

**EAST STROUDSBURG AREA SCHOOL DISTRICT  
BOARD OF EDUCATION  
FINANCE COMMITTEE MEETING  
October 10, 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 5:30 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. Board Committee Members Present:** Rebecca Bear, George Andrews, Wayne Rohner and Richard Schlameuss.
- III. School Personnel Present:** Brad Fitzpatrick, Craig Neiman, William Riker, and Patricia Rosado.
- IV. Community Member Present:** None
- V. Approval of Agenda and Minutes**

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to approve the agenda for October 10, 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 Richard Schalmuuss to add The Information Technology Department Items to the agenda. Motion was seconded by George Andrews and carried unanimously, 4-0.

The agenda with additional item was carried unanimously, 4-0.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to approve the minutes from the September 13, 2022 meeting. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

**VI. Items for Discussion:**

- a. 3P Learning - Mathseeds Subscription renewal, quote \$13,271.50 Title 1 Funds
  - b. Edmentum - Reading Eggs Subscription renewal, quote \$9,264.80 Title 1 Funds
- Dr. William Riker said that Dr. Vitulli was not able to attend tonight's meeting. Items a. and b. are renewal subscriptions. Mrs. Bear said she remembers these subscriptions from last year. Dr. Riker said the first one is for students in grades three to nine. The second one is for students in grades two to three. The first one

is for math. The second one is for reading. Both subscriptions are budgeted through our Title 1 Budget.

c. BerkOne Act 1 Homestead/Farmstead Services, quote -\$2,800

Mrs. Bear said this item is an annual one as well. It is for BerkOne Act1. The quote this year is \$2,800. Is that the same from last year? Mr. Neiman said Pike County stayed the same as last year and Monroe County went up a few cents for the mailing portion of it. Mr. Rohner asked what is this. Mrs. Bear said this is for Berkone that we do every year. Mr. Schlameuss said we do several different ones. Mrs. Bear said this is the one for Homestead/Farmstead Services. Mr. Neiman said this is the annual mailing that goes out in December in each year to the homeowners who are new in their property and have not applied to received such mailings. Berkone will then process the approvals/denials. Mrs. Bear said we should have a lot this year since we have a lot of new people in the area. Mr. Neiman said the cost is estimated based on the number from last year and there is also an estimate for postage. With a return envelope, we can pay a little more. We are just going to send the mailings out similar to what I have done in the past without the envelope.

d. Act 57 of 2022 Resolution

Mr. Neiman said I can read what I have given you if you like but basically on July 11, 2022, the Governor signed Act 57 into law, which amended the Local Tax Collection Act ("LTCL"). It was on the same day that the budget was passed as well. What this essentially does is in the past, if the homeowner claims that they never received their tax bill, the tax collector would say I'm sorry there is nothing we can do about that. Therefore, the owner would owe whatever amount it was during the payment cycle. What this act does, after the couple of steps that need to be done including passing this resolution, it would give the homeowner the leeway that since this situation happened they would not be penalized but just pay the face value. Situations would be if the property is changing hands, the tax bill is mailed to the pervious property owner and the current owner did not receive it nor paid it. Mr. Schlameuss said, typically, if there is a loan, wouldn't the bill go to the mortgage company? Mr. Neiman said typically it goes that way but sometimes it does not. Mrs. Bear said if the new owner's closing is close to the time the bill is sent out, it may go to the previous bank. If they pay off their loan, they may not get it either. Mrs. Bear said what happened to me is during the exchange of my loan companies, I got the bill but not my new mortgage company. I sent it to them like I do every year. Mr. Neiman said some coordination would need to be made with the tax collectors as well.

Mrs. Bear asked do you want to do your budget presentation or should we jump to the wireless speakers' item. Mr. Neiman said we can jump to the wireless speakers' item.

e. The Information Technology Department Items

Mrs. Bear said this is a request for new wireless speakers for the H.S. North Auditorium. It is a new upgrade to the existing system to new technology. The contractor is scheduled to be on site on Wednesday, October 12<sup>th</sup>. After the contract visit, a cost proposal will be submitted for Board consideration at the October 17, 2022 meeting. The contractor, CSI, is a Costars vendor who the district has worked with for many years. The district anticipated it will take several months for the equipment to be delivered. Mr. Neiman said Mr. Borosh wanted to get this on this evening and apologizes for the late submission. He hopes to have the proposal for the agenda since it is a Costar vendor. Mrs. Bear said “a not to exceed” amount can be provided to the Board. Mr. Andrews asked since the cost is over \$5,000 do we not have to go out to bid. Mrs. Bear said it is a CoStar item. Mr. Rohner asked what is the urgency. Mrs. Bear said it is due to back orders of supplies. Mr. Neiman said I believe they have similar speakers at J. T. Lambert and it several months have passed and they have not received them yet. We would like to get this project going. Mr. Rohner said since there is a delay in supplies, what is the urgency tonight. Mrs. Bear said to get the order in and wait for the supplies to be available. Mr. Rohner asked do we need the speakers for a specific event or time frame. Mr. Andrews said they probably need it for the spring play. Mr. Schlameuss said that is what he believes, too. Mrs. Bear said it would be used for the Lehman and H.S. North plays in the spring time. Mr. Rohner asked when did this issue become apparent. Mr. Neiman said I am not aware of when. Mrs. Bear said I think they just want the new technology. It’s not that they are not working but that they can do more with the newer system. Mr. Rohner said then I don’t see the urgency. Mrs. Bear said that is what I believe is the reason but I do not know. Mr. Borosh is not here to answer that question. Mr. Neiman said the current system is working but the need is there to bump up the system. Mr. Rohner said I don’t have a problem with the upgrade. I have a problem with the urgency. Mr. Schlameuss said that we are going to have the quote at our Board meeting on Monday. We are saying it is okay to go out for a quote so that we can commit to the funds. Mr. Andrews said we can commit to the price at our Board meeting and the Finance meeting is saying go get the proposal. Mr. Schlameuss said that is correct. Mrs. Bear we are also saying that we are allowing this contractor to come in on Wednesday. Mr. Neiman said the contractor is coming either way but we need for you to agree to place it on the agenda for Monday’s meeting. Mr. Andrews asked have we worked with this contractor often. Mr. Neiman said yes we have. Mr. Schlameuss said what we are saying here tonight is that we may not get any quote or proposal until Monday’s meeting. Mrs. Bear said if we do not order now, we may not get the product this year. We don’t know. Mr. Rohner said which is why I am asking about the urgency. Mrs. Bear said I believe they would like the newer technology to have a crisper sound system for the theater. Mr. Schlameuss said I attended the play last year and the system cuts out sometimes. Mrs. Bear that may be the reason for this request.

- f. Presentation - 2021-22 Financial Results
- g. October 17, 2022 Board motions to close out the 2021-22 Fiscal Year

Mr. Neiman presented the 2021-22 General Fund Financial Results. He said on page 2 there are the 2021-22 Highlights excluding the ESSER Funds. Revenues came in at 3.5% higher than Budget and Expenditures were 3.3% less than Budget. ESSER related Revenues and Expenditures are excluded for presentation purposes only. ESSER Revenues and Expenditures offset each other and skew underlying financial performance. Audit and Annual Financial Report (AFR) will contain the ESSER funds related program Revenues and Expenditures. I also have a slide on page 13 with full details of the ESSER funds. Every slide that ESSER is excluded from, I have included that privatization on page 13.

On page 3 is our Revenue Summary. You can see that local revenues far exceeded budget at 5.1% at a total of \$5.5 Million. State revenues came in at 1.9% while federal and other revenue were slightly under budget. That is the composition of our 3.5% on the local side which is driven by unprecedented local revenues due to strong real estate tax collections, delinquent tax collections, real estate transfer tax and earned income tax. Mrs. Bear asked if the real estate transfer tax is going to continue or do you see it slowing down a little bit now that mortgage rates are high. Mr. Rohner said I do see it slowing down. Mr. Neiman said I don't see anything right now to indicate how it will go.

Page 4 has a chart that is similar to another budget presentation. The orange bar here represents 2021-22 SY, which is our current real estate tax collections. It is our biggest line on the revenue side of the district that funds the district. These are folks that are paying their real estate taxes in a timely fashion. You can see on the bar that it came in over \$90 million this past year. When you look at preceding years, this year is significantly higher. Last year came in about \$87.5 million. The bright blue bar on the far right is the comparison to the 2022-23 SY budget and what we are anticipating for this school year.

Page 5 is the Delinquent Real Estate Taxes which are the taxes that would be at the tax claim at the County level. They would be paid from Sheriff sale or real estates. The collection was done \$14 million from the 2020-21 SY but came in at \$12.7 million. In the 2019-20 SY, collection was low due to a freeze on the sale of these types of properties due to COVID. We spoke last year that during 2000-21 was kind of overall inflated from everything being place back on the market. We are surprised that 2021-22 SY payment is strong. In 2022-23 SY, we came in a little more conservative with our budget for that line item.

Page 6 is the Real Estate Transfer Tax. The orange bar under 2021-22 SY is the new record for the district on Real Estate Transfer taxes because in 2020-21, we had the record that blew away the previous year. Now this year, we broke a new record. We dipped down this number for the 2022-23 SY. We are assuming a bit of a slowdown at \$2.3 million.

Page 7 is Earned Income tax. Again, it is another number here that, I would say, is a record for collection of our local taxes at \$4.3 million in 2021-22 SY which exceeds 2020-21 SY which has been the record to date. For the 2022-23 SY we are anticipating just a little bit less at \$4 million.

Page 8 is an Expenditure Summary (excluding ESSER), which total 3.3% less than was budgeted. The largest savings we saw was in the Salaries & Benefits line at \$2.6 million less than budgeted. This is due to the open positions that the district was not able to fill due to the competitive job market. Also there were constraints associated with shipping delays of about \$.5 million of expenditures that will go into the 2022-23 SY since they arrived after June 30, 2022. Another large item that impacted the district was the Contracted Services which came in \$1.0 million less than was budgeted. A lot of this was due to the IU 20 and Non-Charter Tuition service partners that were unable to fulfill their commitments due to staffing shortages. We also amplified this amount when we were budgeting and planning to do more work with the IU 20 but since they could not deliver, we received the service for less somewhere else. Mrs. Bear asked is the reason they could not deliver due to staffing issues. Dr. Riker said that is correct. Mr. Neiman said we also placed a \$1.0 million Budget Reserve for any unforeseen expenses. Thankfully, we do not have to spend that this year. One area that was concerning to me, that we have been talking about for several years, was Charter Schools. It came out about \$700,000 than budgeted but \$600,000 less than last year. Mrs. Bear asked what did we budget for Charter Schools this year. Mr. Neiman said that information is on page 9.

Page 9 has the Charter School Tuition Cost. You can see the orange bar for 2021-2022 was \$8.7 million, which was down slightly compared to 2020-21. For 2022-23 we are budgeting \$9 million. We spent a little bit less than last year but we are still far away from the total of \$3.7 million that we have spent over the last 7 years. As a reminder, the 2022-23 Tuition Rates are \$15,603 for Regular Ed Students and \$41,169 for Special Education Students. Mr. Andrews asked is the amount for special education up since last year. Mr. Neiman said that is up since last year. Mrs. Bear said the amount is really said because it is more than some people's salaries.

Page 10 has the Revenue over Expenditures compared to Budget – Excluding ESSERS. You can see the 3.5% of the Revenue variance and the 3.3% Revenue over Expenditures variance. When you add that up you have the 2021-22 Actual revenue at \$168,452,763 and the expenditures at \$161,828,790 with a surplus of \$6,623,973. This compares the \$4.5 million deficit. Mrs. Bear asked do we need to do the transfer. Remember that we were going to have to transfer to cover this expense. Mr. Neiman said will speak to that in the slides coming up.

Page 11 has the General Fund Balance. It mentions the \$6.6 million budget surplus. We had the Beginning Fund balance of \$48.7 million dollars we added that \$6.6 million to the balance and it brings the total of the fund balance to \$55.3 million. Therefore, we would be adding to the fund balance rather than drawing from it. I am in a position where I can feel comfortable with our fund balance as it is and similar to last year, I would recommend transferring the surplus to Capital Reserve for future capital projects. Mrs. Bear said this fund include the purchasing of school buses. Mr. Andrews asked is our current fund balance \$55 million. Mr. Neiman said we have not wrapped up the audit yet but if we did not do anything it would be \$55 million.

Page 12 is a similar slide that I showed last year. This is to show you the impact of transferring \$6 million from the Fund Balance to the Capital Reserve. Like I previously said, if we do not do anything, the fund balance would be \$55 million. If we transfer \$6 million, the balance as of June 30, 2022 after the transfer, would be \$49 million. Our capital reserve on June 30, 2022 had a balance of \$16.7 million. If we add \$6 million the balance as of June 30, 2022 would be \$22.7 million. We have talked about this throughout the year as well. My recommendation, again from a financial management standpoint, would be to transfer that amount effective June 30, 2022 so that it can be reflected on the audit report and our AFR. The movement of funds would occur after the Board approves it. Mrs. Bear said this would be for the 2021-22 budget and not the 2022-23 budget. Mr. Neiman said it would be for the 2021-22 budget. I prefer that approach to keep the budget consistent like we did last year.

Mr. Rohner said question number one. Was this in our budget that we approved? We started at \$168 million and then with ESSER we went to \$177 plus million. Yes or No? Mr. Neiman said that is correct. Mr. Rohner said why do I not see that number in here? Is it because we are excluding ESSER? Mr. Neiman said yes. Mr. Schlameuss said ESSER information is on page 13. Mrs. Bear said we did not get there yet. Mr. Rohner asked why are we excluding the ESSER funds. Mr. Neiman said I will go to page 13.

Page 13 is the ESSER Update. We budgeted \$10 million for revenue and \$10 million for Expenditures. Therefore, our General Fund Budget number would increase by \$10 million. We spent \$4.7 million and the associated revenue would be the same. It generates a variance of \$5.2 million. While putting this presentation together, I saw that if I added the variance analysis that I would be talking about it in every slide. This to me is kind of a non-operating revenue. Mrs. Bear said we still have to use this money next year as well. Mr. Rohner said we have until 2024. Mrs. Bear said we have \$5.2 million to spend over the next two years but it is not part of our regular budget because it is for learning loss and all of those type of things rather than our everyday life things. Mr. Neiman said it is part of our general fund so you will see them in the audit report and AFR as well. I felt the presentation of what happened last year would be best to exclude those numbers. As I said on this slide, all applications and budgets have been

submitted and are approved. Funds need to be expended by September 2024. We built the budget of \$10 million. The money was dropped here and we are still working through the plan on how to spend the money. We didn't need to spend the \$10 million yet so we still have \$5.2 million for future years. Mr. Andrews said we still have \$5.2 million from ESSERs to spend. Mrs. Bear said we can use that for educational loss or air quality control and items like that. Mr. Neiman said all budgets have been submitted and approved. As we spend, we will submit. Mr. Schlameuss asked is the fund on a draw down basis. Does this money sit in our bank account? Mr. Neiman said the way the process works is that we submit a budget and an application. We get the approval because this fits the parameter of what you are allowed to do. We start executing either paying teachers for learning loss, outside contractors or HVAC repairs. Once those bills and/or amounts are paid, we will submit them on a regular basis. Mrs. Bear said they are not sitting in our bank account. They are sitting in Federal Funds and then they are wired in as we need them. Mr. Neiman said we spend the money first and then we get reimbursed. Mrs. Bear said if you look at a bank statement, you will not see the funds there. Mr. Neiman said that is correct. You will see some of them. We will have them as receivable in our books to say we know we have spent this mush. We know we received something less than \$4.7 million. No one will receive those funds related to 2021-22. If we receive cash it is related to the financial statements. You have to have cut offs. Mrs. Bear said my point was that if you pull up the ESSA Bank account for the General fund, I would not see this in there. Mr. Neiman said correct. Mr. Rohner said refresh my memory. In April or May at a Board meeting you said that you received \$4.6 million from the Federal Government. Is that correct? Mr. Neiman said no. We received less than \$4.7 million. Mr. Rohner said excluding ESSER, the 4.6 million we received does not include ESSERs on page 3. Mr. Neiman said it excludes ESERS. Mr. Rohner said you made a comments at a Board meeting that we have received to date from Federal Government \$25 million dollars. I wrote that down the night of that meeting. Is that true? Mr. Neiman said we would have been awarded \$25 million as part of the ESSER program but we have not received cash. Mr. Schlameuss I don't know of any government that would give us \$25 million before you have the receipts to give them. Mr. Rohner said I will check my notes because I've been telling people that we have received \$25 million from the Federal Government from whenever that meeting was. Mrs. Bear said \$14.3 million plus the \$4.6 million. If you take that ESSERS III award, we got \$14.3 million from the Federal Government plus ESSERS I and II. If you add the three it probably comes up to the number that Mr. Rohner is saying. Mr. Neiman said we were awarded that. Mrs. Bear said it does not sit in our bank account, you have to submit receipts to be reimbursed. Mr. Neiman said it is an extensive application process. Just because we are awarded doesn't mean that we will get it. We spend months and months of writing applications for them to tell you what qualifies as an expense or not. Mr. Rohner asked when we receive Federal dollars what account does that go into. Is it being deposited into the General Fund. Mr. Schlameuss said Mr. Rohner is asking what bank account is coming from the Federal Government to ESSA Bank account. From there you are going to be

doing general ledger transfers back to reconcile the spending. Mr. Andrews asked are all those funds going into the ESSA accounts. Mr. Rohner said that is what I am asking. I am going to be doing a Right to Know so I can see that. Mrs. Bear said that was my point that I made. We don't get the funds until we submit the proper paperwork and we spend the money first. They reimburse us. Mr. Rohner said I should see the revenue and the expense. Mr. Andrews said it is like an expense account. You spend the money and get reimbursed for your expenses. Mrs. Bear said this is what she does when she is reimbursed for her mileage and lunch expenses as long as it meets all standards in place. Mr. Neiman said everyone should have the bank statements because they are provided to all Board members on a monthly basis. Mr. Rohner said he does not get all the meat and potato of it. I don't get every revenue and expense. Mr. Schlameuss said you get the transfers in and out. Mr. Rohner said I want to see it. There was a discussion several months ago that we were going to put \$1 million into the capital reserve. I see that we have changed that to \$6 million now. Mr. Neiman said that was for the 2022-23 budget where we placed a special line item for capital transfer. Mrs. Bear said that was 2022-23. The \$6 million is to close out the 2021-22 SY because technically we are closing the books out now. It will be dated June 30, 2022 rather than now. This caused confusion before. Mr. Neiman said that for we were granted a nice amount of funds from ESSER. The district has made every effort to make sure those funds are going to address learning loss as well as other initiatives. I think this is important for the Committee members and public to be aware of that.

Mr. Andrews said with the budget transfer of \$6 million we will start this year with \$49 million in the General Fund and \$22 million in the capital. Mr. Neiman said you are speaking about page 12. This is showing the impact of the \$6 million transfer if the Board elects to follow the Administrations' guidance. Mr. Andrews asked are doing the transfers and these are the numbers that the 2022-23 budget will begin with. Mr. Neiman said that is correct. Mr. Andrews said we can say to the public that we will start with a \$49 million fund balance and \$22 million in capital reserve. Mr. Neiman said the Financial Statement will reflect June 30, 2022. I believe it will keep everything cleaner that way since the Property/Facilities Committee will come back to us soon to discuss capital projects. We will be able to identify how much money we will have available to us for future capital initiatives. We will be going with the list of outstanding items. Mrs. Bear asked when will the other million be placed in the capital reserve fund. Will it be done at the end of this year's budget? Mr. Neiman said we built that amount into the budget. If everything plays out exactly the way we budgeted, we will be able to transfer the million dollars. Mr. Rohner but we are looking to go from \$1 million to \$6 million. Mrs. Bear said the \$1 million is in addition to. Mr. Rohner asked are we going to put \$7 million? Mr. Neiman said we will place \$6 million from the 2021-22 SY budget and \$1 million from the 2022-23 SY budget.



Page 14 – 2021-22 Fund Balance Assignments & Capital Reserve Transfer

Mr. Rohner said so we are going to be doing a General Fund Balance commitment of \$18 million plus \$6 million which is \$24 million. If I didn't do this accounting method, I would be putting \$24 million into my general funds. Yes, or no? Mr. Neiman said this is not the General Fund. This is the excess funds. Mr. Rohner said that is my point if I didn't commit this it would reflect in my General Fund. Mr. Neiman said it would reflect if you did it or not. If you do not commit it, it would be over the 8% of our total expenditures; therefore, we would be in violation of PDE. Our unassigned budget needs to be 8% or less based on the size of the district. That is why I am recommending to commit these funds; otherwise, we would be in violation. Mr. Schlameuss asked if this is an increase or decrease from the past five years. We are looking at PSERS and Healthcare. Mr. Neiman said these are the same numbers. Mr. Rohner said the \$24 million will be reflected in the 2022-23 SY budget. Mr. Neiman said as commitment of funds. Mr. Rohner asked yes or no? Mr. Neiman said it is reflected as a commitment of general fund. Mr. Schlameuss said it is not to be spent. It just sits there. Mr. Rohner said I have a lot of money sitting there. Mr. Schlameuss said we do. Mr. Andrews asked if the \$24 million would be deducted from the \$49 million. Mr. Neiman said this is a composite of the \$49 million. Mrs. Bear said it is committed for retirement. We have to commit it because we have to pay for future health care and future retirement. Mr. Rohner said I never see it in the budget. Mr. Schlameuss said you kind of see it in your budget. What we did last year and this year, is we projected a deficit for our spending overall. This is one place we can look for to cover that deficit. If the economy turns terribly, this allows us to float out and cover those expenses. That money will go away pretty quick but we will be able to cover payroll, all payments to PSERS and healthcare. It is like an insurance in a way to cover those things. Mr. Andrews said it is not useable General Fund money unless it is an emergency. Mr. Schlameuss said remember 70% of our budget is payroll. Mr. Andrews said and it is also for the benefits. Mr. Bear said I remember a couple of years ago the State budget was not passed and some districts were scrambling to pay their teachers. Our funds protect us in that case. Mr. Neiman said this helps with the capital flow at the end of the school year like we spoke in the past. We are just now receiving our real estate tax collections. In the summer, it is when the cash reserve is at the lowest level. It is nice to have the fund balance to keep the cash reserves in a good place. Those late summer months, we keep watching the bank account to make sure we do not overdraw. It also helps us to maximize interest rates and high returns. It helps us to cover payroll. Mr. Schlameuss said I imagine that the other districts had to open lines of credits to meet their expenses. Our cash flow model is pretty stable. Mr. Rohner said we are going to assign the \$6.72 million back to the 2021-22 budget. Correct? Mr. Neiman said yes that is the deficit in the budget that the Board passed on June 30. We have to reflect that we have the funds available to cover that deficit. That is how we pass a balance budget. Mr. Rohner asked does the general fund include three accounts or four accounts. Mr. Neiman asked what kinds of accounts is he asking about. Mr. Rohner said ESSA, PSDLAF, and PLIGIT that are in the general account. Is it 3

or 4? Mr. Neiman said it is the three you mentioned. Mrs. Bear asked what about Wayne bank is that the general fund for the CD when we did the bond refinance. Mr. Neiman said that is also in the general fund. Mrs. Bear said then it is four banks. Mr. Schlameuss said it is important to understand that there is a fund balance. It is basically the holding tank for the money. That money is spread across accounts, i.e. checking, savings etc. that is all generated through the general ledger. It is always moving pieces. Mr. Neiman said you will not see these amounts. Mr. Andrews said the overall amount of money we have is the General Fund and Capital Fund. Am I correct? Mr. Rohner said so there are three accounts. Sometimes there are individuals that want to use the Capital Reserve as a General Fund. Mr. Neiman said that is one drawback of transferring money into the Capital Reserve, you can never bring it back into the General Fund. It depends on the shape that the district is in where I may be hesitant to move a large amount when they go through the commitment process. They may choose to keep it in the Capital Fund for Capital Reserve but no place does it say that they can be uncommitted at any time. Because we have had a healthy general fund balance, we can place it in the Capital Reserve Fund because it is cleaner from the management side of it. Mrs. Bear said the money can be used for committee projects. Mr. Rohner said yes. Mrs. Bear said so if we need to buy buses we can. Mr. Rohner said yes. Mr. Neiman said money can be spent not on operating expense but what is in the capital policy.

Page 15 2023-24 Budget Timeline. I will be back next week with the same presentation to the whole Board, assuming the Committee would like me to do so. You will see our auditors twice in the month of November unless the Committee would like to wait and have them come just to the Board meeting. They have on their schedule to come to the Finance Committee on November 14<sup>th</sup> and on the 21<sup>st</sup>. Mr. Andrews said it would be the same presentation. Mr. Schlameuss said it would give Mr. Rohner more time to review all of the information. Next on the calendar, I have that by November 30<sup>th</sup>, we would submit the Annual Financial Report (AFR) to PDE. Historically, we have submitted the AFR to PDE by October 31<sup>st</sup>. We are working to do that but PDE is fine if we submit it by November 30<sup>th</sup>. Mr. Rohner said the School Law states that the AFR must be submitted by October 31<sup>st</sup> and if there are adjustments, you can submit them by December 31<sup>st</sup>. Has that change? Mr. Neiman said it is due by October 31<sup>st</sup> but PDE allows for a 30-day extension. Mr. Rohner said in my six years on the Board, we have always met the October 31<sup>st</sup> deadline. Do you see that changing this year? Mr. Neiman said I hope to but I put it on here as November 30<sup>th</sup> as the final push of the audit. There is a lot of schedules to get through and the audit is still occurring. We have not started the AFR because we have to make sure there are no changes so we will try by October 31<sup>st</sup>. Mr. Rohner said if the AFR is submitted by October 31<sup>st</sup>, will the Board receive a copy of that PDE report that is submitted to the State? Mr. Neiman said yes like you do every year. Mr. Rohner asked will I get the report that is being submitted on October 31<sup>st</sup> or November 1<sup>st</sup>? You are asking me to make a decision at the November meeting and if you wait until November 30<sup>th</sup>, you are asking me to vote for something that I do not

have an opportunity to review. Mr. Neiman asked what report will you be voting on? Mr. Rohner said the AFR. Mr. Neiman said there may be a motion for you to vote on but I am going to submit it whether you approve it or not. I submit before you approve it if you want it done by October 31<sup>st</sup>. Mr. Rohner said you have always met that deadline by School Law. Will I receive a copy of that on October 31<sup>st</sup> or November 1<sup>st</sup>? I do not want to wait until November 30<sup>th</sup> to receive an Annual Financial Report. Mr. Neiman said you will receive it through the normal process. Mr. Rohner said which is what? Dr. Riker said you will receive it when it is done. Mr. Rohner said if you are submitting the report to PDE, does that mean it is done. Mr. Neiman said yes. Mr. Rohner said then I want what is submitted to PDE. If I don't, then I will do a right to know. Mr. Neiman said you will get a copy like you do every year. Mr. Rohner said I want it in October. Mr. Andrews said that is what we are getting on the 17<sup>th</sup>. Mr. Rohner said I want it before then. Mr. Schlameuss said we submitted it in October last year and we had it in the November packets. Mr. Rohner said I will do a Right-to-Know request. Mrs. Bear said I believe last year we also had that by November 30<sup>th</sup> as well in our Finance Zoom meeting. Mr. Neiman said I copied the same information from last year into this year's budget timeline slide. In December, I would like to come to the Finance Committee and talk about the Capital Reserve Balance and long-term capital needs. I would also like to discuss the 2023-24 adjusted Act 1 Index (5.9%) which we have never gone over since the Act 1 index has been implemented. I feel confident that we will have a motion not to exceed the Act 1 index. We will then need a Proposed Final Budget in May and the Final Budget in June 2023. Mr. Rohner said how do we decide the 5.9% index. Dr. Riker said the State gives that to us. Mr. Rohner said so they went from 4.1% to 5.9%. That just shows you the rate of inflation. Mr. Neiman said that is derived from the economics in the area. Not all districts are that high.

Mrs. Bear said when we spoke last, you said we were going to have someone present the rates to us at this meeting. Mr. Neiman said they are coming in November due today being a bank holiday. They will be reviewing all investment possibilities/opportunities. Mrs. Bear said I know that the US Treasury Notes are at an all-time high right now. You can get a one-year treasury note at 4.11%. You are looking at a January maturity of over 3%. That is going to be really beneficial with our budget for next year if we budget into the right accounts. This is a change from the .05% that we have had for the last five or six year. This will help with our budgeting for the next year. This is good timing for budgeting now for next year. Mr. Andrews said if any districts have to borrow, it's going to be worst for them. Mrs. Bear said we are almost done with our bond payments. The feds are looking to raise rates at least one more time this year. Mr. Rohner said I expect them to raise them in November and December. Mr. Rohner said it will then come back down in January. Mrs. Bear said I heard in April. Presentation will be posted with the minutes.

**VII. Recommendations by the Property & Facilities Committee**

a. D'Huy Engineering Invoices

- i. High School North and Smithfield Elementary Flooring Replacement – Invoice #55750 \$3,485.76
- ii. High School North Natatorium Roof Replacement – Invoice #55751 \$2,309.23
- iii. High School South Turf Field Replacement – Invoice #55752 \$2,074.48

Mrs. Bear asked if we contacted the company regarding the late fees that they incurred due to not finishing the project on time. Dr. Riker said he contacted them. Mr. Schlameuss said this payment is to D'Huy Engineering and not the company that did the actual work.

- iv. Bushkill Elementary HVAC Replacement – Invoice #55753 \$3,434.98
- v. North Campus Storm Pipe Replacement – Invoice #55754 \$1,375.00

b. Applications for Payment

- i. High School South Pool Repair – All State Technology – Application #5 \$30,382.50
- ii. Smithfield Elementary Flooring – Cope Commercial Flooring – Application #6 \$35,575.45
- iii. High School North and Lehman Intermediate Window Replacement - D&M Construction – Application #16 \$55,602.56

c. Current Projects List

Mr. Schlameuss asked if there are some decreases in money on some of the projects. Dr. Riker said there are. We are getting money back. Mr. Rohner said it has happened before. Mrs. Bear said a lot of the projects are at 89% or 90% completed except for the Bushkill HVAC project which is being paid by ESSER funds. You will gradually see the ESSER funds go down due to that project.

d. Change Orders. The North Roof project is also being paid by ESSER as well, which is \$884,000.00. The project equals about \$1 million from ESSER funds. You also have the North HVAC project at \$460,990 coming out of ESSER. Mr. Rohner asked what page are you on. Mrs. Bear said she is on page four. Mr. Schlameuss asked have we committed or assigned all of our ESSER funds. Mr. Neiman said yes. Mrs. Bear said we also have new projects such as the JM Hill gym floor and a Smithfield Roof project. The sprinkler system is also on here, which we will talk about it in a minute. We also have the South elevator, which was an unforeseen expense

- i. High School North and Lehman Intermediate Window Replacement - D&M Construction - decrease \$3,974.41
- ii. Smithfield Elementary Flooring - Cope Commercial Flooring - decrease \$2,645.50

- e. Middle Smithfield – Emergency Sprinkler Repair – Keystone Fire & Security, quote \$3,622.21 and \$34,764.00

Mr. Andrews asked if we have the sprinkler system invoice already. Mrs. Bear said it is on the agenda. Mr. Andrews said it would take about six to eight weeks to get the parts. Mr. Rohner asked what are we looking at. Mrs. Bear said the Middle Smithfield sprinkler repair which is item e. Mr. Andrews said we need other proposals for this to involve other contractors. This is going to be more than \$34,000 to get the system repaired.

- f. ESE Weather Station

Mr. Schlameuss asked what is the ESE Weather Station. Dr. Riker said I shared this at the Property/Facilities Committee. A professor from Penn State contacted me. They are interested in putting a weather station somewhere in the ESE property at no cost to the district. They would cover all costs and we would get all of the data that our students can use. They do this across the Commonwealth. I shared this information with the committee. There will be some backup on the Board agenda to show you what it looks like. It would be two-foot by two-foot area that they pour a concrete base for. Mrs. Bear asked if they help predict snow days better. Dr. Riker said to be honest they are looking more at flooding. It's no cost to the district and a benefit. They do not run any type of electric. It is all done through solar. Mr. Andrews said Penn State needs the information for their weather department. Mr. Schlameuss said they have a large meteorology center. They do not reach out to a lot of schools so I thought It is a good thing to bring it to the Property/Facilities Committee and it would be on the agenda. Mrs. Bear said it is really cool because I know they cover meteorology and general science in the high schools. They study meteorology in 8<sup>th</sup> grade science, too. Mr. Andrews said from what I understand, they said we can use their data but they really need it for themselves. Dr. Riker said I already put them in touch with Daryle Miller so that he can help them find a location for this project. There will not be any obstruction to the students.

#### **VIII. Recommendations by the Education Programs & Resources Committee**

None

#### **IX. Public Participation - Limited to Items of Discussion**

None

**X. Advisory Recommendations for Consideration by the Board of Education**

1.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the quote from 3P Learning Inc. for Mathseeds subscription renewal for the 2022-23 school year in the amount of \$13,271.50. Purchase will be funded by Title 1. Motion was seconded by George Andrews and carried unanimously, 4-0.

2.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the quote from Edmentum for Reading Eggs subscription renewal for the 2022-23 school year in the amount of \$9,264.80. Purchase will be funded by Title 1. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

3.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Wayne Rohner to recommend that the Board consider for approval the quote from BerkOne for services related to Act 1 Homestead/Farmstead in the amount of \$2,800.00. Motion was seconded by George Andrews and carried unanimously, 4-0.

4.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the resolution as presented authorizing the waiver of additional charges for the late payment of real estate taxes in certain circumstances to comply with Act 57 of 2022. Motion was seconded by Richard Schlameuss 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 CSI for wireless speakers at High School North auditorium in the amount, which will be provide at the Regular School Board meeting. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

6.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval tonight's presentation to the whole Board, which includes \$6 million to be backed dated to June 30, 2022. Motion was seconded by George Andrews and carried unanimously, 4-0. Mr. Rohner said he approves with reservations.

7.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the October 17, 2022 Board motions to close out the 2021-22 Fiscal Year, which includes \$6 million to be back dated to June 30, 2022. Motion was seconded by George Andrews 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 following D'Huy Engineering invoices, which were recommended by the Property & Facilities Committee. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

- a. D'Huy Engineering Invoices
  - i. High School North and Smithfield Elementary Flooring Replacement – Invoice #55750 \$3,485.76
  - ii. High School North Natatorium Roof Replacement – Invoice #55751 \$2,309.23
  - iii. High School South Turf Field Replacement – Invoice #55752 \$2,074.48
  - iv. Bushkill Elementary HVAC Replacement – Invoice #55753 \$3,434.98
  - v. North Campus Storm Pipe Replacement – Invoice #55754 \$1,375.00

9.

**RECOMMENDATION BY THE COMMITTEE:**

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

- b. Applications for Payment
  - i. High School South Pool Repair – All State Technology – Application #5 \$30,382.50
  - ii. Smithfield Elementary Flooring – Cope Commercial Flooring – Application #6 \$35,575.45

- iii. High School North and Lehman Intermediate Window Replacement - D&M Construction – Application #16 \$55,602.56

10.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Wayne Rohner to approve the Current Project List, which was provided to the Property & Facilities and Finance Committees. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

11.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Wayne Rohner to recommend that the Board consider for approval the following Change Orders, which were recommended by the Property & Facilities Committee. Motion was seconded by George Andrews and carried unanimously, 4-0.

- d. Change Orders
  - i. High School North and Lehman Intermediate Window Replacement - D&M Construction - decrease \$3,974.41
  - ii. Smithfield Elementary Flooring - Cope Commercial Flooring - decrease \$2,645.50

12.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the quotes from Keystone Fire & Security for emergency sprinkler repair at Middle Smithfield Elementary school in the amount of \$34,764.00 and \$3,622.21, which were recommended by the Property & Facilities Committee. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

Mr. Rohner asked has the sprinkler been repaired, yes or no? I was told last week that it has not been repaired yet and that it will take four to six weeks to get supplies. What do I have? Dr. Riker said you have exactly what I sent to you. There were two documents that I sent to you. Mrs. Bear said it was sent to us via email. Mr. Rohner asked is it the one from September 15? Dr. Riker said that is one of them. Mr. Rohner asked what is the second one? Dr. Riker said the Keystone repair. Mr. Rohner said so it has not occurred yet. Dr. Riker said it says it on the invoice. Mr. Andrews said the pump got repaired but the controller did not. Dr. Riker said I heard that there were repairs to the Controller as well. Mr. Andrews said we do not have the parts yet. Dr. Riker said we are replacing components of that. Mr. Andrews said at the Property/Facilities they said they had to get parts so it cannot be repaired yet. Dr. Riker said they said there were repairs but that they were getting parts as well for replacement. Mr. Rohner asked have we received a building permit from the Township? Dr. Riker said I do not have that information. Mr. Schlameuss said as of right now, I am under the impression that the sprinkler system, if activated, will go on, correct? Dr. Riker said I am under the same impression. The fire alarm will still work. Mr. Schlameuss said and we can safely evacuate the children. That is



the main thing. Mr. Andrews said the main thing is the safety of the children and staff. Mr. Schlameuss said any repairs that were done was a temporary fix until we can get the rest of it done. Mrs. Bear and Dr. Riker said that is their understanding as well. Mr. Rohner said I am fully aware of the fact that a building permit is required for any repairs or alterations. What I heard last week is not what I am hearing today. Dr. Riker said because more information is now available. Mr. Rohner said the school district has a history of not being compliant with local permits so I am going to follow up on this. Mr. Schlameuss asked will a permit be needed for repairs. Mr. Rohner said it is needed to do the inspection. The district would need to submit what you are repairing in order for them to give you a permit then charge you a fee and give a third party inspection. We are then good to go. That is the process. Right now that process is not being followed. Let's put it this way. No one has notified the township. The fact that we have a lawsuit at ESE for a failed fire sprinkler system, and I now have another failed fire sprinkler system at another elementary school. These projects are in close proximity of the same time of construction. I'm not looking to have taxpayers continue to pay for defective workmanship. When I was told last week that we had melted metal, I had a power search. That is why I want a permit because something is wrong. This is not a normal maintenance thing. That I know. Dr. Riker said to be clear, the word failed does not mean not operable. Mr. Rohner said if it is not functioning than it failed. Mr. Schlameuss said but it is operational now. Mr. Rohner said what I heard last week is that it was down for a number of months. That is what I was told at the Property/Facilities Committee meeting. Mr. Rohner said I want the minutes to reflect this conversation.

13.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Wayne Rohner to recommend that the Board consider for approval the installation of a weather station by the Penn State University Department of Meteorology and Atmospheric Science at the East Stroudsburg Elementary School campus, which was recommended by the Property & Facilities Committee. Motion was seconded by George Andrews and carried unanimously, 4-0.

**XI. Next Meeting - November 14, 2022 in person and via Zoom.**

**RECOMMENDATION BY THE COMMITTEE:**

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

**XII. Adjournment: 6:46 p.m.**

Respectfully submitted,  
Patricia L. Rosado  
Board Secretary