

**EAST STROUDSBURG AREA SCHOOL DISTRICT  
BOARD OF EDUCATION  
FINANCE COMMITTEE MEETING  
March 13, 2023  
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:** George Andrews, Rebecca Bear, Wayne Rohner and Richard Schlameuss.
- III. School Personnel Present:** Brian Baddick, Shoukry Fauntleroy, Craig Neiman, William Riker, Patricia Rosado and William Vitulli.
- School Personnel via Zoom:** Brian Borosh, Diane Kelly and Rob Romagno
- IV. Community Member Present:** Larry Dymond
- Community Member via Zoom:** Perrell Brown and Tom Kalinoski
- V. Approval of Agenda and Minutes**

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to approve the agenda for March 13, 2023 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 Wayne Rohner and carried unanimously, 4-0.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to approve the minutes of the February 13, 2023 meeting. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

**VI. Items for Discussion:**

- a. Resica Elementary & South High School PA System Update - Sage Technology Solutions Quote, \$20,932.08 (Resica) & \$24,107.61 (South)  
Mr. Andrews asked is this item is for the equipment that we are using now. Mrs. Bear said it is an update to the current equipment. Mr. Andrews said in the backup it talks about safety. What safety issues are they talking about? Dr. Riker said you are speaking about that it is a safety equipment. It is talking about how it is being paid, which is through a Safety Grant. Mr. Andrews said if we didn't have the grant we would not be upgrading it. Dr. Riker said you would be paying for it without a grant. Mr. Andrews

said the equipment is not that old. Dr. Riker said yes it is. You have been replacing the rest of the PA Systems for the last several years.

b. FortiNAC Add-on Licenses - IntegraOne Quote, \$14,198.49

Mrs. Bear said these are additional items for the system that we currently have. Dr. Riker said that is correct. Mr. Andrews asked does this mean that we are increasing the student body. Mrs. Bear said these are for 1,000 additional licenses. Who uses this system? Dr. Riker said he believes that this is for all of the district's devices.

c. Bid Award Ratification - Northampton/Monroe/Pike County Joint Purchasing Board - 2023-24 Paper/Custodial Supplies

Mr. Neiman said I have included a memo with the documentation for this item. Back in December the Board authorized the Administration to participate in this bid. This is a follow up to that motion. I am showing you the items that were bid and the pricing that we received as part of this consortium. Mrs. Bear said I noticed that we rejected some bids, too. Is this for the paper that we do not like? Mr. Neiman said it is typically when something is off specs then we do not accept it. Mr. Andrews asked did we not order paper last month. Mrs. Bear said we ordered paper that we liked. Mr. Neiman said we ordered paper to get us through the balance of this school year. This evening's bids are for next year's supply. Mr. Schlameuss asked did you accept this bid. Mr. Neiman asked are you speaking about the paper for last month. Mr. Schlameuss said no, the bid for next year. Mr. Neiman said yes. Mrs. Bear said I noticed that you have Liberty Paper. Is that comparable to what we are getting? Mr. Neiman said it will be a new supplier for us so we will see. Mrs. Bear said since we are getting a large supply, hopefully it is good paper.

d. Bid Award Ratification - Northampton/Monroe/Pike County Joint Purchasing Board - 2023-24 Fuel Oil

Mr. Neiman said the fuel oil bid is similar to the IU Consortium group. As you will see in the backup documentation, we have purchased with them for several years. You will see the current pricing that we received. Mrs. Bear said fuel oil we went up to \$2.7683 compared to \$2.4976. Mr. Andrews said that is about \$.27 a gallon. Mr. Bear said I thought it was going to be worse. Mr. Neiman said it is approximately an additional increase of \$230,000 in our budget. Mrs. Bear asked is that how much Mr. Neiman had estimated the increase would be. Mr. Neiman said he got the price as he was preparing the budget so he placed the exact amount in the budget.

e. Bid Award Ratification - Met Ed Public School District Electricity Purchasing Consortium with Provident Energy Consulting

Mr. Neiman said this again is similar to other bids. The Board talked extensively about electricity. Back in September the Board authorized the Administration to participate with Provident Energy Consulting in the Met Ed Public School District Electricity Purchasing Consortium. Provident Energy played the market. Luckily the market dropped several weeks ago so they thought it was right to lock in the pricing. You will see the pricing in front of you. This would be for the supply only on the electric bill. This represents an approximate \$300,000 increase to the budget. Mr. Andrews said

Provident thought 24 months would lend the best pricing. Mr. Neiman said they thought 24 months was the best to lock in. Mrs. Bear said 24 months was the cheapest of the two. Did we use Constellation before? Mr. Neiman said they are our current supplier.

- f. North High School Kitchen Convection Steamer - Food Service Equipment Quote, \$20,295.00

Mrs. Bear asked if this is just a replacement for something that is needed. Mr. Neiman said this equipment will need to be replaced and it is grant funded. You will see the details in your back up. It will be paid through the Food Service Equipment Grant.

- g. Smithfield Elementary Kitchen Roll Thru Heated Cabinet - Singer Equipment Quote, \$8,734.80

Mrs. Bear said this items will also be paid through a grant. Dr. Riker said, as a reminder these two items that we are purchasing are from a competitive grant that I had mentioned last week to the Board that we were successful in receiving.

- h. US Foods / Upper Dublin SD Food Products & Distribution Bid Participation 2023-24  
Mrs. Bear said these are bids that we participate in every year. Mr. Neiman said we have participated with US Foods and they changed the school district that is sponsoring them to the Upper Dublin School District. It is a different name but the same bid that we have participated in the last several years. They said they will hold the same pricing; therefore, our School District would like to continue participating with them.

- i. MCTI Motion - Excess Revenue

Mrs. Bear said MCTI would like the excess revenue returned to them for capital improvements like we have done year after year. Mr. Andrews said they need it for their new auditorium that they are building. Last year, they almost did not get the funds because Pleasant Valley almost did not approve it. Mr. Rohner asked did Pleasant Valley approve returning the funds to them. Mr. Andrews said yes. MCTI needs this money to continue their project.

- j. East Stroudsburg Education Foundation Donation

Mrs. Bear said read as follows:

The East Stroudsburg Education Foundation has the specific purpose to raise money to enrich the educational and co-curricular programs for students in the East Stroudsburg Area School District and recognize their accomplishments by selecting and funding equipment, scholarships, programs, or other activities that supplement district, community, and parent-supported efforts. The Foundation has donated monies to support programs such as DECA, FBLA, the Purple Pantry, and other programs to provide educational opportunities to students in the District, which may otherwise not be possible due to students being economically disadvantaged.

The Foundation has received a monetary donation of \$19,500 from Sanofi as part of their Corporate Social Responsibility initiatives and programs to purchase 8 Elkay ezH2O Bottle Filling Station with Single ADA Vandal-Resistant Cooler Filtered Refrigerator. Four of these Filling stations will be donated to H.S. South and four of these Filling

stations will be donated to H.S. North. These funds were given to the Foundation for the purpose of a full donation to the District for the purchase and installation of these 8 Elky filling stations.

Dr. Riker said we do have budgeted money in next year's budget to add Filling stations in the intermediate and elementary schools. Mrs. Bear said this would be nice to have since it is sanitary. Maybe we can get grants for them too. Will these be placed everywhere. Dr. Riker said there are only four of them so he believes they will be placed strategically most likely near the gyms.

k. 2023-24 Budget Presentation

Mr. Neiman said everyone should have a copy of the first look into the 2023-24 Budget Presentation.

Mr. Neiman said page two is the Agenda which states some of the items that I am going to cover this evening.

Page 3 is a reminder of the Role of the School Board and the Budget.

- 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 function 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 the Administration 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 4 is a reminder that we are one of the lucky 89 districts out off the 500 Public School Districts in Pennsylvania that are multi-county. The impact that has on us is on the next page.

Page 5 – Our district follows the PA School Code Section 672.1, which basically says that the School District lies in more than one county or in more than one municipality; therefore, it needs to rebalance their taxes each year. The basis of that rebalanced tax is the STEB market value in each county.

Page 6 is a little bit of State Tax Equalization Board. STEB was established in 1947. It is there to provide uniformity in the distribution of taxes across the State. It also determines a common level ratio of assessed value to market value for each county for the prior calendar year.

Page 7 is a summary of the main driver of that calculation. Market Value is done in arrears. You can see that the Market Value changed from 2021 compared to the 2020 fiscal year. Market Value is updated in July of every year. We will not know the 2022 Market Value information until after the budget has been approved, which is not very helpful. We are a year in arrear with that market value. As you can see similar to last

year, the market value decreased in Monroe County by over \$9 million and increased slightly in Pike County by 9 /10 of a percent. Meanwhile, on the assessment side of our 2022/23 assessment compared to the 2023/24 budget assessment for Monroe County is also going down \$8 million, which is about 3/10 of a percent, while Pike County has essentially remained flat. Mrs. Bear said that means if we do nothing, Pike County stays the same and Monroe County goes down slightly. Mr. Neiman said the opposite would occur. Pike County would go up slightly and Monroe County would remain flat. Mr. Schlameuss said I'm seeing in 2021 that Pike County had \$684 million and for 2024 you are projecting \$194 million. What changed? Mrs. Bear and Mr. Neiman said that is the Market Value vs. the Assessment. Mr. Schlameuss said I understand now. Mr. Neiman said it is an interesting point to bring up because I could not tell you when was the last time a reassessment was done in Pike County. I would assume it was done back several decades ago. In Monroe County, with their Market Value and Assessment Value being relatively close is due to the fact that their properties were reassessed about four years ago. The vast majority of the decrease in Monroe County is attributed to the large commercial properties that have been challenging that assessment. The County has granted those challenges so the district has lost tax dollars because of those reassessments of the large commercial properties.

On page 8 you can see the impact that the Market Value has had on the millage. You will see that Monroe County's 2022-23 Millage was 30.79. The way STEB calculation works would mean the millage stays the same based on the chart and the calculation from the prior page. Pike County would see an increase of 2 tenth of a percent going from 128.33 up to 128.59. As I present the budget and the associated tax revenue, the assumption is that the rebalance millage in 2022-23 becomes our starting point for property tax discussions in 2023-24.

Page 9 is looking at the Property Assessment Value. The Monroe County Reassessment kind of throws this chart off and makes it a little hard to look at. There is essentially flat assessment predominantly over the last 10 years with some recent trans down in Monroe County since the reassessment. Again, we have lost over \$2 million in property tax revenue due to the reassessment appeals by the Commercial property. That is a significant number that we are seeing in our overall collection.

Page 10 – This is a look at the Act 1 Index and how it applies this year on a compounded basis, which I believe I did last year also. If you look at the orange line, it would indicate that the district from 2013-2024 could have raised taxes almost 40% or 39.60%. What the district has actually done is represented in the light blue and dark blue lines on the chart. The light blue line is Monroe County and the dark blue line is Pike County. You can see that Pike County stayed essentially in the same place from 2013-2014 and Monroe County went down slightly from the 2013-14 millage rate. What that means is that the district could be bringing in \$43 million more annually that it is if they would have taxed every year at the Act 1 index. The Act 1 index in 2023/24 continues to increase based on a strong local market and the calculation that goes into that so the index is 5.9% in 2023/24. If the district would elect to raise taxes at the index, we could generate an additional \$6 million dollars in revenue this year. Mr. Andrews asked is that

the maximum that we can increase the taxes. Mrs. Bear said the most we can raise the taxes is 5.9%. We elected a couple of months ago not to go above the index. Dr. Riker said the Board voted in December to not raise taxes above that index. Mr. Neiman said the most revenue that the district can generate this year would be \$6 million.

Page 11 is a first look at the 2023-24 Revenue Summary. It compares the 2023/24 preliminary budget to the 2022/23 final budget. The Local revenues are coming in at \$108,724,651 which is about the same from last year. The State revenues are coming in at \$58,975,993 which is an increase of \$3.4 million over the 2022/23 budget. The Federal revenues are coming in at \$9,987,030 which is \$3,315,518 less than in the 2022/23 budget. Other revenues are coming in at \$50,000, which is less than the \$1,999,316 in the 2022/23 budget. The total revenue is down by \$1.8 million dollars or 1.0%. Mrs. Bear asked what is included in the other revenue. Mr. Neiman said page 12 will contain that information.

Page 12 contains the 2023-24 Revenue Highlights. Local Property Taxes rates reflect rebalancing only. No change in Monroe County but a slight increase in Pike County. There is leveling off of Earned Income Tax, Transfer Tax and Delinquent Tax collections after historic increases in recent years. With reference to interest rate, we are forecasting them to continue to come in very strong. That is included as an increase in our interest income on the Local Revenue side. On the State Revenue side, the main increase is all related to the Basic Ed Funding and the Special Ed funding formula increase. When we passed a 2022/23 budget in June, we did not have the final State budget yet but we assumed an increase in BEF and SEF. We actually received approximately \$2 million more than what we budgeted for. I have now included the increases into the 2022/23 budget. The Governor's budget presentation last month, showed a significant investment for public education. Mr. Schlameuss shared an email with us regarding the potential revenue we could receive from that increase and that is not included in tonight's budget. We are assuming flat funding at this point because we don't know when we will be seeing that funding. It is number that we will want to monitor as we continue with the budget process in the next several months. As of right now, we are not assuming any additional increases. On the Federal side, the decrease is due to the ESSER related funds that are being used to implement programs to support student learning loss as well as capital improvement initiatives. We will need to spend these funds by September of 2024. Some of these programs will start to phase out. We will then have to have the conversation of whether we wish to continue to pay for those programs going forward. On the other revenue side, that Mrs. Bear asked about, it is an accounting statement presentation change only. This is related to IT leases and the way that we have to report that transaction on our Financial Statement. The Committee made a recommendation that they would like to move the IT leases out of the General Budget into the Capital Reserve Budget but leave those funds in the Department budgets so that we can assume a transfer to the Capital Reserve Budget to cover those costs. Those funds do remain in the IT Department budget. For accounting presentation standpoint, we need to show the present value of the budgets as both as revenue and expense. Those line items have been removed from the budget. The revenue decrease in Other is also offset by an expense decrease. It is net zero in. The third line of this is in the IT budget which does remain

there. The direction that the Committee gave a couple months ago is that it stays in place for the budget. This is just an accounting presentation impact that you are seeing here. It has no impact on the bottom line of the budget.

Page 13 is a look at Local Revenues assumptions. There is no crystal ball so all I can do is forecast on past trends or with any other information we may have. A large line item in the last couple of years has been Delinquent Real Estate Tax Collections. As you can see in 2021, we hit that high watermark of just about \$14 million in delinquent taxes when, typically, we have been around \$8 million in past years. That was a \$6 million bump that we saw in that particular year. In 2021/22 it came down \$12.5 million, which is still off the charts from anything we had seen in the years prior to that. That again means real estate that was sitting back for Sheriff's sale or for various other reasons was coming back on to the tax roll, which is good. Folks were paying the past taxes that were due to the district. However, over the time some of that inventory will decrease and go down. We can't assume that the inventory will be there forever. Hopefully that means that our current collection will remain strong going forward. In the 2022/23 budget, I assumed that to come down just over \$10 million. For the 2023/24 budget, I lowered that to \$10 million. We are basically trending to budget at this point in the year but it is hard to say because we can have a large transaction that may occur at any point. Mrs. Bear asked what are we trending right now for this school year. Mr. Neiman said we are trending what I estimated for this year's 2022/23 budget, which is \$10 million. Again, this is another number that I would say that the Business Office should watch over that next couple of months because it might change drastically one way or another; therefore, we need to be above that for the good of the budget.

Page 14 is the Real Estate Transfer Tax, which there can be some correlation there for the delinquents that were on the previous page. There has been lot of transactions in the real estate market. In 2021/22 there was \$2 million in Transfer Tax. We lowered that in 2022/23 and again we are trending toward budget at this point. A couple of large transactions with commercial property or something like that, the number can get bumped up really quickly. I am forecasting for 2023/24 to be on par with 2022/23 budget. Mr. Andrews said what we are seeing here is a cooling in the real estate market. Mr. Neiman said it is on a lagging basis, because my numbers are lagging not leading. I would say that we are not going to have a repeat of the 2020/21 number.

Page 15 – Earned Income Tax typically trends on an increasing basis unless there is a major economic impact i.e. a lot of individuals are out of work. This number has been strong over the last several years. There are reasons that this will continue to be strong. You can see the assumption there on page 15 in the orange bar for 2023/24, which I forecasted a slight increase in earned income tax for the district. Mr. Schlameuss asked are you making that assumption because we are trending on budget this year. Mr. Neiman said we are trending on budget or over budget this year.

Page 16 is the 2023-24 Budget Expenditure by Function. Previous slides are focused on revenue. Now we are moving to the cost side of the budget. I put this chart here to remind the Board that the vast majority of our budget goes for the Instructional Programs

of the district as well as Support Services, which accounts to 90% of our budgeted spend. The granular level is on page 17.

Page 17 is the 2023-24 Budget Expenditure by Object. We are a people industry, therefore, the vast majority of our cost goes to the paying of salaries for our people. Our salaries account for over 40% of our budgeted spend with benefits accounting for 28% of our budgeted spend. Almost 70% of the district's budget is consumed by salaries and benefits. The other large line items that drive that are contracted services, which primarily are driven by the IU 20 tuition, some third party placement fees, legal costs and tax collectors. We also have Contracted Maintenance. That is mainly driven by the assumption that we will pay for the north HVAC project, which will be paid through ESSER Funds. That number is larger than it normally would be but the cost would be offset by Revenue from the ESSER Funds. Under Purchase Services, that is primarily driven by our cost to MCTI. The Board saw the presentation by MCTI at the last Regular Board meeting. Our contracted drivers are the drivers that take our students that have an IEP and need some one-on-one drivers. The district's insurance cost and software licenses are paid through Purchase Services. Charter School Tuition is \$10 million. That speaks for itself. We will speak on that in a moment on another slide. Supplies are \$8.6 million which is for electricity, fuel oil all supplies in buildings, propane costs and Curriculum subscriptions. Under Capitalized Equipment, we have some vehicles in there even though we have been moving most of those into the Capital Reserve. Debt Service speaks for itself. That is the district's mortgage that we are paying on our debt. The Budget Reserve contains \$1.5 million of lease payment, \$1 million Budget Reserve and assumptions of another \$1 million that we transferred to our Capital Reserve to cover the district's long-term capital needs.

Page 18 has the details on what is really behind the increase of 2.4% we are seeing in our budgeted cost. Salaries have an increase of 6.8% and benefits are up 4.2%. Charter Schools are coming in at \$10 million and I am assuming an increase of \$1 million. With our new utility contracts, we are seeing a 29.4% increase. The Debt is the amortization schedule that we worked with PFM to create. We tried to level it out as much we can but we have a slight increase of 1.9%. Bus propane is one that we still need to do some work on. The bus propane contract ends at the end of June 2023. We will need to put that out to bid in April or May. Right now, I am assuming a pretty significant increase in propane. The number that we are locked currently is very good. We are coming in from a market with a very low number and I am not sure what to expect. If those bids come back less than what I am assuming here, we can bring some money back into the budget. The ESSER funds is a little bit of an offset with revenues. With programs coming down, it shows a decrease to the district. Everything else in the district that is not included in the lines above is down \$3 million. I would like to say that we made \$3 million of cuts but that is the aforementioned regarding the leases on the computer devices that we saw the revenue going down. The piece of this is the cost coming out as well. Across the district budgets, the owners have scrubbed their budgets and we are seeing some cost decreases as well. If you add it all up, the district's 2023/24 expenses budget comes in just over \$190 million. It is a \$4.5 million increase or a 2.4% increase. Mrs. Bear asked so the salaries are based on fully staff as if we have zero openings. Mr. Neiman said yes.



The way that we do the budget is that we assume full staffing. We know that this has been a challenge in the last couple of years when we had favorable variances in the budget when we wrapped up the year. A lot of that has been in the staffing area. We are coming in this year just like the year before assuming full budgeting as well. This increase does assume full staffing. We know we have an existing contract with the Professional Staff and those costs are in here. We have a newly settle Support Staff agreement and those increases are here as well as Administration's Agreements that are in place. Mrs. Bear said I see that you are increasing Charters Schools. Have we seen an increase this year again? I know that we were falling back a little bit from where we were. Are we seeing an increase again? I have not look at the student count recently. Mr. Neiman said it may be down slightly but the tuition cost goes up every year. Even if you get the students to come back, we still pay more for the students' tuition increases. The other thing we are seeing in the mix this year is that we are seeing more students with IEPs receiving a special education tuition which is significantly higher than the regular education tuition. Mr. Baddick can probably speak more about the students with IEPs. Mr. Baddick said the simpler cases with IEPs go to the Charter Schools and the more complicated ones stay in the district because this is where they can get the best services for their needs. If the Charter Schools determine that they have an IEP, the district has to pay that tuition rate. We are trending for a \$9 million budget for this year. The million dollars is for that mix that may shift on us. I hope I am erring on that conservative side at this point but I felt that this was a number that I needed to put in there. We will need to continue to analyze this area in the next couple of months.

Page 19 lines up the revenues and expenditures. The column of the left is the 2022-23 budget. As a reminder that the Board passed a budget in June with a deficit of \$6.2 million. Although the expenditures are only going up 2.4% we are assuming seeing the revenues decrease by 1%. If you add all that up, it comes to a similar number as last year where we will see a deficit of \$6.2 million on top of last year's deficit of \$6.2 million, which we did not solve yet this year. Both deficits total \$12.5 million as indicated in the middle of the page. If we were to realize the deficit in 2022/23 and 2023/24, you can see the impact of what that will do to the fund balance. Mrs. Bear said in the previous year we passed a budget with a deficit but we did not have one, correct? Mr. Neiman said yes. Dr. Riker said the projected deficit was about \$4 million. Mrs. Bear said but that ended up being just a wash. Mr. Andrews asked if we had a deficit last year. Mrs. Bear said we had a deficit in the budget. Dr. Riker said we budgeted a deficit last year. Mrs. Bear said we did not end up having a deficit. Mr. Andrews asked why is there one here now. Mrs. Bear said what Mr. Neiman is saying is that in 2021-22 we had a budgeted deficit of \$4 million but we did not have it. We budgeted a deficit again for this school year but we do not know if we will have one until we close the books this year; therefore, we have to budget both deficits in case we do. Dr. Riker said you passed a budget in June that said that you were going to spend in expenses over \$6 million dollars more than you currently have. You passed that saying that if a deficit occurred, you would take that \$6 million out of the fund balance in order to make that up. Mr. Andrews said but did we not need to take from the fund balance. Dr. Riker said that is two years ago. This is not what we are talking about. This is only showing this year and what is projected for next year. Mr. Andrew said so we have not closed the books yet. Mrs. Bear said we have not closed the

books yet on this school year because we are still active in it. Mr. Andrews said so we are saying we are going to have a \$6 million deficit and we will not know until the end of this school year. Dr. Riker said yes. You will not know until October. Mr. Schlameuss said and this is still a very early budget for this year and many things we do not know yet. Mrs. Bear said and we will not know what the State is giving us. This is just a first look at the budget. Mr. Andrews said so if we add this year's deficit and next year's deficit we are looking at a \$12.5 million deficit. Mrs. Bear said that is if we have a deficit this school year and realize it for next year. Mr. Andrews said we are between a \$0 deficit and \$12.5 million deficit. Dr. Riker said that is correct. Mr. Schlameuss said this may cause some heart palpitations. Mr. Rohner said it does not.

Page 20 is a look at Charter School Tuition Cost. The orange bar is what I am forecasting the dark blue bar is the \$9 million that was budgeted in the current year. You can see in 2021-22 we spent \$8.7 million. You can see how much I increased from 2021/22 to 2022/23. Although we had students come back, we are paying more on the tuition rate per student. For regular education students, we pay over \$15,000 and for special education students, we are paying over \$41,000. If a student with an IEP goes out it will cost us \$41,000 but if we get a regular education student come back, it will be an approximate \$30,000 cost increase. Mr. Schlameuss said we would need three regular education students to come back vs one special education student leaving the district. Mr. Neiman said yes. Mr. Schlameuss said we need to figure out how to keep the students in the district. Don't get me wrong, I know we are doing a great job with reaching out. Is there an incentive for special education students to not go out to Charter Schools or offer the Virtual Academy? Mr. Baddick said what is happening is that when students are going to Charter School, they are being identified needing special services. Mrs. Bear said they are going in as regular education students but are being identified as special education students. Mr. Baddick said we are not losing students with IEPs, they are being identified with an IEP at the Charter School. Mrs. Bear said the Charter Schools are doing this so that they can get more money. Students who have special needs will come back to the district. Some Charters are telling parents to contact the district to provide that services they cannot. Mr. Andrews said it is a little bit of a scam going on. Mr. Baddick said Charters do not realize that they cannot provide some students with services that they need. Mr. Schlameuss said they do not realize that we can provide all the services and assist the students succeed as well as assist with their grades. Mrs. Bear said the Charter Schools cannot provide the structure that some students need. Mr. Schlameuss asked are these students going to the IU 20. Dr. Riker said no. Mrs. Bear said they may go to CCA, Aurora, etc. Mr. Andrews said and they can ask for more money because they are identified with an IEP. Dr. Riker said that is correct and they can use the extra money to advertise, which we cannot. Mrs. Bear said I don't think everyone realizes how much money we pay for charters. Mr. Schlameuss said we need to create more advocacy along with the other districts. This is very hard and there is a lot of money interest in this. Mrs. Bear said pre-pandemic, we were at \$5 million. That amount can cover our deficit.

Page 21 is a bit of good news with PSERS that we have not seen in over 20 years. The PSERS rate went down to 34%. That is good news. I don't think anybody was

expecting that. Mr. Schlameuss said just so you know that there is an increase the year after that. It will go up a few percentage points. Mr. Neiman said for the district, we still see an increase in our overall PSERS cost. It does not mean that our cost will go down. We are budgeting our salaries to go up; therefore, 34% on the PSERS costs is budgeted to increase by \$1 million in 2023/24. Mrs. Bear said it could have been \$2 million.

Page 22 is enrollment and Staffing Trend. This is an area that Administration will continue to monitor over the next several months and through the summer. At this time, we are assuming a flat enrollment to the current year. You can see enrollment was down in the 2020/21 school year due to the pandemic. We did see some of those students come back. We are assuming a flat enrollment with a slight increase in staffing. Some of that staffing needs is being supported by ESSER for learning loss. This is a number that Administration will continue to monitor. If there is an opportunity to remove positions or add positions, I'm sure that will be part of future budget updates. Mr. Andrews asked what is the student to teacher ratio? Mr. Neiman said I do not have that information. Mrs. Bear said I believe that varies. Mr. Schlameuss said if you do the math, you may get an idea. Mrs. Bear said it depends, especially in the high schools because we do not know how many students take certain classes. College prep may have more than AP classes. I believe the elementary are kept more consistently.

Page 23 is the General Fund Balance. The district has a General Fund Balance as of June 30, 2022 of over \$49 million. You can see how the Board committed or assigned some of that fund balance for particular programs. The unassigned fund balance had approximately, \$7.2 million which is 3.9% of expenditures. The district has to have less than 8% to maintain PDE's guidance. I am just showing this so that the Board and Administration has recognition of the composition of the \$49 million Fund Balance. This does not include the Capital Reserve, which as of June 30, 2022 had \$20 million. That number has come down since then but that was the last time we fully reconciled the Capital Reserve account.

Page 24 includes the next steps. The Administration will continue to monitor State and Federal Budget discussions, continue to analyze and prioritize expenditures, monitor enrollment and staffing requirements and update the budget based on new developments.

Page 25 is the 2023-24 Budget timeline. On December 19, 2022 was the first important step when the Board approved a motion to not exceed the Act 1 Index. This evening I am presenting the budget and will do so again to the entire Board at the Regular School Board meeting on March 20, 2023, unless there is something more that the committee would like to see. In May, there will be an updated budget presentation at the Finance Committee and the Regular School Board meeting. There would need to be a Proposed Budget approved at that time. In June there will be a final budget presentation and approval at the Regular School Board meeting. The Final Budget vote has to occur by June 30, 2023. The June meeting is scheduled for June 19, 2023. Mrs. Bear asked if tonight is his last budget presentation; therefore, will you work with your predecessor so that the transition will be smoothed. Mr. Neiman said the entire budget is loaded into the

financial information system and ready to go. It is all loaded at the detail account level. We have confidence in the folks in the Business Office who can help. I am a phone call away. Mr. Bear asked are we still working on Munis. Mr. Neiman said yes. Mrs. Bear asked when will we go live into the new system. Mr. Neiman said we will go live in the new financial information system on July 1<sup>st</sup>. Mrs. Bear said so we will past this budget first before we make the transition. Mr. Neiman said yes. Mr. Schlameuss said thank you for your excellent work while at the district.

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

- a. D'Huy Engineering Invoices
  - i. High School North Natatorium Roof Replacement – Invoice #57039 \$451.93
  - ii. Resica HVAC Replacement – Invoice #57040 \$39,090.45
  - iii. High School North and Lehman Intermediate Rooftop Equipment Replacement – Invoice #57041 \$10,678.50
  - iv. High School South and JM Hill Flooring – Invoice #57042 \$13,650.00
- b. Applications for Payment
  - i. None
- c. Current Projects List

Mrs. Bear said the first two pages are the projects that we are almost done with. The last few pages include the projects that are being started and we have not seen any payment for them yet. Mrs. Bear asked if there are any questions.
- d. Graduation Stage - Sightline Commercial Solutions Quote, \$8,469.00.
- e. Graduation Chairs - Event Stable Quote, \$9,262.00.
- f. Bid Award, High School South Flooring Replacement - Cope Commercial Flooring \$1,224,395.00
- g. Bid Award, JM Hill and Admin Building Flooring Replacement - LV Floor Covering \$372,100.00

Mr. Schlameuss asked if all the flooring will be replaced. Dr. Riker said yes. Mrs. Bear asked if the floors will be done over the summer. Dr. Riker said yes. The Administration Center will be done, too, including the Board Room. The tile will stay but the carpet will be replaced.

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

- a. Elementary Furniture - Pemco Quote, \$143,385.61

Mrs. Bear said the furniture is for the libraries and will be paid through a grant. We spoke about this at the Education Programs and Resources Committee meeting.

**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 Wayne Rohner to recommend that the Board consider for approval the quote from Sage Technology for a PA System Update at Resica Elementary in the amount of \$20,932.08 and the quote from Sage Technology for a PA System Update at High School South in the amount of \$24,107.61. 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 IntegraOne for FortiNAC Add-on Licenses in the amount of \$14,198.49. 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 Northampton/Monroe/Pike County Joint Purchasing Board Paper and Custodial Supplies bid as presented. 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 2023-24 Northampton/Monroe/Pike County Joint Purchasing Board Fuel Oil Bid. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

5.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Wayne Rohner to recommend that the Board consider for approval the Met Ed Public School District Electricity Purchasing Consortium bid with Constellation New Energy Inc. at a price of \$0.05476 /kWh from July 2023 until June 2025. Motion was seconded by George Andrews and carried unanimously, 4-0.

6.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the quote from Eleven Four Hundred Inc. for a Kitchen Convection Steamer at High School North in the amount of \$20,295.00. This purchase will be funded by a Pennsylvania Department of Education Food Service Equipment Grant. Motion was seconded by George Andrews and carried unanimously, 4-0.

7.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the quote from Singer Equipment for a Kitchen Roll Thru Heated Cabinet at Smithfield Elementary in the amount of \$8,734.80. This purchase will be funded by a Pennsylvania Department of Education Food Service Equipment Grant. 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 District's participation in the 2023-24 US Foods / Upper Dublin School District Food Products and Distribution consortium. Motion was seconded by Richard Schlameuss 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 request of the MCTI Joint Operating Committee allowing MCTI to retain 2021-22 excess revenues in the amount of \$1,463,014. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

10.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the donation from the East Stroudsburg Education Foundation of eight ElKay ezH2O Bottle Filling Stations. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

11.

**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 Wayne Rohner and carried unanimously, 4-0.

- a. D'Huy Engineering Invoices
  - i. High School North Natatorium Roof Replacement – Invoice #57039 \$451.93
  - ii. Resica HVAC Replacement – Invoice #57040 \$39,090.45
  - iii. High School North and Lehman Intermediate Rooftop Equipment Replacement – Invoice #57041 \$10,678.50
  - iv. High School South and JM Hill Flooring – Invoice #57042 \$13,650.00

12.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Wayne Rohner to recommend that the Board consider for approval the quote from Sightline Commercial Solutions for a Graduation Stage in the amount of \$8,469.00. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

13.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the quote from Event Stable for Graduation Chairs in the amount of \$9,262.00. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

14.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Wayne Rohner to recommend that the Board consider for approval the Bid award to Cope Commercial Flooring in the amount of \$1,224,395.00 for High School South Flooring Replacement. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

15.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the Bid award to Lehigh Valley Floor Covering in the amount of \$372,100.00 for JM Hill and Administration Building Flooring Replacement. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

16.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the quote from Pemco for Elementary Furniture in the amount of \$143,385.61. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

**XI. Next Meeting - April 11, 2023**

Mrs. Bear said our meeting will hopefully be in Zoom and in person.

Mr. Schlameuss asked are we using the IU 20 Zoom account for tonight's meeting. Dr. Riker said right now we are using the IU 20 Zoom account.

Mr. Rohner asked how are we making out with Pocono Park for H.S. North's graduation. Dr. Riker said it is sounding very possible.

**RECOMMENDATION BY THE COMMITTEE:**

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

**XII. Adjournment: 6:27 p.m.**

Respectfully submitted,  
Patricia L. Rosado  
Board Secretary