a Board motion would be needed to approve those funds elsewhere. Mrs. Bear said we cannot use those funds for other items such as buses. Mr. Schlameuss said we can uncommit the funds for other use. Mrs. Bear said but if we place it in the trust fund we cannot use it for something else. Mr. Schlameuss said that is correct. The other thing to think about is the \$33 million in future expense over the course of 10-15 years. Every year that number might fluctuate. The thing that happens in 2030 is that bond payments will be gone. At that point, that \$6 million that we put for unanticipated expense would cover that. It is money that we are going to have in 2030. It's a different way to look at that. Mrs. Bear said I am not comfortable with investing \$6 million. She asked Mr. Molloy What are your thoughts on dollar cost averaging it in rather than lump summing it in. Mr. Molloy said that is the best way to do it. Mrs. Bear said instead of investing the \$6 million, we can gradually put it in. We can start with \$1 million now and gradually put the \$6 million but not all at once. You do that to prevent market happenings. You may put it in today and tomorrow it goes down. If you slowly put it in, you may have good and bad days to balance out loses and gains. Mr. Molloy said mathematically it works out that your average cost is always lower. Mrs. Bear said before we make a decision, we should see the fees and break points in the funds so we can understand it better. I don't think it is a bad idea but maybe not this second. I want to see what our investment choices are and to see how we faired this quarter. This quarter matters more than the end of December. Mr. Schlameuss said nothing is compelling us to do this right now. Mrs. Bear said that we should have the next quarter information for the April meeting. Mr. Schlameuss said he agrees. Mr. Molloy said I'd be happy to get current funds

lined up to Mr. Neiman that would include the underlying expense ratio for all the funds. The full expense picture would be in the information statement. We have current performance that I can pull off and send to you to show where we are at this point of the quarter.

Mr. Dymond said another issue to keep an eye on is China. With all of the projects we have going and inflation happening, if we lose another 10 percent, you are going to need that money to start with next year. The price of everything like supplies are going up. We may have to raise taxes on the county level due to all of the construction.

Mr. Schlameuss suggested tabling this item until we get more information and then bring it back up when we feel more comfortable. Mr. Andrews said this is a good start. Mr. Molloy said one thing for your consideration with reference to the fiscal year ending June 30th, is any contribution you may want to make must be done prior to June 30th in order for it to appear on your current year financial statement. You are under no requirement to do that but that would be the deadline if you were to invest. Mrs. Bear thanked Mr. Molloy and said she will await all of the information she requested to help her make a decision.

- b. JT Lambert Intermediate Scoreboard Replacement - Nevco Quote, \$7,981.65
- Mr. Neiman said I finally got a proposal to replace the J. T. Lambert Intermediate scoreboard. Three quotes have been provided. We selected the one with the Co-Star agreement. The Athletics Department would like to use the St. Luke's funds for this purchase. Mrs. Bear asked how much of the St. Luke's funds have we used year to date. Mr. Neiman said we received \$181,000 and spent under \$24,000. Mrs. Bear said we have a lot of money to spend. Do we have to spend it all within this year or can it roll over for next year's athletic supplies? Mr. Neiman said the way Administration has been approaching this fund and the way that I dealt with the budget for next year, is St. Luke's funds were not built into this current year's budget based on the timing of the agreement. The revenues and expenditures are not in this year's budget. For next year's budget, I am doing that as incremental programming related that way. For next year's budget, I added a revenue of \$129,000 to the Athletic Department and increased the Athletic expenditures by \$129,000. Basically this is a zero sum gain in terms of the net impact on the General Fund. Based on the agreement, I interpreted that to be incremental things for our programs. Mrs. Bear asked if St. Luke's paid for the timers for the pools. Should we use money for that or was it already budgeted? Mr. Andrews said these are some of the questions we have and the reason for us putting the motion to add St. Luke's funding on the agenda to find out how much

and what types of things we have purchased with this money. Mr. Rohner said that is a great question. Mrs. Bear said now we know we used about \$24,000 of the St. Luke's funds. I know we bought the rhino for J. T. Lambert. I remember we spoke about that. I also remember that we bought the ice machine for Lehman. That pretty much covers the \$24,000. Mr. Neiman said it has been minimal. I can run a report because I have it all earmarked in our financial system. Mr. Andrews said there are also other things we receive from St. Luke's such as scholarships. That was another question I had today and will get to it later on. Mrs. Bear said it is find to use St. Luke's money on this item since we have it. Mrs. Bear asked do we have to put a logo on the scoreboard since we are paying with St. Luke's money? Mr. Neiman said no. Mr. Schlameuss said just as a point of fact, the field hockey team does not use the football field. They use the lower field. Mr. Rohner asked which team does not use the football field, the South team? Mrs. Bear said no the J. T. Lambert field hockey team does not use the football field. Mr. Schlameuss said the J. T. Lambert Field Hockey team has a scoreboard, too. Mrs. Bear asked are they replacing both or just one? Mr. Schlameuss said he believes just one. Mr. Rohner said I'm assuming the one at the football field. Mrs. Bear said the North Lehman Field Hockey team also has their own scoreboard. They do not use the football field. They use a separate field as well. Mr. Rohner asked if J. T. Lambert has a field hockey team. Mrs. Bear said they do just as Lehman does. Mr. Rohner asked and they are not allowed to use the football fields? Mr. Schlameuss said they have their own field to use. Mrs. Bear said so does North.

c. Zonar 4G V4 Essential - Quote, \$22,188.00

Mr. Neiman said it was brought to my attention by the Transportation Department that our Zonar units in all of our buses were running on 3G. AT & T no longer supports the 3G System as of February 22, 2022. This was determined by Administration to be an emergency purchase so they have been already ordered. If they have not arrived yet they will be here soon. This is the first chance I had to bring this item to the committee. It will be added on the March Board agenda as a ratification. Mrs. Bear said this information was given to the Board in their brief. Mr. Andrews said this is being done because the communication company said we are not going to support it. A couple of years ago when we looked at this item they said there was no reason to go this route. Mr. Dymond asked when did they get activated. Mrs. Bear said they have been using them. Mr. Schlameuss said they are being used but they are 3G standard. Mrs. Bear asked do we have the funds to cover this expense? Mr. Neiman said he reviewed the Transportation Department's budget with Ms. Robins and we have the funds to cover it.

d. Transfinder RouteFinder Plus - Quote, \$14,750.00

Mrs. Bear asked Mr. Schlameuss if this committee already spoke about the Transfinder Plus. Mr. Schlameuss said he recalls this conversation. Mr. Neiman said this item was a request from Transportation. I have a whole page here of what this is referring to. Mr. Neiman read as follows:

RouteFinder Plus that is on the agenda offers ESRI Technology, which is the most efficient mapping software that allows you to pinpoint addresses and parcels in ways that pro is incapable of doing, while allowing you to access to the most extensive catalog of detailed maps.

Editing – Plus allows you to edit anything that is on the map, street, railroads, weekdays, weekends, times of day, postal codes, etc. It is a fully browser based program.

Map Canvases – Because the program is completely web based. You can work on multiple map canvases at the same time enabling side by side comparisons.

Right Click Menu – While in Pro you would have to exit from the routing map in order to access the student's information. With a right click menu, you can access all the information on the same screen allowing you to work efficiently.

Smart Sequence – When adding multiple stops to a created route the system will take time or mileage efficiency into consideration.

Email Communication – In order to email parents/guardians their students' transportation letter, you must download the generated letter from Routefinder Pro to your computer and send it out to the respected families. However, plus has the capability to email the student's contact person from the software itself. In addition, it also allows you to send out mass emails to the families of the students to communicate delays, etc.

Geo AM and PM Routes – You can cut routing time down by utilizing the Geolink feature. If you are creating a route, it will be exactly the same in the afternoon that it is in the morning, you will link both am and pm, route once, and the afternoon route is done simultaneously.

RouteFinder Pro is a program that is 16 years older than RouteFinder Plus. Making the change would allow us the opportunity to maximize our routing time,

and enabling the department multiple options of mass communication with our families when needed.

This was Ms. Robins' presentation. She is aware that it is a one-time cost of \$14,750.00. The ongoing cost is essentially the same or less going forward. It is a one-time ask to get these functionalities but the ongoing cost does not change. Mrs. Bear said when we heard about this plus feature before, the previous Transportation Director told us that we did not need it. Mr. Andrews said that is because they were not using it. We went to see a Transfinder presentation and they were not using these features. Mr. Neiman said Ms. Robins was using this in her previous employment and is very comfortable with it and this is her request. Mrs. Bear said we heard about it before but the previous Transportation Director said she did not use this one but wanted what we currently have. Mr. Schlameuss said he remembers that conversation that they had. Mr. Dymond said we need to find out what miles we are traveling now because when we first started Transfinder, we were traveling 10,000 miles a day. It is interesting to find out how many miles we are traveling now to see the actual savings. Mr. Neiman said that would be hard to find out due to the pandemic. Mr. Dymond said you can run the system and see how many miles they run in a day. Mr. Schlameuss said you would be looking at directional route markers compared to two years ago. Mr. Dymond said we didn't solve anything if we went from 10,000 to 12,000 miles. If so, then there should not be any upgrades. Mrs. Bear said as a parent I like that they will send a letter when they are running late. This is a huge complaint from parents. If the kids swipe on the bus they know which kids need a letter or a call telling them buses are late. Mr. Rohner said that would be nice and would solve a major problem that we are having right now. Mrs. Bear said they all got new IDs for this to work. Mr. Rohner said not everyone got a lanyard and I have a problem with that.

e. Provident Energy Consulting (PEC) Update

Mr. Neiman said based on the conversation that the Committee held last month with reference to searching for an energy company, I thought it would be a good idea to update the Committee about the agreement that the district has with Provident Energy Consulting. We entered into this agreement on August 16, 2010. Provident Energy provides the district with energy consulting services primarily related to electricity and natural gas procurement. PEC procures commodity energy for the purpose of achieving cost reductions through retail energy markets. PEC leverages the combined buying power of the Colonial IU 20 Districts for natural gas and the combined buying power of approximately forty public school districts who utilize Met Ed for the supply of electricity. The

district's current natural gas basis (Transportation) agreement runs through the end of the 2021-22 school year. While the district's Electricity Supply Agreements extend through the 2022-23 school year, PEC will begin the Natural Gas renewal process soon while monitoring current weather and market conditions for ideal timing. We do fully expect that they will be going out to bid in March for natural gas because typically in the spring and fall it makes the most sense. Mrs. Bear said as I saw this, I noticed they have Energy Solutions with Pennsylvania School Board Associations (PSBA). It's a program that will help districts realize energy savings in these challenging times. The program is strategically designed to help schools reduce energy costs and environmentally impact and improve energy infrastructure performance. It is typically a non-out-of-pocket expenses to the district. Energy Solutions is a consulting service by Gable Associates that can offer much needed cost reductions, along with environmental benefits that can drive savings for the district. Is Provident Energy Consulting similar to this? Mr. Neiman said I believe this is similar. Mr. Rohner asked if Mrs. Bear is reading from PSBA. She said yes. Mr. Schlameuss said the Penn State Program does the same thing but it has a bigger reach because it includes Municipalities and Boroughs. Mr. Rohner said this is what Jacob Morris is speaking about. Mr. Schlameuss said this is sort of what he is talking about. Mrs. Bear asked how do we know which consortium is the best consortium for us to meet the needs that we have. Mr. Neiman said the fuel oil stays within the IU consortium. We can look beyond if the Board would like us to but we have had a relationship with Provident going on 12 years. They have served us well from my understanding. With natural gas already approved, changing agreements now will make us scramble for other rates. Mrs. Bear said I found it interesting that we had this and then read the other information in the PSBA Magazine. Mr. Andrews said fuel oil is going up. Mrs. Bear said we have it locked in with a good rate. Mr. Andrews said next year it may not be so good. Mr. Schlameuss said this is only for natural gas and electricity. Maybe, what we should do is put out an RFQ for vendors to look at their qualifications to see if they are comparable to other folks that are doing the same thing. I don't know if it will save us any money. Mrs. Bear asked do we pay a fee to Energy Provident Consulting? Mr. Neiman said the agreement that was signed 10 years ago was provided to you. Mrs. Bear said I could not find anything. The agreement is 10 years old and none of the current Board members approved it. Mr. Schlameuss said it is a ten-year agreement for electricity and typically an agreement is for two to three years. Mrs. Schlameuss said page 118 says their fee is .001 cents. Mrs. Bear said that is nothing. Mr. Schlameuss said it may not be but if we can get it for free and get the same good rate, it would be better. Mrs. Bear said it says no added cost to the district. Mr. Schlameuss said that is because it is added on the bill. The State

would do this for us for free because they get paid to do it. Maybe we should bring it up next month. Mrs. Bear said we should have Provident Energy Consulting come and explain this to us next month because none of the current Administrators or Board members were present at the time of when the agreement was approved.

- f. Ironton SIP Phone Service - Quote, \$12,450.96
Mr. Neiman said this item is from Mr. Borosh. It is a one-year agreement basically keeping everything the same that we currently have. There is no change in pricing.
- g. 2020-21 Excess MCTI funds - proposed Motion
Mr. Neiman said at the February Board meeting, MCTI presented next year's budget and he mentioned the excess funds, also. The MCTI Board approved the motion to retain the excess funds for their capital projects. They are now looking for Board approval from all of the sending districts. I will now place this motion on the March agenda in order for the Board to approve MCTI to retain \$255,409.00 in excess fund. Mr. Andrews said all four school districts have to approve it in order for it to happen.
- h. Athletic Field Turf Fertilizer - Fisher & Son Company Quote, \$27,115.25
Mrs. Bear said the next item is the Fisher & Son Company quote for the Athletic Field Turf Fertilizer. I believe we buy the fertilizer every year. Mr. Neiman said that the Grounds Department through Mr. Daryle Miller will obtain the fertilizer through the Co-Star Agreement. Mrs. Bear asked although this is budgeted item, can we buy this through St. Luke's funds since it is for athletics. This is something we can look into. If we do this, then we can use the funds to pay of Zonar. Mr. Neiman said I have been using the St. Luke's money after consulting with the Athletics Directors and Dr. Riker. I am getting the feeling that the Board would like to weigh in on what we spend the St. Luke's money on. Mr. Andrews and Mr. Rohner said yes. Mrs. Bear said we do not necessarily want to weigh in on it but rather know what we are spending the funds on. Mr. Rohner said we would want to be in the loop of things. Mr. Neiman said all money that the district has spent from the St. Luke's money has been presented to the Board by way of a motion on the agenda and has been approved by the Board. Mr. Andrews said we also need to let the public know. Mr. Schlameuss said we have money that we already use for operational expenses. I would imagine that St. Luke's money would be used for money that we already have not budgeted. Those items would be presented to the Board at the Property and Facilities and Finance Committee meetings to let us know what it is being spent. Mrs. Bear said this is a normal

purchase and pretty much what we paid last year. Are we using the better blend that was spoken on last year? Mr. Schlameuss said I would imagine that they are; otherwise, Mr. Miller would be here to let us know it wasn't.

i. Request to Bid

- i. Athletic, Custodial, Medical, and Tech Ed Supplies
- ii. Food Service Supplies

Mrs. Bear said the above mentioned bids are something that we normally would do. Mr. Andrews asked can we use St. Luke's funds for these items. Mrs. Bear said only if it is beyond our normal items. Mr. Neiman said this is for the usual items that we purchase. Mr. Andrews said that St. Luke's contract says that they will provide financial assistance for supplies.

j. St. Luke's Sponsorship Program

Mr. Andrews said he asked earlier in the week if he could speak about St. Luke's Sponsorship. We are trying to see what money goes where. Mrs. Bear said that Mr. Neiman was not given permission to put this list together, which is why I put it together. What I was trying to do is find all the sponsorships. We have all types of money coming in from St. Luke's like scholarships. We now know that we have about \$121,000 left for Athletics from St. Luke's agreement. The Board is not kept updated on the expenses; therefore, how are we going to tell the community what St. Luke's has done and is doing for the district so that they know we are working with St. Luke's closely. Mr. Andrews said to Mr. Neiman I would like you to review the list and get back to the Board to see if this is what we have done with St. Luke's. We can then inform the community. Mrs. Bear said I know for a fact that the Gatorade products have been provided at North and South because I see it with the trainers. Mrs. Bear said St. Luke's has also been working with nutrition. Mr. Andrews asked how does she know that it is happening. Mrs. Bear said because she has seen this going on as a parent since her children are involved with sports. Mr. Andrews said we have not been informed as a Board and we also need to inform the public. Mr. Neiman said it's all spelled out on the agreement and the Board approved the agreement. Mr. Andrews said we should be informing the community as it happens. Mr. Neiman said with reference to the day-to-day inner workings of the district to operational non-governing stuff that the district does related to this, the Athletic Department, from my perspective, is all over this agreement. I actually have it sitting on my desk because the Athletic Department works with him closely on it. If you read that agreement, there's a lot of things around the financial side of it. There have been all sorts of things that have been mutually agreed upon. St. Luke's has been an excellent partner. The way that this works is that we actually go through the

agreement and there is a lot of things around quarterly billings and things like that. The district generates an invoice and bills St. Luke's at that particular timeframe. A couple of weeks later, a check rolls into the district. We deposit it and we track that in our accounting software. Year to date, we have billed St. Luke's \$181,000. Mr. Andrews said we did not know what has been spent until you just told us; therefore, the community does not know. Mr. Neiman said we have been working with the agreement that the Board approved. Mr. Andrews said I am not arguing that but there is a public relations part to this, too. I just found out today that we got \$181,000 and that we have \$120,00 left for next year. Mr. Neiman said that is what is earmarked for next year. Mr. Andrews said we should let the public know. Mrs. Bear said she also noticed that a couple of months ago, we had to buy AED units and the Board asked if we were going to get St. Luke's money for them. I know that St. Luke's donated six AEDs. Mr. Andrews said we did not tell anybody. Mrs. Bear asked are we going to get St. Luke's money. We got six AEDs but then the district bought some, too. That is my confusion. We get presented to buy things but then St. Luke's donates them. Mr. Rohner asked when did we buy AEDs. Mrs. Bear said we bought them last year but we got the St. Luke's contract. Mr. Neiman said it was his understanding that there is a replacement cycle for the AEDs and that is what was purchased. There is no duplication with the purchase of them. Mrs. Bear said but if they donated six then why didn't the district buy six less. Mr. Schlameuss said St. Luke's may be donating AEDs for additional places such as for the athletic trainers. Mr. Rohner said we should accept the additional ones, too. Mr. Schlameuss said there is a difference between purchasing new ones and purchasing to replace. Mrs. Bear said that is why I am asking is this new or did we add. Mr. Schlameuss asked are we going to micromanage all of the AEDs. Mrs. Bear said I am just questioning it. I'm not micromanaging them. Mr. Andrew said my issue is that Mr. Neiman and the Athletic Department knows the intertwining happenings of the agreement but the Board nor the public is aware. We need to be informed and so does the public for transparency sake. Mr. Schlameuss said we are not asking for the individual dollars but as a Board, we should know what has been bought. They were approved within our budgets, too. Mr. Andrews said St. Luke's has also provided us with academic scholarships and non-academic scholarships. Mr. Neiman said they were on the Board agenda for approval. As my understanding of the authority as the CFO of the district, I don't have to bring everything to the Board that is under \$5,000 but just what is over \$10,000. I debated bringing you the scoreboard for J. T. Lambert but I brought it to you so we can get it ordered immediately. Although is under the threshold, I decided to do so because it makes good public relations for St. Luke's. Mr. Andrews said that is what we want. Let the public know it is St. Luke's that is

involved. Mr. Dymond said the AEDs should have been advertised on the website that it was a donation from St. Luke's in order to let the community know. Mr. Schlameuss said another suggestion may be to have a press release. What we want to say is let's find a way of acknowledging the partnership and we will let the Administration handle it with the new Director of Communications so they can let us and the public know. Mrs. Bear said the partnership has been beneficial. The Athletic Trainers at North are fabulous and I'm sure they feel the same about the South ones, too. Mr. Rohner said I don't have a problem with placing St. Luke's logo on the field. I don't believe that we need more money from St. Luke's in order to do so. That is my personal stand moving forward.

k. Football Fields

Mr. Schlameuss asked do we know if there is any other promotional consideration that is being considered for putting St. Luke's logo on our field. Mr. Neiman said no. We notified D'Huy Engineering to proceed with ordering materials, without the St. Luke's logo and we notified St. Luke's. They were fine with the decision. The football field was earmarked to take the expense from the Capital Fund. Dr. Riker, and I have been in preliminary conversations with St. Luke's around some additional relationships and partnerships and that's what we were trying to articulate to the Property/Facilities Committee. Nothing has been determined yet as far as an extension to that agreement. When there is, there will be a presentation to the Board with a formal agreement. We are in the very early, stages of talking about a Fit for Life Program, which is a wonderful outreach I feel for the entire community around wellness and healthy living. It is perfect timing that we happen to be putting a turf field in this summer, and we were close to ordering materials. We are talking to St. Luke's to see if there is an opportunity here for further partnerships in order to facilitate that program. I believe the Fit for Life Program stands on its own here, regardless of the turf field. I think that can be a wonderful thing. In talking about the advertisements of the partnership, I think some of those plans we are talking about include some of that I and will bring that to the Board. Again, it was just the timing of the turf field. We had authorized the expense from the Capital Funds. Maybe we could have an opportunity there with St. Luke's. Mrs. Bear said my concern was consistency between the two schools. St. Luke's name will say it at South but it won't say it at North because North's turf field is fine but South is not so then it's perception. Unfortunately, it would be perceived by the Community that St. Luke's did something for South but did not do it for North. That was my whole thinking when I asked those questions. Mr. Schlameuss asked can we add the logo as an add on like with paint. Mr. Rohner said we can. Mr. Schlameuss asked would it need it at both schools. Mrs. Bear said that's exactly my point. I would want it to

be consistent at both schools. Mr. Rohner said I'm not concerned about the logo, at this point, at North, because the agreement happened in July of 2021 and North's field was done. It is what it is. Mr. Schlameuss said but we can go back and put it on the field. Mrs. Bear said we can put it on the scoreboard or have something attached to it saying something like provided by St. Luke's. I don't see why not. Mr. Neiman said I don't believe they asked for that. Mrs. Bear said but why wouldn't we just do it. Mr. Rohner said when I was at the Property and Facilities Committee, it was actually pitched to me as a new digital sign at the front of 209 to the entrance of J. T. Lambert Intermediate School. There was no mention of a scoreboard for the football field. That's the only thing I'm disappointed in was that's how it was presented to the Property and Facilities Committee. My interpretation was that I was getting a digital sign like we have out front of High School South. Mr. Neiman said we're talking two separate things. The scoreboard stands on its own. The digital sign is for the Fit for Life Program. That is how St. Luke's will be getting their marketing. Mrs. Bear asked will they be doing this at all schools for North and South or would it just be South because that's where I have the problem. Mr. Neiman said we can discuss this during Executive Session because it is a contract. Mrs. Bear asked are we good with the football field. Mr. Rohner said, just so that there's an understanding with the Board, and I will continue to promote this, that the \$24,000 that was spent, my interest is, that there is equal distribution between North and South. That will be my personal agenda throughout my term. Mrs. Bear said as of right now, Lehman got the ice machine and they needed it, J. T. Lambert got the rhino and now they are getting a scoreboard. Mr. Rohner said I'm okay with this. We are getting a lot of money from St. Luke's. They are a new source of revenue.

1. 2022-23 Budget Presentation

Mr. Neiman said tonight is the first look at the 2022-23 Budget. The presentation includes:

Page 2 – Agenda

This is everything I would like to talk about this evening.

- School Mission and Vision
- Role of the School Board and the District Budget
- Multi-County School District Tax Rate Rebalancing
- Millage and Assessment Trends
- Local Revenue Trends and the Impact of COVID
- State and Federal Funding Updates
- Expenditures Overview and Major Cost Drivers
- 2022-23 Budget Timeline

Page 3 – Mission Statement

East Stroudsburg Area School District fosters within all students a commitment to excellence, service and life-long learning which prepares students to be creative, productive and responsible citizens with a global perspective

Page 4 – Vision Statement

The East Stroudsburg Area School District supports all students on their path to success and values their rich diversity. Our dynamic programs are delivered by high-quality educators who utilize all the tools at their disposal and collaborate with home and community, in order to deepen everyone's passion for lifelong learning.

Page 5 – Role of the School Board and the Budget. This comes directly from PSBA.

- A school district budget, no matter how large or small, is a delicate balance of policy choices.
- Adopting a budget is one of the most important functions of the school board.
- Budgets provide school boards with the opportunity to directly influence the educational environment of the district.
- Adoption of the budget provides administrative staff with direction and guidance to act.
- Almost every major decision made by the school board is or needs to be incorporated into the budget.

Page 6 – Multi-County School District Tax Rate Rebalancing.

I want to spend quite a bit of time talking about the Multi-County School District Tax Rate Rebalancing. Something unusual has happened this past year which is something that has not happened in at least the past 10 years. There are 500 Public Schools in Pennsylvania, 89 of those School Districts educate students in more than one county, 78 are in 2 counties, 10 are in 3 counties and 1 is in 4 counties.

Page 7 – PA School Code Section 672.1

School Districts lying in more than one county or in more than one municipality;
limitation on total tax revenues

- (a) Whenever a school district shall lie in more than one county, the total taxes levied on real estate within the school district in each county shall be subject to:
 - (1) The limitation that the ratio which such total taxes bears to the most recent valuation of the same properties by the State Tax Equalization Board (STEB) shall be uniform in all of the counties, and the school district shall adjust its rate of taxation applicable to the portion of the district in each county to the extent necessary to achieve such uniformity.
 - Calculates different tax rates based on share of STEB market value in each county.

Page 8 – Who is STEB?

- State Tax Equalization Board (STEB) was established by the General Assembly in Act 447 PL 1046, 1947, to compensate for the lack of assessment uniformity statewide in distribution school subsidies.
- The primary function of the STEB will determine annually the aggregate market value of taxable real estate property in each political subdivision and school district throughout the Commonwealth of Pennsylvania.
- The STEB is to establish a common level ratio of assessed value to market value for each county for the prior calendar year.

Page 9 – Section 672.1 Method (a) (1)

STEB Rebalancing Formula –

- $\text{Market Value \% per county} \times \text{Total Tax \$} = \text{Tax \$ per county}$
- $\text{Tax \$ per county} / \text{county Assessed Value} = \text{Millage}$

Page 10 – STEB Market Values and Assessments

County	2019 Market Value	2020 Market Value	Change From Prior Year
Monroe	\$2,233,517,865 77.28%	\$2,206,694,165 76.34%	(\$26,823,700) -120%
Pike	\$656,750,884 22.72%	\$683,932,869 23.66%	\$27,181,985 4.14%

County	2022 Assessment	2023 Assessment	Change from Prior Year
Monroe	\$2,608,545,206 93.06%	\$2,616,686,801 93.08%	\$81,141,595 0.31%
Pike	\$194,396,520 6.94%	\$194,584,610 6.92%	\$188,090 0.10%

This is where you start to see some interesting numbers. The market value comparisons were always a year in arrears with this rebalancing. The rebalancing that will impact the 2022-23 school year, is based on the change between the 2020 and 2019 market value. We also look at the 2022 and 2023 assessments on this chart. In terms of market value, Monroe County, I think, as we all expect has the largest market value within our district that is just around 77% and Pike County coming in at about 23%. The interesting piece from this chart to take here is that you see that Monroe County, for the first time in at least 10 years, lost market value in its relationship to Pike County. Monroe went down 1.2% in 2020 and 2019 while Pike County grew 4% on market value. With assessment value this is kind of standard for where we have been if we look at our assessment growth. It's minimal at best with Monroe County growing at three tenth of a percent while Pike County at one tenth of a percent. Minimum assessment growth has been the trend.

Page 11 – Multi County Ratios & Millage History

Year	STEB MV Ratio		Millage		Rebalanced Millage for Next Year Base		% Rebalancing Change	
	Monroe	Pike	Monroe	Pike	Monroe	Pike	Monroe	Pike
2013-14	75.94%	24.06%	180.81	128.94	182.57	128.94	0.97%	0.00%
2014-15	76.41%	23.59%	180.81	123.44	180.83	123.44	0.01%	0.00%
2015-16	76.42%	23.58%	179.37	123.42	179.51	123.42	0.08%	0.00%
2016-17	76.48%	23.52%	177.86	121.27	178.04	121.27	0.10%	0.00%
2017-18	76.55%	23.45%	177.86	122.91	177.86	122.96	0.00%	0.04%
2018-19	76.55%	23.45%	177.86	123.66	177.94	123.66	0.04%	0.00%
2019-20	76.58%	23.42%	176.81	123.66	30.00	123.66	-83.03%	0.00%
2020-21*	77.19%	22.81%	30.72	123.66	30.75	123.66	0.10%	0.00%
2021-22	77.28%	22.72%	31.27	123.39	31.27	128.47	0.00%	4.12%
2022-23	76.34%	23.66%	31.27	128.47				

*Monroe County Reassessment

I have ten years of history here for these numbers. The first two columns on the left are what we were just talking about in terms of STEB market value ratios. You can see Monroe and Pike and that 77%/23% percent split. If you look back in history starting in the 2013-14 school year, you can see Monroe County kind of picked up ever so slightly in its ratio with Pike County. Monroe picked up a little bit each year. Pike decreased in terms of market value and in its relationship with Monroe. If you keep following that all the way down until 2022-23, this is the first time that you see actually Pike in that ten-year period growing in market value in its ratio with Monroe. Something happened here that has not happened in ten years. The next section is the millage. Here are our millage rates for Monroe County and Pike County going back several years. You can start at the 2013-14 school year. You can see Monroe was 180.81 and Pike was at 128.94. If you slide down to the 2019-20 school year, you can see Monroe actually dropped from 180 to 176 and Pike dropped from 128 to 123. As a school district, we have been lowering millage rates over those years. It gets a little more difficult to compare because we had the reassessment that occurred which impacted the 2020-21 school year. If you looked over the last three years, while we did have a tax increase for Monroe County in 2021-22, we continued to decline in Pike County that year as well. Over that entire stretch of period, millage rates are lower in the 2021-22 school year than they were in the 2013-14 school year. The next column is the rebalanced millage after running it through the formula. As you see I have some red arrows there. The way that column works is once you rebalance it, that becomes your base millage. Depending on what actions the School Board took in that particular year, it will be reflected in that millage column. It gives you the sense of that rebalancing impact. In 2021-22, which was the last time the School Board called out millage rates at 31.27 for Monroe and 123.39 for Pike. If we rebalance the millage rates, which becomes our basis for the 2022-2023 school year, it comes back to say that Monroe County is 31.27 and Pike County is 128.47. Mrs. Bear said Pike County is going up for the first time in a long time.

Page 12 – STEB Market Value Impact on Millage

County	2021-22 Budget Millage	2021-22 Rebalanced Millage	Change from Prior Year
Monroe	31.27	31.27	0.0%
Pike	123.39	128.47	4.1%

The 2021-22 STEB rebalanced millage is the new base millage for 2022-23 budget discussions and decisions.

You can see here this is the falling out of the rebalancing impact from the 2021-22 school year from the millage that the Board decided on and the rebalancing. The rebalanced millage becomes our new base millage for the 2022-23 budget discussions and is what I am using in the numbers that I am using today. That would reflect a 4.1% increase in Pike County as our starting position with Monroe County remaining at zero. Mrs. Bear said they had a decrease last year because of the rebalancing even though Monroe County increased and even though we raised taxes. Is that correct? Mr. Neiman said yes.

Page 13 – 2022-23 Tax Bill Impact Recognizing Rebalancing Only

	Monroe	Pike
% of District	76.3%	23.7%
2021 Median Homestead Assessment	\$137,020	\$27,650
2021-22 Millage	31.27	123.39
Tax Bill	\$4,284.62	\$3,411.73
2022-23 Rebalanced Millage	31.27	128.47
Tax Bill with Rebalanced Millage	\$4,284.62	\$3,552.20
Yearly Increase in Median Bill	\$0.00	\$140.47
2021 Homestead Rebate	\$442.75	\$442.75

I thought it would be good to look at what this means to a property tax owner. What I've done here is basically laid out the tax bill of a median assessed property in both counties. Working from the top, you can see that percentage in the district again. 76% of the district sees no change to their taxes and 23% in Pike County would see the following changes; our 2021 median homestead assessed values that come from both counties, our 2021-22 millage that was paid this past year and the tax bill for the median assessed property in Monroe County will be \$4,284.62 and in Pike County would be \$3,411.73. We would apply that rebalanced millage on that same assessment with no change to Monroe County tax bill, but Pike County's tax bill would go up by \$140 to \$3,552. I also have a reference point there about the homestead rebate. Those folks that apply to the homestead, we would net that back against that cost for the tax bill.

Page 14 – 2013-14 Median Homestead RE Tax Bill

	Monroe	Pike
% of District	75.9%	24.1%
2012 Median Homestead Assessment	\$24,000	\$27,545
2013-14 Millage	180.81	128.94
Tax Bill	\$4,339.44	\$3,551.65
2013-14 Rebalanced Millage	182.57	128.94
Tax Bill with Rebalanced Millage	\$4,381.68	\$3,551.65
Yearly Increase in Median Bill	\$42.24	\$0.00
2013 Homestead Rebate	\$402.21	\$402.21

I thought it would be interesting to look at the same scenario as the tax bill would have looked during 2014. Once again, I took the assessed value from the timeframe, millage from then and what their tax bills were back at that time. As you can see, during the 2013-14 school year, a median assessed value in Monroe County was paying \$4,381 while Pike County was paying \$3,551. The homestead rebate back then was \$402.

Page 15 – Median Homestead RE Tax Bill Comparison

	Monroe	Pike
2013-14 Tax Bill including Homestead Rebate	\$3,937.23	\$3,149.44
2021-22 Tax Bill including Homestead Rebate	\$3,841.87	\$2,968.98
2022-23 Rebalanced Tax Bill including Homestead Rebate	\$3,841.87	\$3,109.45
2021-22 Tax Bill DECREASE compared to 2013-14	-\$95.36	-\$180.46
2022-23 Rebalanced Tax Bill DECREASE compared to 2013-14	-\$95.36	-\$39.99

Over the last 10 years, School Property Taxes have DECREASED in the East Stroudsburg Area School District

This page lines everything up in a comparison chart. Once again you can see the same numbers from the previous pages that at this point with the 2021-22 tax bill a homeowner in Pike County paid in 2021-22 \$95 less than they paid in 2013-14. A homeowner in Pike County paid \$180 less than they did in 2013-14. Even with the rebalancing impact, you can see that Pike County is still \$40 less than they were during 2013-14. I thought this was important to state here that over the last ten years, school property taxes have decreased in the East Stroudsburg Area School District. This is important for your constituents to be aware of.

Cost of:	2013	2022	% Change
Loaf of Bread	\$1.58	\$2.50	58.2%
Gallon of Gas	\$2.95	\$4.17	41.4%
Gallon of Milk	\$3.53	\$3.82	8.2%
Average Tuition/Board at a PA State System University	\$16,992	\$22,276	31.1%
Highest Grossing Film	Iron Man 3 (\$1.2B)	Watergate Bridge (\$480M so far)	
Consumer Price Index			20.3%
Median School Property Tax Bill in Monroe County	\$3,937.23	\$3,841.87	-2.4%
Median School Property Tax Bill in Pike County	\$3,149.44	\$2,968.98	-5.7%

I thought I would have a little fun on my budget presentation. I thought I would go back and say remember when in 2013. I thought this was important information.

Also, ...in 2013, the graduating class of 2022 was in 3rd grade and probably about 9 years old.

Page 17 – Millage change compared to Act 1 Index chart.

This chart is to look a little bit closer at the millage. There are two charts here again showing the same period. The district has remained well below the allowable Act 1 index tax rates with multiple years of tax reductions. The top chart I have showing in orange the actual index over the particular years and then the action on millage that was taken by the Boards over that time in terms of increases or decreases. The bottom chart, I am showing that in aggregates on base lining everything and 2013-2014 and then showing the change in aggregates over that period. Since 2013-14, in aggregate Monroe Millage rate is down 0.4% and Pike Millage Rate down 4.3%. While the Act 1 index is up 33%. This represents - \$35 million of lost annual revenue opportunity. Reduction in tax rates has limited additional revenue opportunities. I'm not saying that we need to do that every year but some districts need to.

Page 18 – Equalized mill rate comparison

I don't think that we talked about this last year. I'm not sure how often it's talked about. The equalized mill rate, or the effective tax rate, is calculated by dividing the total revenue generated by the total market value of the taxed property. Said another way, the equalized mill is the equivalent of dollars of tax per \$1,000 market value. Here is where East Stroudsburg, we do not do too well against our peers. We are historically on the high end of the tax dollars per market value. Being whatever the market value of the properties, our residents in the district are paying a higher rate of tax based on that market value. The ESASD tax rate is \$34.80 for every \$1,000 of

property value based on market value. You can see how we are doing here against the Pocono Mountain School Districts.

Page 19 – Districtwide Property Assessment Value

This page takes a look at historic assessed value again. The Monroe County reassessment kind of throws us off but essentially you know the story here is flat assessment over the same time period. The story I am trying to tell you here is that flat assessment value and lower millage rate equal what the lower revenue opportunities for the district to be able take advantage of. Over \$2 million in Property Tax revenue has been lost to assessment appeals since the Monroe County reassessment. Appeals are primarily commercial property.

Page 20 – Local Revenues – Current RE Tax

This page looks at the global revenues. This would be current real estate tax collection. This isn't just straight assessment times millage. This would be who is paying us on time within the current tax year. You can see the trend again pretty much flat with some dips in the middle there. Maybe during the 2018-19 timeframe it looked like more properties falling into delinquency. I think what is important to look here is the number we had in January. Everything was computed and calculated which is the green bar money for 2020-21. That represents our current real estate tax collection for this current fiscal year. You can see it was essentially flat. I apologize not the green bar but the orange bar is the 2021-22 real estate tax collection. We are actually up slightly assuming related to the tax increase as well as people actually paying the taxes on time. Knowing the structural end points, the bar is pretty much right on the budget for the year. No real change between the actual term collections and what we had budgeted. The pink bar represents what we are budgeting for the 2022-23 school year.

Page 21 – 2022-23 Act 1 Index is 4.8%

County	2021-22 Millage	2021-22 Rebalanced Millage	2022-23 Act 1 Index	Change from Rebalanced Millage
Monroe	31.27	31.27	32.77	4.8%
Pike	123.39	128.47	134.64	4.8%

In

December the Board passed a resolution to not exceed the Act 1 Index.

You can see again I have here both counties the 2021-22 millage as well as the rebalance millage and what the Act 1 basis would be. The maximum that the Board could go in 2022-23 in Monroe County is 32.77 mils and in Pike County 134.64 mils. This would generate an estimated \$6.4 million of new revenue if the Board would approve the maximum index. Mrs. Bear asked if Pike County would get a large increase. Mr. Neiman said they would at 4.1% plus 4.8%.

Page 22 – Local Revenues – Delinquent RE Tax

In order to dig into a little bit more for some visibility on what's going on with the local revenues on page 22, the delinquent real estate taxes have been an interesting roller coaster ride for us. I think it is a good story with recent trends significantly higher than previous years, a measure of fiscal health and an indicator of economic conditions. You can see again with the green bar (2022-21) we blew it out of the water. Who would have guessed that everyone was purchasing properties and paying back taxes during the COVID Pandemic. We had a record year by all accounts. It is part of what contributed to the surplus that we saw during that year. So far year-to-date, the orange bar, you can see that we are just a bit over \$5 million that we collected in delinquent taxes. The blue bar represents our budget. This trend is pretty linear so I am feeling pretty good that we are going to hit our budget for this year. I don't think we are going to match what we did last year, the green bar, but we are going to have another strong year in terms of dealing with real estate tax collections. This leads me to believe for 2022-23, I am not going too conservatively. I am leaning in pretty hard. I want to have full disclosure to the Board that I am assuming a 17% increase in 2022-23 over 2020-21 budget. You can see how that compares to the history. I don't necessarily have data to support that decision other than the trend and historical collections. If we were to hit that, we do not know how long it will continue. If it doesn't that may potentially create a budget hole. Mrs. Bear said that she sees a lot of houses being built. Mr. Neiman said that is good for the tax bills.

Page 23 – Local Revenues – RE Transfer Tax

There is little bit of history here and just how much the 2020-21 school year stood out (green bar). Most experts thought that during the Pandemic the real estate market would dry up. We had another record year. You can see through January, the orange, bar we actually already hit our full year's budget. It is still guns a blazing in terms of transfer taxes and properties moving. We already hit the budget. We have a good shot at the green bar again. It led me to increase the budget by 20% for 2022-23. I don't want to go in like we were in 2020-21 but I feel pretty comfortable in increasing it by 20% for 2022-23.

Page 24 – Local Revenues – Earned Income Tax

This was another one everyone was concerned with based on the Pandemic. The green bar will indicate again another year we had not seen in any recent history in earned income tax. You can see the orange bar, which represents January year-to-date, that this is not necessarily a linear trend. There are some peaks and valleys in terms of the cycle of earned income tax collections. I do feel we have a good shot at hitting our full year budget for 2021-22. I have leaned into this one as well and said let's increase the planning the 2022-23 budget by 8% for earned income tax.

Page 25 – Governor’s Budget Proposal

The Governor’ February 8th Budget Proposal included a historic investment in Public Education for the 2022-23 SY:

- \$1.25 Billion increase for Basic Education Funding
- \$300 Million increase for the Level Up Supplement
- \$200 Million increase for Special Education Funding
- \$170 Million increase for PSERS Reimbursement Subsidy
- \$60 Million increase for Pre-K Counts
- \$30 Million increase for Social Security Reimbursement
- \$20 Million increase for PA Smart Initiative
- \$16 Million increase for Pupil Transportation Subsidy
- \$10 Million increase for Head Start Supplementals
- \$5 Million increase for Career and Technical Education

The numbers jump off the chart in each category on how much he is proposing. We have a long way to go in terms of the State budget.

Page 26 – State and Federal Funding

State

1. ESASD BEF would increase by \$7.6 million or 42% under Governor’s proposal.
2. ESASD SEF would increase by \$1.3 million or 25% under Governor’s proposal.
3. Tonight’s Budget Presentation assumes 2022-23 BEF and SEF flat to 2021-22 SY.
4. Will continue to monitor House and Senate budget discussions and adjust budget accordingly.

Federal

1. All ESSER funds are budgeted and layered into 2022-23 budget assumptions.
2. Estimated Title program funding essentially flat to 2021-2022 SY.

With regards to the State funding, the last thing I want to do is show up in June after the final budget passes and say oops we have a deficit of \$10 million. I am open to input here if you want me to increase the State budget above flat in the current year. It felt early, in my opinion, at this point. I’d rather proceed assuming any new real revenue from the State in terms of the budget.

With the federal funds, we are still working with the ESSER funds. If you remember the 2021-22 budget, we had a placeholder in there for answers, no knowing exactly how we were going to spend all of the funds. At this point, we have a very good visibility for ESSER funding and how we plan to spend it. It has all been brought to the Board and now I have layered that into

the 2022-23 budget assumptions. We are assuming at this point that the Title programs which typically is our largest federal program dollars will be flat at the 2021-22 school year.

Page 27 – 2022-23 Revenue Comparison to Prior Year

	2021-22 Budget	2022-23 Budget	Variance \$	Variance %
Local	\$106,346,827	\$109,776,313	\$3,429,486	3.2%
State	\$49,902,534	\$52,266,130	\$2,363,586	4.7%
Federal	\$14,885,180	\$13,326,976	(\$1,558,204)	-10.5%
Other	\$1,653,602	\$1,999,316	\$345,714	20.9%
Total Revenue	\$172,788,143	\$177,368,735	\$4,580,592	2.7%

This is everything that I just said. I'm basically rolling it up here for you at a local, state and federal level. The first column looks at our 2021-22 budget and column two looks at the 2022-23 budget with the dollar variances and percentage variance for each. Mrs. Bear asked if the State increase is included the \$7.6 million. Mr. Neiman said it is not. What I did there was increase our PSSERS and social security reimbursement assumptions that we get from the State. When I looked back, we had kind of historically underestimated some of those numbers when it came to budget time. I felt it would be prudent to put more realistic numbers in there at this point so we were not arbitrarily cutting programs or staff if we did not need to. Mrs. Bear asked so this State money could be potentially \$7 million more than it is. Mr. Neiman said I feel comfortable with what I have there now. Mrs. Bear said but it can be more but not likely less. Mr. Neiman said correct.

Page 28 – 2022-23 Budget Comparison to Prior Year

	2021-22 Budget	2022-23 Budget	Variance \$	Variance %
Revenue	\$172,788,143	\$177,368,735	\$4,580,592	2.7%
Expenditures	\$177,316,960	\$184,947,805	\$7,630,844	4.3%
Revenue over Expenditure	(\$4,528,817)	(\$7,579,070)	(\$3,050,252)	67.4%
Beginning Fund Balance	\$48,745,190	\$44,216,373	(\$4,528,817)	-9.3%
Ending Fund Balance	\$44,216,373	\$36,637,303	(\$7,579,070)	-17.1%

I took the revenue right from the last page and then layered in the expenditures on the second line. As you see, I have the expenditures going from \$177 million up to \$184 million which is a \$7.6 million increase or 4.3%. At this point, our revenue over the expenditure line in the 2021-22 budget was passed with a \$4.5 million deficit. With our revenues not growing as fast as our expenditures, that deficit would increase by \$3 million to a 7.5% at this moment. I also showed

you the corresponding impacts on the fund balance if both of those deficits would realize. Mrs. Bear said in 2019-20 we put money aside, but we did not need it, correct? Remember we put money aside to balance the budget but we ended up not needing it, correct? Mr. Rohner said that is correct. Mr. Neiman asked was this done in 2020 or 2021. Mrs. Bear said both. Mr. Schlameuss said we put aside money to cover the balance. What I am hearing you say is that our revenues on certain items that our local tax seems to be over performing. The anticipation would be that as of right now, it could be that the revenues are going to be higher and depending on how we spend money we might not need that money but we may have less of a deficit than 4.5%. Mr. Neiman said yes, that could be. Mrs. Bear said just like we did the previous year. We did not have a deficit even though we put money aside. Mr. Neiman said the previous year we had ESSR funds that helped us and we also shut down schools which cut our expenditures significantly.

Page 29 – 2022-23 Budget Expenditure by Object

Salaries	\$71,544,282	38.7%
Benefits	\$52,000,029	28.1%
Contracted Services	\$8,902,342	4.8%
Contracted Maintenance	\$6,960,345	3.8%
Purchased Services	\$5,840,921	3.2%
Charter School Tuition	9,000,000	4.9%
Supplies	\$9,509,332	5.1%
Capitalized Equipment	\$2,242,551	1.2%
Debt Service	\$16,576,468	9.0%
Budget Res/Cap Trans/Fees	\$2,371,535	1.3%
Total	\$184,947,805	

The pie chart helps us look at the composition of our expenditures. You can see on that chart on the blue side is the salary and benefits which takes up most of the expenditure puzzle. The contracted services come in about \$8.9 million, which is primarily driven by the IU 20 costs, third party special education, legal and tax collectors and audit fees. Contracted Maintenance comes in at \$6.9 million which is almost exclusively ESSER funded for the Capital projects. We are running that through the General fund because that is how we need to account for our ESSER funds. Under Purchases Services of 5.8 million, you will see primarily our MCTI expense, as well as your transportation, insurance costs and alternative education. The next line is Charter School at \$9 million. We will talk a little bit more about that coming up. Next is the Supplies of \$9.5 million. That is where you are going to find your natural gas, heating oil, bus propane, electricity, curriculum purchases, ACCESS supplies, and custodial supplies to your building budgets and your athletic budget. The Capitalized Equipment at \$2.2 million for items of depreciation and least expenses like computers. The Debt Service at \$16 million and speaks for itself. Lastly, Budget Reserve are capital transfers and fees we have a \$1 million in budget reserve, \$1 million in capital reserve transfer which we'll talk about later. Mrs. Bear asked if the

charter school expense is down or are they still kind of holding the same. Mr. Neiman said they will speak about charter expenses soon.

Page 30 – Budget Expenditure by Function

Instruction	\$101,620,918	54.9%
Support Services	\$56,178,151	30.4%
Non-Instruction Services	\$3,295,827	1.8%
Building Improvements	\$5,086,441	2.8%
Other/Financing Uses	\$18,766,488	10.1%
Total	\$184,947,805	

Looking at this by function, I handed it out as a supplement this details the line item budget. This is the supporting documentation for this is a chart line by line to look at our spending.

Page 31 – 2022-23 Budget Cost Drivers

	2022-23 Budget	Increase/(Decrease) Over 2021-22 \$	Increase/(Decrease) Over 2021-22 %
Salaries	\$71,544,282	\$3,310,190	4.8%
PSERS	\$24,865,003	\$1,224,375	5.2%
Charter Schools	\$9,000,000	\$1,000,000	12.5%
Capital Commitment	\$1,000,000	\$1,000,000	*
SBAP (ACCESS)	\$2,671,358	1,027,664	62.5%
Debt Service	\$16,576,468	730,289	4.6%
ESSER	\$7,474,667	(\$2,525,333)	-25.3%
Everything Else	\$51,816,027	\$1,863,659	3.7%
Total Expenditures	\$184,947,805	\$7,630,844	4.3%

I thought it would be important to look at the \$7.6 million increase and see what the primary drivers are of that cost increase. The largest item would be related to salaries going up from \$3.3 million or 4.8%. Included in this expense is the new Professional Association Contract and all of the salaries. We have our sub rates here and eight new positions (ESSER funded). Mrs. Bear said ESSERS is only for two years. What will happen to the eight positons at the end of the two years? Mr. Neiman said we will have to have a conversation about it. There is also the same old story with PSERs. Charter schools are at \$9,000,000 and I added one more million, which I will talk about in the next slide. Capital Commitment is something we talked about trying to earmark, if possible, two million dollars. I'm looking at this and saying \$2 million was far too much to fit into this budget. I have budgeted \$1 million in capital reserve and \$1 million in capital commitment so that still brings us to \$2 million. For our School Based Access Program (SBAP-ACCESS), we actually see a large increase of \$1 million, so I think this is a good news story. We are planning to get more resources for our students but, again, this is similar to ESSER, this is a cost increase offset, so I need to call it out here as expenditure and not a true deficit. With Debt Service, while we try to align that out, you know as flat as possible in all the years, it's based on the refinancing and everything we've done. We do see a \$730,000 increase

related to Debt Service. With ESSER, I have budgeted at \$7.4 million out of the \$10 million. We have the ESSERS stuff going down by two and a half million dollars in this budget. With everything else we budgeted \$51 million at a 3.7% increase. We, Administration, will try to cut down as much as possible from this \$1.8 million increase. Mr. Andrews asked with reference to Capital Commitment, how old are our buses? Will we start to replace them soon? Mr. Neiman said you will hear about replacing the bus fleet soon. Mr. Andrews asked if the cost for each bus is about \$25,000. Mrs. Bear said maybe we will get an electric bus grant. Mr. Neiman said I am not sure because, I have not seen the numbers yet; more to come.

Page 32 – Charter School Tuition Cost

From the 2013-14 school year to the 2019-20 school year, we paid an average of \$3.7 million. In 2020-21, the green bar, we paid \$9.3 million. Charter School Costs more than doubled in 2020-21 compared to trend. In 2021-22, the orange bar, yield to date we paid \$5.6 million. The 2021-22 was budgeted at \$8 million. I would say this year's budget is at risk. I heard someone say that they had concerns with our department budgets. Everyone is in very good shape, except for charter schools. That is the only area that I see a concern. From my perspective, as your CFO, as I review all of the department budgets, I think the managers are doing a fantastic job managing below their budget. The only concern is with Charters. Mrs. Bear said that she thought that we sent out letters to students at other Charter schools inviting them back to our schools. How many children did we get back? Mr. Neiman said he has enrollment numbers coming up. Given where we are at, I am budgeting for a 12.5% or \$1 million increase in 2022-23 or \$9 million dollars. As a reminder, the 2021-22 tuition rates are: Regular Education - \$14,947.70 and Special Education - \$38,395.62. Mr. Bear asked if the special education student expense is for special needs, special services and gifted students. Mr. Neiman said Mr. Baddick is not here to answer this question, but I believe it could be for any services even if it does not cost the total amount of \$38,000. Mrs. Bear said that is what I was thinking and it can also be for a gifted student. Mr. Neiman said I think it is fair to make the blanket statement that most students that have significant needs are staying in public schools because the public school offers the best services for those students.

Page 33 – Special Education Expenditure Funding

The majority of Special Education related costs are funded by Local Tax Revenue. The chart has a light blue bar indicating how much local funding has paid for special education expenditures. Local Funding of Special Education costs is up 44% (\$6.8 million) since 2013-14. The State Funding, dark blue line, is up 38%. The orange bar, Federal Funding is up 114% (primarily ACCESS) over the same time period. Mandates continue to outpace State and Federal funding leaving local funding to pick up the bill.

Page 34 – PSERS – Employer Contribution Rate

This chart indicates the PSERS trend that I have shared with this group before. You can see the 2022-23 rate of 35.26% was determined by PSERS’ actuary and certified by the PSERS Board of Trustee at its meeting on December 17, 2021. The certification marks the seventh consecutive year the employer rate will provide the full actuarially required contributions, which are necessary to pay down the System’s long-term pension debt. The debt payment makes up more than 80% of the newly certified employer contribution rate. The debt was the result of years of suppressed employer contributions, unfunded benefit enhancements and two major market downturns since 2000. ESASD PSERS costs will be \$24.9 million in 2022-23, reflecting an increase of \$1.2 million over 2021-22. Mrs. Bear asked if we are penalizing the districts now for something that happened 10 years ago. Mr. Neiman said yes. Mr. Schlameuss said this happened almost 20 years ago.

Page 35 – Enrollment and Staffing Trends

The chart shows that student enrollment is down 11% from 2013-14 with the largest drop evident in the 2020-21 school year. This correlates directly with the increased Cyber Charter enrollment in 2020-21. Student enrollment did slightly bounce back in 2021-22 with an increase of 139 pupils. Staffing is down 3% as of 2020-21. With reference to Mrs. Bear questions, there has been an increase of 139 students in 2021-22. Whether they came back to the district or are new students is hard to say. Mrs. Bear said so we may not have gotten that amount from just cyber. Mr. Neiman said that is hard to determine. Mr. Rohner asked how many students do we have in Cyber Charter. Mr. Neiman said we have about 400 students. Mrs. Bear said these are students outside of the district. Mr. Neiman said that is correct. One thing I want to point out is the 2022-23 enrollment is going to change many times so I am staffing a budget to include additional support positions to facilitate pandemic related learning loss. These positions are covered with ESSERS funding. 2022-23 enrollment is assumed flat to 2021-22. 2022-23 staff planning is an iterative process with change constant up to and through the start of the school year.

Page 36 – Pupil/Staffing Ratios in PA Public SDs, 2020-21

Number of Pupils Range	Pupils per Teaching Staff	Pupils per Management	Number of Districts
4,254 or More	13.8	179.2	91
ESASD	11.3	203.5	1

Mrs. Bear said how is this an average when some of her children’s class have 25 students. Mr. Neiman said this ratio compares to teachers, paras, nurses, counselors, librarians and other professional bargaining unit members.

Aid Ratio Range	Pupils per Teaching Staff	Pupils per Management	Number of Districts
.6060 - .6912	13.2	140.5	91
ESASD	11.3	203.5	1

ESASD marked evaluated ratio is .6724

The higher the number the more need and less wealth

The lower the number the higher the wealth. We are on the higher end bar.

Reference: PSBA Bulletin – March/April 2022, Page 33. Published by the Pennsylvania School Boards Association.

- Teaching staff includes teachers, counselors, nurses, librarians, and other bargaining unit personnel
- Management staff is administrative or management personnel with supervisory responsibilities

Page 37 – General Fund Balance as of June 30, 2021.

Total: \$48,745,190

- Nonspendable: \$31,401
 - Prepaid expenses
- Committed: \$24,000,000
 - PSERS Rate Stabilization - \$18,000,000
 - Future Healthcare Costs - \$6,000,000
- Assigned: \$18,181,209
 - Future Budget Expenditures - \$5,000,000
 - Future Educational Programs - \$6,000,000
 - Balance the 2021-22 Budget - \$4,528,817 (for potential budget deficit)
- Unassigned: \$9,184,972; 5.2% of expenditures

Page 38 – Capital Reserve Fund

This is a reminder from the presentation that I did a few months ago.

- Capital Reserve Fund in good standing at the moment
- Need to determine long term funding strategy going forward
 - Capital Reserve balance of June 30, 2021 = \$19 million
 - 5-year Capital investment forecast = \$29 million
 - Capital Reserve funds cannot be used to cover General Fund deficits

- Bus fleet replacement financing no longer in base General Fund Budget
 - Recommend moving bus fleet/vehicle funding to Capital Reserve Fund
 - Reduces fluctuations in General Fund Budgeting process
 - Eliminates fiscal year-end cut off / delivery timing issues
- Recommend 2022-23 General Fund Budgetary commitment of \$2 million
 - Specific budget priority with the intention to transfer to the Capital Reserve at the conclusion of the Audit.

Page 39 – Next Steps

- Administration will:
 - Monitor State and Federal budget discussions
 - Continue to analyze and prioritize expenditures
 - Monitor enrollment and staffing requirements
 - Update Budget based on new developments

Page 40 – 2022-23 Budget Timeline

- December 20, 2021 – School Board Meeting
 - Motion to not exceed the Act 1 Index
- March 14, 2022 – Finance Committee Budget Presentation
- March 21, 2022 – School Board Budget Presentation
- May 9, 2022 – Finance Committee Budget Presentation
- May 16, 2022 – School Board Budget Presentation
 - Proposed Final Budget Vote
- June 13, 2022 – Finance Committee Budget Presentation
Maybe we will have a State Budget or maybe not.
- June 20, 2022 – School Board Budget Presentation
 - Final Budget Vote

Mrs. Bear said I like how you explained the millage rate differences. Mr. Neiman said it is all about the market value. Mrs. Bear said I hope people continue to buy homes.

VI. Recommendations by the Property & Facilities Committee

- a. D’Huy Engineering Invoices
 - i. Resica and Middle Smithfield Water Filtration – Invoice #54469 \$890.00
 - ii. High School North Sanitary Liner Replacement – Invoice #54470
\$1,696.20
 - iii. High School North and Lehman Intermediate Window Replacement –
Invoice #54471 \$1,116.89
 - iv. High School North and Smithfield Elementary Flooring Replacement
Invoice #54472 \$8,714.41

- v. High School North Natatorium Roof Replacement – Invoice #54473 \$3,095.40
- vi. High School South Turf Replacement – Invoice #54474 \$4,806.03
- vii. High School North Natatorium HVAC Replacement – Invoice #54475 \$1,111.82
- b. Applications for Payment
 - i. Resica and Middle Smithfield Elementary Water Filtration – Application #3 – Leon Clapper - \$41,257.00
 - ii. High School North and Lehman Intermediate Window Replacement – Application #9 – D&M Construction - \$36,204.30
- c. TRANE Invoice #312352408 \$442,449.00
- d. TRANE Invoice #312403614 \$58,993.00
- e. Bushkill Elementary HVAC Equipment and Controls Replacement - D’Huy Proposal - \$29, 500.00
- f. JT Lambert Intermediate Secure Vestibule - AG Mauro Quote, \$25,100.00
- g. High School North Secondary Stage Curtains - Center Stage Lighting Quote, \$24,804.00
- h. JM Hill Elementary Gym Floor Repair and Refinish - Wayfare Sports Quote, \$11,154.00
- i. Smithfield Elementary Gym Floor Repair and Refinish - Wayfare Sports Quote, \$10,833.00
- j. Current Project List.
Mrs. Bear said it is good to see that most of the projects are almost at 100%.

VII. Recommendations by the Education Programs & Resources Committee

- a. None

VIII. Public Participation - Limited to Items of Discussion

None

IX. Advisory Recommendations for Consideration by the Board of Education

- 1.

RECOMMENDATION BY THE COMMITTEE:
PA OPEB Trust decision was tabled for further discussion.

2.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the quote from Nevco, for JT Lambert Intermediate Scoreboard Replacement, in the amount of \$7,981.65. Funding to be provided by the St. Luke's Athletic Trainer Agreement. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the quote from ZONAR for 4G V4 Essential, in the amount of \$22,188.00. Motion was seconded by George Andrews and carried unanimously, 4-0.

4.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the quote from Transfinder for RouteFinder Plus, in the amount of \$14,750.00. Motion was seconded by George Andrews and carried unanimously, 4-0.

5.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the quote from Ironton for SIP Phone Service, in the amount of \$12,450.96. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

6.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the quote from Fisher & Son Company, for Athletic Field Turf Fertilizer, in the amount of \$27,115.25. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

7.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the request of the MCTI Joint Operating Committee to distribute \$1,145,452 in 2020-21 excess funds to the MCTI Capital Reserve Fund with the East Stroudsburg Area School District's share being \$255,409. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

8.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the authorization of the Administration to seek bids for Athletic, Custodial, Food Service, Medical, and Tech Ed supplies for the 2022-23 fiscal year. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

9.

RECOMMENDATION BY THE COMMITTEE:

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

- a. D'Huy Engineering Invoices
 - i. Resica and Middle Smithfield Water Filtration – Invoice #54469 \$890.00
 - ii. High School North Sanitary Liner Replacement – Invoice #54470 \$1,696.20
 - iii. High School North and Lehman Intermediate Window Replacement – Invoice #54471 \$1,116.89
 - iv. High School North and Smithfield Elementary Flooring Replacement Invoice #54472 \$8,714.41
 - v. High School North Natatorium Roof Replacement – Invoice #54473 \$3,095.40
 - vi. High School South Turf Replacement – Invoice #54474 \$4,806.03
 - vii. High School North Natatorium HVAC Replacement – Invoice #54475 \$1,111.82
- b. Applications for Payment
 - i. Resica and Middle Smithfield Elementary Water Filtration – Application #3 – Leon Clapper - \$41,257.00
 - ii. High School North and Lehman Intermediate Window Replacement – Application #9 – D&M Construction - \$36,204.30
- c. TRANE Invoice #312352408 \$442,449.00
- d. TRANE Invoice #312403614 \$58,993.00
- e. Bushkill Elementary HVAC Equipment and Controls Replacement - D'Huy Proposal - \$29,500.00
- f. JT Lambert Intermediate Secure Vestibule - AG Mauro Quote, \$25,100.00
- g. High School North Secondary Stage Curtains - Center Stage Lighting Quote, \$24,804.00

- h. JM Hill Elementary Gym Floor Repair and Refinish - Wayfare Sports Quote,
\$11,154.00
- i. Smithfield Elementary Gym Floor Repair and Refinish - Wayfare Sports Quote,
\$10,833.00

X. Next Meeting - April 11, 2022 – Administration Board Room and Via Zoom.

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

XI. Adjournment: 7:55 p.m.

Respectfully submitted,
Patricia L. Rosado
Board Secretary