

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
POLICY REVIEW COMMITTEE MEETING
APRIL 15, 2024
CARL T. SECOR ADMINISTRATION CENTER & VIA ZOOM—4:30 P.M.
MINUTES**

- I. Meeting was called to order at 4:35 p.m. by Keith Karkut.
- II. **Policy Committee Members Present were:** George Andrews, Jason Gullstrand, Keith Karkut, and Debbie Kulick.
- III. **School Personnel Present were:** Brad Fitzpatrick, Eric Forsyth, Debra Wisotsky,
- IV. **Members of the Board Present were:** Wayne Rohner.
- V. **APPROVAL OF AGENDA**

RECOMMENDATION OF THE COMMITTEE: Motion was made by George Andrews to approve this agenda for April 15, 2024 (page 1), with members of the Committee reserving the right to add to the agenda and take further action as the Committee deems appropriate. Motion was seconded by Debbie Kulick and carried unanimously, 4-0.

VI. **APPROVAL OF MINUTES**

RECOMMENDATION OF THE COMMITTEE: Motion was made by Debbie Kulick to approve the minutes for by March 18, 2024 (pages 1-8). Motion was seconded by Jason Gullstrand and carried unanimously 4-0.

VII. **POLICIES FOR DISCUSSION:**

Policies presented by administration-

- a. Policy 006 Meeting—Mr. Karkut noted that most of the changes reflect the movement of citations to the end of the policy in addition to a change in the paragraph on page 10 of 13. Ms. Kulick stated this reflects what we were discussing at the last policy meeting. Mr. Karkut read, “Notations and any tape or audiovisual recordings shall not be the official record of a public Board meeting.” He noted the addition of the sentence, “Any notations and/or audiovisual recordings of a Board meeting shall be retained for one year from the date of the meeting and disposed of in accordance with the district’s records retention schedule.” Mr. Andrews disagreed, stating that he felt the audiovisual recordings shall be the official record. Mr. Karkut shared that many years ago before we had video, we used to record with a tape recorder and held that tape until the following meeting when the minutes were approved and accepted. That tape was then destroyed. Mr. Forsyth agreed the only official record of the Board meeting, according to law, is the written record of the minutes after the Board majority votes on them. Mr. Andrews stated that’s not true, that both he and Mr. Rohner were at the recent PSBA Conference, and they said video could be official. Mr. Forsyth shared that we also consulted with your solicitor and that Mr. Andrews was welcome to speak to the solicitor as well to confirm. Mr. Andrews stated he would rather go with PSBA who writes the regulations. Ms. Kulick shared that this reflects exactly what we spoke of last month, with the discussion of keeping the videos for one year and that she was fine with

the language. She also shared the minutes have always been the official record. Mr. Gullstrand stated, officially, there is no official record during that period until the next meeting when we approve those minutes. Mr. Forsyth replied, yes, that is correct. Mr. Gullstrand added, is it improper then to ask that the video that is provided by the district be that official record until the record of the transcript is put into effect, because then George can review the video and then look at the transcript. Theoretically, as Deb said, we don't want to keep it as the official record. George can go back and say, well I watched the video and say this part is missing. Your counter argument is well that isn't the official record of the transcript and therefore, does not need to necessarily be in there. I'm not saying you would, or you wouldn't. I'm just trying to figure out how to bridge that gap. They can't remain official because we remove those records over time as we stated after one year. Mr. Andrews asked why the video and the transcript can't still be official and retained on the website. Mr. Karkut stated, I see both Jason's and George's point. Basically, what you're reinforcing is that we rely on the videotape as well. The audio tape is always the source of clarification if there ever was discrepancy, and we review the tape. I would like for us to consider consulting Chris Brown or PSBA to see if they have any problem with us using the audiovisual tape. Mr. Gullstrand added I am also thinking about storage. We are not specifically discussing this committee; we are discussing all the committees across the Board. Ms. Kulick stated it will become cumbersome after a while. Mr. Gullstrand agreed and a substantial strain to sort, organize and keep that. If we are rolling it out every year and getting rid of it, then you would have to do a RTK request for a video that dropped off after a year. Right now, I can go to the website and pull agenda minutes from three years ago. Mr. Karkut said in light of George's statement, a transcript, not saying that the folks like Patricia or Deb that do the minutes don't do their job properly but could miss something. I'm surprised and I applaud you, that you get all the words that we do say and do it so well. I think what Jason is saying is a fair medium to allow the recording to be official until adopted. Mr. Andrews stated we still don't know if there is a mistake in the transcript or not. If we have a conflict, then we can go to the video. Ms. Kulick stated before the minutes are approved is what Jason is saying. Mr. Andrews said unless Deb is going to look at the video as she transcribes it. Mr. Forsyth stated that is what she does. Ms. Wisotsky agreed, stating I listen to the recording while I also transcribe from my written notes. Mr. Forsyth added, what this is saying is that we are retaining those, they are not going anywhere because they are a tool just like the notes used to be before we had even the audiovisual recordings, and none of those notes or anything taken by the Board secretary ever could be destroyed until after the Board approved the minutes. That means up until that time, when the agenda comes out three days before and has the previous meeting's minutes in it, everyone has the opportunity to review them and go back to review the audio or video. From a standpoint, legally, my understanding is we don't have an official record as a district, and we can't share an official record until approved. Ms. Kulick added in the long run, you will run up a lot more expense than you would, because you have your minutes and to cloud those things costs money. Mr. Forsyth noted you have an official record, when we are asked to supply anyone with an official record of what occurred at the Board meeting, we have to know what that source of authority is, and by School Code it is always the recorded minutes that are kept in bound books forever. We can go back to Board meetings back to the middle of the last century and find things in the file room that are the official records, so it is "the official record". That is what we are looking for. We are not going to take away the videos that are out there. They can be there for years if someone wants to watch them but if someone wants to know what the official voting record was, I can

tell you personally, and Deb can second it, it is not something you can easily discern alone from a video or audio recording because of how the votes are taken. It is up to the Board to see the recorded minutes to see that at the next meeting and say, yes, that is how I voted. If there is a discrepancy, we can always go back to those tapes. The point of the School Code is there is “an official record” and the official record has always been those written minutes. I know there is nothing wrong with keeping them, airing them, and doing what we want with them because it’s a broadcast on YouTube and Zoom anyway; but I would hesitate to make any change to the language on “official record”, because that isn’t something we can just change. That is referenced in the former legal references and our policies in the School Code Section 407, which is a very large section of the code, and I won’t be able to pretend to know it all at this meeting but in this case, I would be cautious to make any changes there until you at least speak with your solicitor or PSBA. Ms. Kulick suggested tabling this for another month and bring it back or I’m okay accepting it this way and revisiting it, so we have a policy that is solidly there, and we start putting out those videos and start to save for the year. Mr. Forsyth made a suggestion; you could motion to move this policy forward for advertisement and direct the solicitor to review specifically with regards to this language. That gives it the next 30 days to be looked at and it doesn’t keep you from passing it once it appears in the minutes of the agenda for next month. Mr. Karkut said, if we approve this tonight and allow for further legal review, if it is found to be that this is not right, then we would have to advertise for one more month. Mr. Forsyth stated, no, the School Code states that any policy that is going to be decided on by the Board simply has to appear on two consecutive agendas to let the public know this is happening. We have always looked at it as month’s because we have monthly meetings, but as long as it is on two agendas, we can go ahead the second time it appears. Mr. Karkut asked, so if we talk about this on this agenda is the School Code allowing us to talk about it next month and approve it or wait one more month. Mr. Andrews asked on the second time we can change it. Mr. Forsyth said yes, because you are talking about it publicly on two consecutive agendas. What the law is trying to prohibit is just bringing a policy up at a meeting, which by the way, can be done as long as the Board approves to waive the provisions of their own policy, which is a rarity. Otherwise, to keep it transparent two consecutive agendas. Mr. Karkut stated, so with that in consideration, will the committee entertain keeping it as is, asking for a review and second opinion by both our solicitor and PSBA and consider it for next month. The committee agreed. We will bring it back next month to pass it on to the full Board. Mr. Karkut thanked Mr. Andrews for his input.

- b. Policy 620 Fund Balance – Mr. Karkut noted this is a new draft. He asked if the committee wanted to read through the entire policy. Ms. Kulick suggested that they summarize. The purpose is the important part. Mr. Forsyth asked if Keith was aware as to why we are bringing this here now. This is something that was noted that was a policy the district did not have. Our policy manual went right from Policy 619 to 621, PSBA had a spot for this, and when we had our recent ESSERs review, it was noted that we did not have any policy to refer to which articulated this, even though the Board has clearly had a philosophy with regards to it. What our Chief Financial Officer did was he got some policies from other PSBA member districts and put this policy together with the recommendations that you see with regard to the percentages stated on the top of page two, which he believes reflects what the Board’s past practice has been. So rather than instituting a new practice, it was our CFO’s desire to memorialize the practice that the Board has been engaging in and you will see the policy still gives great room for

flexibility because it states this is the goal. Mr. Andrews asked what funds can be moved around, from one to another, and what makes up the general fund because it doesn't say that here in the policy and shouldn't it be. Mr. Forsyth stated, correct, this is not a full explanation of the GASB standards for government and accounting. Mr. Andrews added I understand we can't move if it's restricted, if committed we can move it from one fund to another, the assigned can be moved and unassigned is not assigned to anything. Do all these four add up to the general fund? Mr. Forsyth replied, the general fund balance, yes, but there are different funds that are separated out of that. You are actually looking for the hierarchical breakdown of what comprises the general fund vs. the enterprise vs. the capital reserve fund. Mr. Andrews said what I'm looking for is, do we have a way to find out the total amount in the general fund so we don't have to argue whether its \$30 million vs. \$60 million or \$100 million, because I can't keep up with it. Ms. Kulick shared this policy is talking about a specific fund balance perhaps it needs more of a definition as to which fund balance. Mr. Andrews asked if PSERS could be moved to capital. Mr. Karkut replied, it could as long as it is not in a restricted account. Mr. Andrews said there is nowhere in these definitions that say you can do that. Ms. Kulick stated this leaves you a lot more leeway because it is not specific with the exception of the assigned and restricted items. Mr. Andrews asked if we are adding this to the policy manual, the public should know what goes into the general fund. Mr. Gullstrand asked is this referring to the general fund balance. Mr. Forsyth replied, unassigned. Mr. Gullstrand stated, "because it says, consisting of several portions including restricted, committed, assigned and unassigned". The first statement on the second page, "If the unassigned portion of the fund balance falls below the threshold of three percent (3%) of budgeted expenditures, the Board will pursue options for increasing revenues and decreasing expenditures, or a combination of both until three percent (3%) is attained." This kind of ties our hands if our fund balance falls below 3%, that basically clicks on one of two things. We increase revenue, which is raise taxes, or decrease expenditures, which is cut programs. That statement alone makes it that we must do one of the two or a combination of both if the balance drops below 3%. That is a concern that the Board would no longer have the authority to decide whether or not to increase taxes, stating that we have to increase taxes or decrease expenditures. I want to know exactly where the 3% is being calculated and can that money be moved in and out from that, because based on that statement it gives us only one of two options. The third option of moving funds into the unassigned balance is not there. Mr. Karkut added the fact that if it is over, it is limiting that number too by saying not for normal operating costs. Basically, everything we have is operating cost. What is the committee's feeling, do we want to table this? Ms. Kulick suggested a running list to be updated yearly of exactly all the funds that comprise this fund balance. Because there will be things that will not be part, such as an athletic fund, class fund, or whatever. If it talked about the titles of the funds that we are including in the fund balance, I think that is what we are asking for. Mr. Andrews also stated the cafeteria and special activity funds are not part of it. Mr. Karkut suggested they table the policy and that he can reach out to Mr. Bard to get clarification.

Public Participation: Mr. Rohner asked if PSBA has a generic template for Policy 620? Ms. Wisotsky stated that the proposed draft follows the PSBA template verbatim and that they leave the percentages blank for the district to fill in as they see fit. Mr. Rohner stated that he would like to personally see the template. He also commented that the PA Auditor General report of January 2023, admonished/scolded those school districts in the state of Pennsylvania for utilizing this accounting method of committed and assigned for millions of dollars into an expired fiscal year for the sole purpose of lowering your fund

balance, so that I can go to my community and say that I need to raise your taxes. I don't understand why we have to commit assigned and put it into an expired fund balance that's why your fund balance right now is \$93.9 million dollars. Mr. Andrews stated I thought it was \$51 million. He added, George, you and I do the math every month. Mr. Karkut noted, George, that is only one account. Mr. Rohner stated, no that is four accounts, we take assigned and committed, its invisible, and that's why the Auditor General wrote the report. Mr. Andrew's asked, so your saying \$93.9 and Mr. Bard is saying \$51. Mr. Rohner said no, that is not what he is saying the projected general fund balance on June 30, 2024, will be \$51 million. Mr. Andrews said we will wait to see what the fund balance is on June 30, then the projected and it should be the same. Mr. Rohner stated but it won't be, for nine years I have not seen it.

Mr. Karkut noted one thing before going on to advisory recommendations. At previous Board meetings, the Board has tasked us as a committee with looking into certain policies and where we need to refine. As a committee, how are we going to handle that. The administration is recommending policies to us but what do we need to do as a committee. It is a question of how to handle this because of issues brought up at the regular Board meeting. What direction should we go? There is a great concern in the public about the regulations that we have. Mr. Andrews stated that we as a Board are supposed to get every AR to approve it; it's in Policy 006. Mr. Karkut added that is why I am bringing it to the committee level to tell the rest of the Board this is what we need to look at for where our direction is going and what we need to discuss. Mr. Andrews stated we as a committee and the Board need to see every single AR. Ms. Kulick asked so are you asking to review the AR's first and then start talking about policies. I'm not disputing that part; I'm asking is that where we want to start. My point is that we use PSBA as a guide if we had virtually all the current PSBA's for each section and what the current templates are and what we have, then that would have us focus on it for reference. Mr. Karkut said PSBA has suggestions for AR's. Ms. Kulick stated I'm not talking AR's; I'm just talking policy. Mr. Karkut asked is it possible to get a copy of PSBA suggested guidelines to have as a manual. Ms. Kulick added by each section. Ms. Wisotsky replied that PSBA does not have an actual book to share. The way PSBA's subscription works is you can request 10 sample policies per year, and they only post on Board Docs the last three years of PNN Newsletters with updates with sample policies. It may only be the last two years; I'd have to check, and they drop the previous year. Mr. Karkut asked so it is virtually impossible to get a manual to compare and contrast. Ms. Wisotsky stated otherwise you would have to pay an additional fee above the subscription to request more. So, we can start by requesting whatever 10 policies you'd like, of which I have already requested a few, so we may only have 8 left for this year. Mr. Forsyth shared, we also have the dates that the policies were last reviewed, and we've been through a number of them using PSBA templates in the recent years since we've had a policy committee. We can go back and look at the oldest ones first. Mr. Karkut suggested having the PSBA template behind ours like we did at the last meeting. It took us a little longer, but at least we feel we are doing our due diligence to check the sample against our policy. That gives us a plan. Ms. Kulick stated as far as the AR's go, how many are we talking. Ms. Wisotsky stated the current ARs are already posted to the website right below the policies. Mr. Andrews asked if this is all of them. Ms. Wisotsky replied, there are some that we don't post to the website for security reasons, possibly 4-5 AR's. Mr. Andrews stated that we as Board members have a right to see every AR. Ms. Kulick agreed that these may primarily be security-related, and we should not get copies of them but could view them. Mr. Andrews stated there is no such thing as a confidential AR to the Board because we have to approve all AR's. Ms. Kulick added that you can see it but not printed copies that can go out. Mr. Karkut agreed that every AR is to be reviewed and approved by the Board. He added this concerns him that we have AR's out there that we are unaware of. We may have to judge a staff member or student that might be reprimanded and there is an AR we don't know about. Ms. Wisotsky said again, the AR's not on the website are security related, such as fire drill procedures or access control. Mr. Karkut stated that would be a procedure and not an AR. The confusion I have with AR's is to clarify and back up a policy and give direction to the school district on how to interpret our policy. If there is a problem that we do not have a policy, then we need to create one and not just an AR. That is where it is questioned that there

are ARs without policies. Mr. Forsyth shared everyone is speaking but I think we are all saying what it says here in School Code 510 and our Policy 003, "The Superintendent shall be responsible for the preparation of administrative regulations for the operation of the school district that are not inconsistent with state and federal statutes or regulations; are dictated by the policies of this Board; are binding on district employees and students when issued; and shall be submitted to the Board for review. The Board reserves the right to alter or rescind any such regulation." To the point Deb was making, and I'll explain because the content won't be disclosed, we may have an AR that deals with our access control policy that the Board has set, as far as establishing proper controls as to who can enter the buildings and when. That AR would reveal what times certain cards might work and times when they may not, so an access control AR may not be one you would see on our public facing website. Mr. Andrews stated we all agree on that. Mr. Forsyth said again, just to clarify what Deb was stating, we don't call them secret, they're just not public. It promotes consistency in doing things not arbitrarily or capriciously using a standard.

Mr. Forsyth announced he texted Mr. Bard and he has arrived to answer any questions you may have for Policy 620 Fund Balance. Mr. Gullstrand stated we were just trying to figure out for the total fund balance of committed, restricted, assigned. Is the fund balance going to be the total of all of those. Mr. Bard replied, yes. Mr. Gullstrand continued, if we already have assigned, would that include the capital reserve fund. Mr. Bard replied, no, this would be just the general fund. Mr. Gullstrand said we have multiple general fund balances. Mr. Bard shared it would be the general operating fund and not be capital funds, special activity. When I present the budgets tonight and the general operating fund balance of \$51 million, the reason we have to do this policy at all is during our ESSERs monitoring, we were flagged for not having this policy. Where I came up with the percentages, I pulled several different policies from school districts across the area and came up with those percentages. Eight percent comes from our PDE forms which it appropriately allows in the School Code for what districts can have in their unassigned. We never usually have more in unassigned for what the districts uses and the CFO has free reign to use it on whatever, not necessarily outside as the Board controls spending overall, but the unassigned is really the amount that is undeclared by the Board. Mr. Andrews asked can you take the money from the committed and move it to the assigned. Mr. Bard said, that is correct. Mr. Andrews asked if the total fund balance is the general fund balance plus the capital fund balance. Mr. Bard said yes, that is the overall total fund balance. The capital reserve stays in the capital reserve and can only go toward capital projects. That does not go into the percentages you are figuring out. Furthermore, the Board has been doing this forever, this is just putting it in practicum or word form. The Board commit the funds into different things after the audit is complete, with the CFO recommendation. The money sits there and at budget time we present our recommendations for where it's supposed to be and then we recommit the unassigned balance and sometimes you make a transfer into the capital reserve, which you save that money for capital projects. Mr. Andrews asked so the capital reserve plus the fund balance equal the total operating balance. Mr. Bard said yes that's the total fund balance but for the policy's sake it is only counting the general operating fund, not the total fund. Mr. Karkut stated there's the confusion. Ms. Kulick suggested changing the title of the policy. Mr. Karkut said this policy is called Fund Balance and what I'm gathering is that we have many balances, so which one are we talking about. Mr. Bard stated the general operating fund. Mr. Karkut said in the definitions it states, "Fund balance is a measurement of available financial resources. Fund balance is the difference between total assets and total liabilities in each fund". It just needs to be tuned a little. Mr. Bard stated I am only going by what the ESSER monitoring was specifically looking for, the general operating fund and not the capital reserve fund. We can make that edit change to the title and can bring it back next month for clarification. Mr. Gullstrand stated, maybe this sounds ridiculous but, when you provide our treasurer's reports every month and you know what our balance is, inform us when we get to either one of those thresholds, the 3% or the 8%, so we can have an idea of where we are at. Mr. Bard stated we are not even close to those levels yet. When we get there, there will be sufficient warning for multiple budget years past when you get there. Mr. Bard asked if Mr. Rohner had any questions. Mr. Rohner stated, every year, we approve a budget for the five,

general fund deposit accounts: PLIGIT, ESSA, Keystone, capital reserve. Mr. Bard said TD Bank is latest account for the PLIGIT fund. Mr. Andrews asked do we have to put money in that to close out the account. Mr. Bard said no. Mr. Andrews asked, how do we address that as a Board. Mr. Bard stated when you approve the general fund bank transfers in the July fiscal year, I didn't put TD Bank on there. We never hold it in an account, it is just there if the rate became more advantageous to open and put in a deposit, so we hold it in an account; that's why you don't have a deposit included in your statements. You never entered any deposits into that account. Mr. Andrews asked didn't we take \$5 million last year and put it in an expired account from this budget. Mr. Bard stated I believe one transfer we made was to the capital reserve. What transfer do you mean? Mr. Rohner stated we were talking about the extra fund, the unassigned dollars. Mr. Andrews said the one where it made it look like we had to raise taxes. Mr. Rohner stated we commit and assign millions and put it into an expired fiscal year for the sole purpose of draining the ending fund balance. Mr. Bard stated that is an accounting equation it is not moving actual dollars. It was done as a recommendation by our auditors at the end of the year to rectify the account equation toward that fund balance. Mr. Andrews stated it shows up as having less money than we actually have. Mr. Bard shared we have fund balance that was added to a previous year later than normal. It shows we have a fund balance to a committed level. What Wayne is talking about is that we have less in the unassigned and more in committed dollars. It was the funds ending up in one bank account it was just moving it to different levels. If you go above the 8% threshold for unassigned dollars, the state can flag you for too much money in your unassigned fund balance. It is not about looking to have less money to raise taxes. We haven't raised taxes in many, many years. It's more to move funds to committed or assigned fund balance categories. Mr. Bard stated, so what we did with the money was after the fiscal year was over it is moved to a different category because the auditor recommends that we do that as an accounting piece or clerical suggestion by the auditors. Mr. Andrews asked, why does the state say it's illegal. Mr. Bard shared the state didn't say it was illegal, but the state guidelines are no more than 8%. They basically penalize you if you have too much that is not committed or assigned to different aspects of your budget. Ms. Kulick stated you need to give it a home. Mr. Bard said if we put money into PSERS, future healthcare costs, or future educational expenses and such. To the general public, it looks like a shell game but its not. You're committing it for future expenses. Debbie couldn't have said it better, you need to find a home for it. You can't just have it sitting out there like we have \$20 million unassigned. You must earmark if for future education programs which could include curriculum or textbooks or wherever you want to assign it.

VIII. ADVISORY RECOMMENDATIONS

RECOMMENDATION OF THE COMMITTEE: Motion was made by Debbie Kulick to table Policy 006 Meetings and 620 Fund Balance until next month for further discussion/review and second opinion by both our solicitor and PSBA. Motion was seconded by Jason Gullstrand and carried unanimously 4-0.

IX. ADJOURNMENT: 5:23 p.m.

RECOMMENDATION OF THE COMMITTEE: Motion to adjourn was made by Debbie Kulick. Motion was seconded by George Andrews and carried unanimously, 4-0.

Next meeting: May 20, 2024, at 4:30 p.m. in the Carl T. Secor Administration Center Board Room

Respectively submitted by,
Debra Wisotsky