

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
December 15, 2020
VIA Zoom
5:30 P.M.
Minutes**

- I. **The Chairman**, Rebecca Bear, called the Finance Committee meeting to order at 5:30 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. **Board Committee Members Present:** George Andrews, Rebecca Bear, Larry Dymond and Rich Schlameuss.
- III. **School Personnel Present:** Brian Baddick, Brian Borosh, Melissa Collevecchio, Diane Kelly, Tom McIntyre, William Riker, Dawn Rohrer, Patricia Rosado, and William Vitulli.
- IV. **Community Members Present:** None
- V. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to approve the agenda for December 15, 2020 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 Larry Dymond and carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to approve the minutes of the November 9, 2020 meeting. Motion was seconded by George Andrews and carried unanimously, 4-0.

VI. ITEMS FOR DISCUSSION:

- a. Antivirus – FortiEDR – three options –
Mr. Brian Borosh said the district had a Microsoft antivirus solution, which covered all windows and mac computers. Microsoft decided to stop service for mac computers so the district had to buy an antivirus solution for mac computers. The district would now like to buy a program for all computers. Recently, there were two machines, one window and one mac, that got infected. He said his department sought out several antivirus solutions and decided on the FortiEDR solution. Mr. Borosh said they put out bids and received four quotes for one-year, three-year and five-year contracts. The expense for the antivirus solution will be fully funded through a federal grant. He said he believes the five-year contract is the most cost effective. Mr. Andrews asked if the four quotes are for five years. He said the five-year quote from Integra is \$104,028.00 and ePlus is \$344,231.86. Mr. Borosh said it is the same product that they bid on. Integra One's and Shi's bids were close but the other two bids were very high. Mr. Andrews said that is why he was questioning if they bidded for the same item because he thought their bids were for different products due to the difference in price. Mrs. Bear asked if the antivirus protection that the district currently has failed. Mr. Borosh said it did not fail but he and his department do not believe what they currently have is the best product to protect the

devices. The Microsoft is part of the system center. A virus was able to come through two computers. The ITEC Department was able to catch the issue, but not with the current antivirus solution that is in place. Mr. Borosh said the other program that protects the macs did not catch it either. He said in his professional opinion, if what we have, which are two antivirus programs, is not catching a virus that is a concern to him. Mrs. Bear asked if the district would be able to get funds back from the previous company due to the breach that occurred. Mr. Borosh said there was no breach. The computers got infected and his department caught it but not through the antivirus product. The antivirus product that the district has for the Mac computers expire on February 1st. The other virus product for the Window computers is part of the IU 13 bundle. The district is currently under a five- year contract with the IU13. Since the product is part of the bundle, the district pays for it anyway. The licensing is for Office, Microsoft, System Center, Servers, etc. Mrs. Bear asked if the Window computers got the virus. Mr. Borosh said one Mac and one Window computer got the virus. Mr. Andrews said it does not matter if the district does not use the antivirus product through the IU13 because since it is part of the bundle, it is still being paid for. Mr. Borosh said he is correct and the Mac antivirus product expires in February 2021. By adding the FortiEDR to the Fortinet Firewall and Fortisiem that the district recently purchased, makes sense. Mr. Dymond asked what is the total cost of all three products. Mr. Borosh said he does not have that information with him but can provide it to the committee. Mrs. Bear asked if they gave the district a bundling discount since three items have been bought through the same company. Mr. Borosh said he was told that they gave the district a very aggressive price. It also helped that the end of their fiscal year also falls under the end of the year so they have the best prices available at this time. Mr. Schlameuss asked if this antivirus product would be installed for the Mac computers. Mr. Borosh said it will be installed in all Window devices, Mac devices and all servers in the data centers. Mrs. Bear asked if the product will also be installed in the students' computers. Mr. Borosh said it will not be installed in the students' Chromebooks. Mrs. Bear asked if the Chromebooks have any antivirus protection. Mr. Borosh said they have certain products through Google but not an antivirus product. Chromebooks are new; therefore, no virus have been detected on them as of yet. It is a different machine that does not store information but it is a terminal to access computing that is done in the cloud. Windows and Macs have files that are stored locally. Mrs. Bear said; therefore, the product is for the teachers and administration staff. Mr. Borosh said it is for professional, administrative, secretaries and Business Office staff. It is also for the labs that the high schools and intermediate schools have. Mr. Dymond asked if \$104,000 is for a five-year period. Mrs. Bear asked if the payment is spread out in five years or do we have to pay it upfront. Mr. Borosh said the total is for five years and it has to be paid upfront through the grant. The product is very aggressively priced similar to an end of the year sale. Mrs. Bear asked if the product comes with software update. Mr. Borosh said regular updates are included. The district is eligible for the subscription so as programs are updated or rewritten, the district will receive them.

b. Computer bids – informational discussion

Mr. Brian Borosh said, historically, computer bids are done in June or May for the Board's consideration. Last year, they were approved in May, thankfully, since they were able to get the computers in July. He said he has now been told that they have a six-month backup due to lack of supplies such as glass for the computer screens. The bids are due Monday, January 4th. He will bring the results to next Finance Committee meeting in January for the Board's consideration. Mrs. Bear asked how many computers is he bidding for. Mr. Borosh said the bids are for approximately 1,500 Chromebooks for grades 1, 5 and 9. The student keep their computer for four years. The bids are also for some administrative

computers at the elementary level. There is a separate bid for teachers' mac computers. He will also have the pricing for the macs at the next meeting. Mrs. Bear asked if the district refurbishes the computers that are turned in at the end of 4th grade and 8th grade. Mr. Borosh said the computers go through a lot of wear and tear since students take them home. The district has been keeping the better computers to use as spares and parts and the other ones they sell to a recycler to generate funds for the district. Mr. Schlameuss asked if Mr. Borosh is looking for any particular decision from the Committee members tonight. Mr. Borosh said he just wanted to inform the Committee that he will be bringing the bid results to the next Finance Committee meeting due to the lack of parts and supplies that current exist. Mrs. Bear asked of the Kindergarten students will also be receiving used computers. Mr. Borosh said students are receiving computers but due to the size of a Kindergarten child, some may struggle with a computer. Once the students are back to permanent in-person learning, the devices will remain in the classroom. Mr. Dymond said once the bids on the computers come back, there is no specific date of when they will be received due to the back log. Mr. Borosh said he was told to plan on a six-month delivery time. If the Finance Committee approves the bids in January, it will then be forwarded to the Board at their January 25th Regular School Board meeting. The district will then look to get the computers in July or August. Mr. Dymond said it would not be the end of the world if the students do not have the computers for the first day of school. Mr. Borosh said it would not be a hardship but he would like to get it to the students to help them hit the ground running from an instructional standpoint. Mrs. Bear said the 5th and 8th graders can be informed to keep their computers until the new ones come in. Mr. Borosh said the students can hold onto their computers over the summer for the summer programs. Mrs. Bear said this should definitely be done this year. Mr. Schlameuss said we are going to spend this money anyway. We need to be in the que to receive them. Mr. Dymond asked when will the quotes come in. Mr. Borosh said the quotes will come in during January. Mr. Dymond asked for a copy of the specifications and the warranty on them. Mr. Borosh said what warranty. Mr. Dymond said the warranty if they get damaged since we do not currently have any warranty on them. Mr. Borosh said currently the Chromebooks have a three-year warranty and it has been placed in this year's specs, too. Mr. Borosh said he will send the specs to the committee members. Mr. Schlameuss said the bids should not contain the same specs as last year but rather reflect the newer technology. Mr. Borosh said that is correct.

c. Food delivery program

Ms. Melissa Collevecchio said she provided the Board members a brief update on the district's meal program comparing the revenues and expenses with the meal delivery vs. without. During the month of September, the district only provided meals to students who attended in-person instruction. In October, they implemented meal instruction on the buses and it doubled in revenue. The analysis on the update indicates that they suffered a lost without meal deliveries. With the meal deliveries including bus driver cost and fuel, they still had a profit. Grab and go sites were also operational. Ms. Collevecchio suggests that even if the students go into hybrid learning, they should continue meal delivery so that the district does not suffer a lost. Mr. Andrews asked if meal deliveries were being done in September. Ms. Collevecchio said they were not. Mrs. Bear asked how long will the district continue to receive funds from the State. Ms. Collevecchio said the funds will be provided to the district through the end of June 2021. Mr. Andrews said in September the district was not getting reimbursed but in October they were. Ms. Collevecchio said the difference is that in September there were no meal delivery but in October there were; therefore, the district is serving a lot more meals with the meal delivery. Mr. McIntyre said another item is that whether they have meal deliveries or not, the cafeteria is fully staffed with a limited

number of students in the building but were not producing a lot of meals. That is why the difference in October is that they were able to deliver the meals with the same amount of staff. Mr. Andrews said furthermore we are helping the students. Mrs. Bear said she has received positive feedback from the community about the meal deliveries. Mrs. Collevchio said the staff is doing a wonderful job. Mrs. Bear asked Mrs. Collevchio to let the staff know that they are appreciated. Ms. Collevchio said she told her staff today how much they are appreciated.

d. Bus stop arm cameras - \$148,676.00

Ms. Dawn Rohrer said she received a grant for \$140,000 for the bus stop arm cameras. She got three quotes one from Provision, which is the current camera system that the buses currently use, one from Safe Fleet and one from Gatekeeper. She said she would like to go with Provision because they are a Costar partner and the cameras are Provision cameras. If we try to install the bus stop arm cameras from a different company, it will take more time to install them and they may not work properly because it would be two different systems. If the district picks Provision, it will be one system and the infrastructure is already there making it easier to just plug the cameras in. They arm cameras are unique and catches everything for those cars passing through the red light. The cameras are on the side of the bus with amber lights that start running once they detect the car. Hopefully, they will deter cars from running the red lights and Ms. Rohrer hopes to get support from law enforcement and the magistrate. She said the mechanics know how to install the arm cameras so we do not need to pay the installation fee. The cost of the arm cameras is above the \$140,000 amount of the grant but she has money in her budget to cover the difference. Mrs. Bear asked if the arm cameras get a view from both sides of the bus. Mrs. Rohrer said it picks up the view from all sides. She said that some magistrates do not want to prosecute a car that passes the red light because they do not have a picture of the driver. With the arm cameras, they will be able to provide the picture of the driver. Mrs. Bear asked if the arm cameras are removable in order to place them on new buses that are bought. Ms. Rohrer said the entire camera system can be removed. She said the district's mechanics know how to remove them and all of the systems into the new fleet of buses. Mr. Schlameuss asked will the cameras connect into a hard drive or do they have their own hard drive. Ms. Rohrer said they will have their own card that can be downloaded. Mr. Schlameuss said once she has a driver that passes the red light, then the card can be looked at to download it. Will someone have to physically remove the card? When this happens, who will take the information to the magistrate? Ms. Rohrer said the form will need to be filled out in order to be used as evidence. Once that is done, it can go to the magistrate for the magistrate to see if that was the person that passed the red light. Mr. Schlameuss asked who will be doing this task. Ms. Bear asked if Ms. Rohrer will assume the responsibility. Ms. Rohrer said the director or the supervisor will be responsible to do this. Either will have the capability to read the card. Mr. Schlameuss asked who will read the card and file with the magistrate. Ms. Rohrer said she will, and she will also let the State Police know. She said once a person runs the red light, they are given the choice to pay the fine or go to the magistrate. Not all situations go to magistrate. Mrs. Bear asked how will they determine who pay the fine or lose their license. Ms. Rohrer said it depends on the individual if they pay the fine and then the magistrate will determine the outcome. Mrs. Bear asked how much memory is on the card. Mrs. Rohrer said the cards rerecord; therefore, if they need one, then they pull it. Mrs. Bear asked how often are the cards rerecorded. Mrs. Rohrer said they rerecord every two weeks. Drivers will need to be diligent in bringing the card to her when something occurs. Mr. Schlameuss asked how many instances has the district brought to magistrate. Mrs. Rohrer said they had one person that went to the magistrate and paid the fine. Mrs. Bear said she also reported one.

Ms. Rohrer said the driver cannot always catch a license plate or the driver because they are attending to the students. The cameras will help because if the driver lets them know when it happens, the card can be pulled to help find the person who ran the red light. This will help drivers concentrate on the children rather than the cars. Ms. Bear asked if the arm cameras catch the information in the dark. Mrs. Rohrer said they would. The lights come on from the time they put the ambers on. Mr. Dymond said the lights will make it look like it's daylight. Ms. Bear said the district needs the arm cameras because she constantly witnesses people running the red light. Ms. Rohrer said she is not sure how PA collaborates with NY or NJ. She said she is not sure if it gets reported out of State. She said in her opinion, NY and NJ should be under the same penalty as PA. Mr. Schlameuss said the points may not transfer but the fines would. Mrs. Bear asked where does the money that is collected on the fines go. Ms. Rohrer said she does not know but in PA a first offense of running the red light is suspension of your license. If NY just gets a fine, then, they may not get their license taken away. Mr. Schlameuss said he believe that in PA the fines go to PA. Mr. McIntyre said he is correct. Mr. Schlameuss asked if Ms. Rohrer will have the time to do the paperwork. Ms. Rohrer said she will. She said what they will do is if a driver reports that a car passed the red light, the mechanic, Patrick will get the card from the bus and bring it to her. She will then download the information to her computer in order to have the evidence ready for the magistrate. This is the procedure they have in place. They have plenty of replacement cards. Mrs. Bear said the judge up north is very strict in this area. Mr. Rohrer said south and north judges should be strict due to deaths that have occurred to students from cars that passed the red light. Many bus drivers are left to deal with the ramifications of the death of a student. Ms. Rohrer said she would recommend choosing Provision because it is easier to install and the transition will be smoother. The district's mechanics are familiar with the installation, which will cost much less than what Provision would like to charge. Mr. Dymond said he believes that at the North Campus, the security officer pulls the card from the bus and sends the information electronically to transportation. Ms. Rohrer said if the officer knows about it and has been involved with the situation, then they have provided the information to her. Mrs. Bear asked if the officer makes a visit to the home of the individual that passed the red light. Ms. Rohrer said our security officer does not but the State Police may make a visit. Mrs. Bear said a district police officer can assist at a bus stop. Mrs. Rohrer said she has asked for the State Police for assistance when they have had a complaint from a parent. They complied by coming out and speaking with the parent that complained. The State Police and School Police have assisted in this situation.

e. IU fuel bids – informational discussion

Mr. Tom McIntyre said normally during this time of the year, the Committee would see the bids for fuel usage through the IU. Due to the pandemic, the IU pushed off the bid opening until a later date. He will have a meeting on Friday and will get further information. The IU will probably not go to bid until February or March. He said he will have more information at next month's Finance Committee meeting.

f. BerkOne Act 80 proposal bundle B \$730.00

Mr. Tom McIntyre said this approval is normally done each year to make sure that the correct income tax is going out to the correct municipality. The Proposal of Bundle B in the amount of \$730.00 is the same price as last year.

g. Act 1 resolution/preliminary budget

Mr. Tom McIntyre said he provided a copy of the PowerPoint budget presentation to the Board members and will also be speaking about it at the Regular School Board Meeting.

He said he met with department heads and they are happy with the budget that he is presenting. The whole Board will have to make a decision if they want to just approve the resolution not to raise taxes above 4.2% index or do a preliminary budget, which allows the district to ask the State for exceptions.

He presented as follows:

Page 3 – Property Tax Collections – The collection period is from August through October. Right now we are about one million dollars ahead of last year's collection. This means that people are paying prior to the discount period. He said he will not have final numbers until mid-January, when the tax collectors reconcile the numbers. The number is much better than he had expected.

Page 4 – Earned Income Tax Collection – These numbers are from July through October and they are \$100,000.00 ahead from last year. In his opinion, this means that people are working and paying their taxes, especially during the COVID-19 lock down. This is a great start for the first 3 months of the school year. Mrs. Bear asked if we are ahead of where we were last year. Mr. McIntyre said the district is about \$95,000 ahead from where we were last year. This is about \$150,000 ahead of where the district was two years ago. We are doing well in this category.

Page 5 – Mr. McIntyre said he now has some not so good news. Charter School Costs – enrollment in 2019-20 it was 241 students and now in 2020-21, as of October, the enrollment is 461 students that are in a charter schools. Tuition in 2019-20 for a Special Education student was \$34,326.00 and for a Regular Education student it was \$14,027. In 2020-21 the tuition cost is \$35,041 for a Special Education student and \$14,319 for a Regular Education student. He said he calculated the tuition numbers at 80% for Regular Education students and 20% for Special Education students and it was about 4.5 million dollars last year for charter school costs. This year, it doubled at about 8.5. million dollars. We do not know at this time if this will be for the entire year. On the bright side, other districts lost a lot more students to charter schools. Thankfully, our district has their own ESACA. Mrs. Bear said Mr. McIntyre had estimated the charter school expense to be five million dollars but we are closer to four million dollars; therefore, we are doing better. Mr. Andrews asked how many students do we have in our own cyber academy (ESACA). Dr. Riker said we have 2,800 students in ESACA. Mr. Andrews said imagine if we didn't have our own cyber academy. Dr. Riker said, typically the district has about 300-400 students in ESACA and we now have about 2,300 that could have left to a charter school but chose to stay within the district. Mr. Andrews said if the 2,300 students would have left, it would have cost the district about \$34,000 or 14,000 per student.

Page 16 – Controllable and Uncontrollable Expenses

Controllable – Staffing, Class Size, Facilities, Collective Bargaining Units and Non-Mandated Programs

Uncontrollable – PSERS Rate, Charter Tuitions, Geographic Location, Mandated Programs (Special Education and English Language Development).

Page 21 – Fund Balances Constraint Hierarchy – Board Control

Non-spendable – Inventories & Prepaid Items

Restricted- (Imposed by Law or Externally Imposed) Once you put money in an account such as capital reserve, you cannot use for anything else.

Committed – Formal Action by the District (Board Resolution)

Assigned – Expressed Intent – Management or Board Action

Unassigned – No Restrictions – State Limits Apply -8%

Page 25 – Act 1 of 2006

Taxpayer Relief Act of 2006

Requires the following:

School District limitations on raising taxes

- Base Index
- Adjusted Index
- Exception Index
- Referendum

Prescriptive Timeline

Tighter deadlines for budget preparation

Property Tax Relief for Approved Homesteads/Farmsteads

Mr. Andrews asked if the Board can go up to a 4.2% tax increase. Mr. McIntyre said they can if they approve the resolution. Mr. Andrews said raising taxes at 4.2% would still keep the district in the negative for next year. Mr. McIntyre said he is correct.

Page 27- Act 1 Budget Timeline

He said the Board would have to decide at the December 2020 Regular Board meeting if they would like to approve the “Opt-Out” Resolution like they have done in the past in order not to raise taxes over the 4.2% index. The other choice is to move forward with a Preliminary Budget in order to ask PDE for the exceptions. PDE will need to approve the exceptions or they may not approve any. Mrs. Bear asked even if the Board receives exceptions, they do not have to raise the taxes above the 4.2% index. Mr. McIntyre said that is correct. Mrs. Bear said having the choice would be just in case it is needed.

Page 30 – Act 1 Index

Base Index = 3.0% which increased from 2.6%

Adjusted Index = 4.2% which increased from 3.6%

It would generate \$4,944,318 of new revenue if the district would increase the taxes at the new index.

Page 32 –Where does the money come from?

State - 30.36%

Local - 65.65%

Federal – 2.95%

Other Sources – 1%

Page 33 – Local Revenues based on Real Estate Taxes, Income Tax, Local Service Tax, Delinquent Tax, Assessed Values, Collection Rate and Millage Rate.

Mrs. Bear asked if the district’s collection rate is better this year. Mr. McIntyre said it is. Mr. Schlameuss asked if the collection is better or is it because of the assessment which changed the formula to increase revenue. Mr. McIntyre said our assessed value went up

this year compared to the prior year. Moving forward, it decreased slightly. We have to generate more tax dollars with less of a value.

Page 34 – Due to having a multi-county district both counties, Monroe and Pike Counties, would need to be balanced. In Monroe County, the assessed value decreased by \$41,745,745 (1.57%) and the assessed value slightly decreased in Pike County by \$148,990.00 (0.077%). If there were not to be any tax increase this year, Monroe County would remain the same at 30.72 but Pike county would decrease from 123.66 to 121.21 in 2021-22. Mr. McIntyre said he would like to make sure that the Board understands that even if there were no tax increase Pike County would decrease slightly.

Page 35 – If the district would increase the millage to 4.2% index:

Monroe County – would increase to 32.0458 in 2021-22 from 30.72 in 2020-21 and Pike County would increase to 128.8537 in 2021-22 from 121.21 in 2020-21. The increase would generate about 4.9 million dollars. Mr. Schlameuss asked since the assessed value went down about 1% is that why the index went from 2.6% to 4.2% or was there another formula that calculated this number. Mr. McIntyre said it was a different formula because there is a lot of moving parts to arrive at the index. Mr. Schlameuss said if the assessed value changed, would that have gone to 4.2%. Mr. McIntyre said it would have still gone to 4.2%. Mr. Schlameuss said we are losing 1.9% even with the gain. Mr. McIntyre said he is correct. The property value has dropped, so we are getting that increase based on the lower assess value. Mr. Schlameuss said we have to get more mills in order to get back to where we were. Mr. McIntyre said we would need to get more mills to get where we were last year.

Page 36 – State Revenues are benefiting the ESASD. When he started at the district they received 22% and now we are slowly receiving more at 30.36%. It is difficult to predict the funding, especially this year due to COVID-19. The worst case scenario is that the State would flat line the revenues for this year. The State has a lot of ground to cover in order to balance their budget. Hopefully, they will not forget about the school districts. The new Basic Ed funding formula has helped the district.

Page 37 – Federal Revenue is being budgeted at the 2020-21 levels. They may go down. There is nothing set in stone. They are waiting for the new administration to take office. They are in the same financial situation as everyone is due to the pandemic.

Other revenues of 1.44% come from proceeds from financing leases and sale of fixed assets.

Page 38 Revenues – Total – 2021-22

Local	\$104,042,108 – 2020-21 and \$104,805,231 – 2021-22
State	\$ 47,828,977 – 2020-21 and \$ 48,471,926 – 2021-22
Local	\$104,042,108 – 2020-21 and \$104,805,231 – 2021-22
Federal/Other	\$ 8,233,633 – 2020-21 and \$ 6,359,709 – 2021-22
Total	\$160,104,718 – 2020-21 and \$159,636,866 – 2121-22

Mr. McIntyre said he hopes more revenues will be generated as they progress through the year. Mr. Schlameuss said the revenues for this year were lowered due to estimating that the collection of the taxes would be less; therefore, the local revenue for 2020-21 would probably be around 106,000,000. Mr. McIntyre said he is correct. He had budgeted conservatively but due to the property assessment, the district will probably be receiving

less taxes but the investments are staying steady. There may be more increases down the line. Mrs. Bear said last year around this time, the principals' budgets were reviewed to see if they are spending wisely. Has there been any savings this year? Mr. McIntyre said currently, the budgets have been spent at 40% or less. Our paper supply order for next school year was close to nothing. We have enough paper for next year. We are stocked and ordered small amounts. This expense is included in the budget. Mrs. Bear said the district is also doing a better job with the ordering of all supplies due to the supervisors keeping an eye on all inventory. Mr. McIntyre said that is correct.

Page 39 - Salaries and Benefits are 72% of the Budget for 1,200 Staff.

Page 40 – Debt Service is 11%

83% of the District's Costs are fixed

Less than 20% of the District's costs are variable i.e. supplies, books, utilities, etc.

Some expenses are not directly controllable by the District I.e. Special Education and Alternative Ed Services, charter school tuition, etc.

Page 41 comparing salary and benefits cost from last year to this year, it is projected to have a 3.7 million-dollar increase (3.10%), which includes benefits, PSERS, etc. The professional contract will expire at the end of this school year and an increase in this area has been placed in the budget.

Page 42 Non Salary & Benefit costs projected to increase i.e. contracted services, other purchased services, debt, supplies, etc. All Administrators have done a great job with maintaining the expenses low. Mr. McIntyre said he increased cyber charter expenses by two million dollars and hopes it will be less. Mrs. Bear asked why does the district have to pay for a cyber/charter school and not a school like Notre Dame. Mr. McIntyre said charter schools are considered to be a public entity where Notre Dame is a non-public school. Mr. Schlameuss said some are parochial schools and chose to teach religion. Mrs. Bear said there are other schools like Moravian Prep that the district pays for. Mr. Andrews suggested Mrs. Bear ask Harrisburg why. Dr. Riker agreed.

Page 43 total investments are projected to increase 2.39% = \$4 million dollars. This amount is pretty good but can be reviewed further.

Page 44 Investments in our Students – Instruction = 56.63% of the Budget

Page 45 Investments in our Students – Support = 31.37% of the Budget –different parts of the district support the students.

Page 46 Investments in our Students – Non-Instruction and Debt = 12.00% of the Budget

Page 47 – 70 cents of every dollar is spend direct or indirectly supporting student learning
15 cents of every dollar is spent on Maintenance and Operations
10 cents of every dollar is spent on Debt service
5 cents of every dollar is spent on Administrative services.

Page 49 – Preliminary Results

	2020-21	2021-22	%Change
Revenue	\$160,104,718	\$159,636,866	-0.29%
Salary & Benefits	\$118,086,056	\$121,752,510	3.01%
Other Investments	\$ 47,199,569	\$ 47,484,382	0.60%

Balance	(\$5,180,907)	(\$9,600,026)	46.03%
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Page 50 Balancing the Budget

Revenues –Local, State and Federal

Expenditures – Programmatic (Mandated and Non-Mandates) and Operational
Fund Balance

Page 51 – Board Decision Points

1. Real Estate Taxes – Act 1 Index 4.2% = \$4.9 MM (Adjusted)
2. Fund Balance – 8% Limit on Unrestricted Fund Balance (budget approval only like they did this year)
3. Budget Adjustments – Prioritize our needs i.e. cut programs, staff, or stay status quo.
Mr. McIntyre said he would need guidance from the Board.

Page 52 – Key Takeaways

Projected Starting Deficit - \$9.6 MM

Act Index – 4.2% or \$4.9MM (Adjusted)

December Decision – Preliminary Budget or “Opt Out” Resolution

Mr. Andrews said according to Mr. McIntyre’s presentation, the decision the Board will have to make is an important one. Does the Board need to make a decision in December? Mr. McIntyre said according to the timeline, the Board will have to make a decision at the December meeting. Mr. Andrews said the Board will need to decide if they want to raise taxes or not. Mr. McIntyre said the Board will need to decide if they want to approve the “Opt Out” Resolution which allows them to raise taxes up to the index of 4.2%. If they prefer to raise the taxes higher than the index of 4.2%, then a preliminary budget will need to be submitted asking the State for exceptions to raise the taxes above 4.2%. Mrs. Bear asked what was the deficit around this time last year. Mr. Schlameuss said, he believes, that the deficit was about two million dollars and they were discussing on how to minimize it. Mr. McIntyre said he believes they were discussing the two-million-dollar deficit around March 2020. Mr. Schlameuss said then COVID-19 happened and the Committee had to figure something else out. Mr. Andrews said he does not want to go back to where the district was before having to raise taxes at a higher percent. Mr. Schlameuss said he believes the deficit was at six million dollars but then the district got it down to almost nothing but then COVID-19 happened. Mr. Schlameuss said administration found areas to cut but it is getting harder. Mr. Schlameuss said he agrees with Mr. Andrews point that we need to consider an option of raising taxes at some amount because we cannot pretend that we do not have a problem. Do you think that the money that we set aside from the surplus from previous years will be needed in this current fiscal year? Mr. McIntyre said it is hard to determine because the charter school payments are a concern to him. He is hoping the students go back to five days a week to see if there will be a savings. Mr. Schlameuss said there will be other expenses to consider if students return for five days, such as supplies, paper, etc. Mrs. Bear asked if he believes all students would come back. Mr. McIntyre said he is not sure. Mr. Schlameuss said he is not worried about the deficit in this budget presentation because of the ending revenues in the latest audit. Which were? Mr. McIntyre said the audit reported a three-million-dollar surplus. Mr. Schlameuss said that is good but what was the total revenue that was received in last year’s budget. Mr. McIntyre said according to the budget, the revenues were 159 million dollars. Mr. Schlameuss said this will indicate that we did good on the expense side. Mr. McIntyre said the district did very good with the expenses. Mr. Schlameuss said he is not panicking with

a nine-million-dollar deficit because we can raise the revenue by increasing taxes and may have other opportunities to raise more. He said he was expecting to be one million dollars behind the real estate tax collections but the district is one million dollars ahead. Mr. Schlameuss said he does not think they need to raise taxes beyond 4.2% if we use good judgment and sharpen our pencils on the revenues and expenses. Mrs. Bear said some teachers may retire because the new way of learning may not be for them. Mr. Schlameuss said this is a discussion during negotiations and this may affect the district seven to ten years from now. Our bond expenses will also go away in future years. Hiring younger teachers will be less expense. Right now that is what we are looking at. Mr. Dymond said the payment on the bills will be change over to repairing the buildings. The heating, air conditioning and electrical systems are coming at the end of their life cycle. We will not be better off. Mr. Schlameuss said the district took bonds out in the amount of several million dollars to do build and repairs will be less that the amount of the bonds. Mr. Dymond said repairing the heating and air conditioning will cost over 100 million dollars. Mr. Schlameuss said that will need to be reviewed ten years down the road. Mr. Dymond said we need to start looking at it shortly because they will be failing soon. He said he does not think we will be getting money from the State or Federal Government as we did this year. Mr. Schlameuss said the district may get some Federal relieve this year. Mrs. Bear said if they choose to give it to us. Mr. Dymond said each time the government prints money it loses its value. Mr. Andrews asked if the district has any idea of how many teachers will take early retirement due to virtual learning. Dr. Riker said we do not have this information. We tried to place this information in the last contract. The Negotiations Committee is looking into this information. If the district were to do a three-year professional collective bargaining agreement, at the end of the third year, there would be about 400 professionals that would be at the top of the salary scale but not at the retirement age. Mr. Andrews said new technology may weed some teachers out. Dr. Riker said that is not accurate. He said he also does not see larger class sizes to help with reduction in staff. Mr. Schlameuss said hopefully we will come back to the classrooms at some point and time. Mr. Dymond asked if there is a way to calculate the savings if we add one more student to each class. Dr. Riker asked if Mr. Dymond means adding one more students in each class to reduce the staff. Mr. Dymond said yes. Mr. Schlameuss said they can reduce staff through attrition. Mr. Andrews said the district already has the number of students per teacher calculated. Dr. Riker said they do. We may need to evaluate the attrition rate and benefits because the attrition rate does not catch up with the expense for the benefits. Mrs. Bear said sometimes we need to hire a teacher. Dr. Riker said the district always analyzes if an individual needs to be replaced. He said they always look at the class sizes especially at the elementary level to see whether they need to replace or lose the position to attrition. Mr. Dymond asked if the district is making any improvements in special education. Dr. Riker said the district has the lowest lawsuit expenditures compared to other districts of our size and we tend to win the cases. We have done a lot to reduce this expense. A lot of programs have been brought back into the district. Dr. Riker said they are constantly keeping an eye in this area. You never know if we get a large amount of students that move in the district with IEPs and we have to educate them. Dr. Riker said the better we provide the services, the more students we get with IEPs. Mr. Dymond asked if the district receives more money for special education or it is it delayed for one year. Mr. McIntyre said the district does not receive money for about one to two years. It is a slow process before the district is reimbursed. Mr. Dymond said; therefore, the district pays for the first year out of pocket. Mr. McIntyre said that is correct. It is about a year before the district starts seeing the funds.

h. Current projects within the District

Mr. Tom McIntyre said he provided the Committee members with the current project list, which are highlighted in yellow. The North control project was completed. The J.T. Lambert floor replacement was also completed. Mrs. Bear said that Mr. Dymond mentioned something about the Trane bill. Mr. Dymond said we talked about this item at the Property/Facilities Committee meeting and he was under the impression that the water tower was all under the Trane system but found out that it was supplied by a different vendor. The Property/Facilities Committee was told that it was a separate vendor for the cooling tower. He said he found out later on that when it was installed, it wasn't placed at the right height. He said he was under the impression that Mr. Ihle was looking for the plans to find out what is going on. He said that Mr. Josh Grice estimates that in order to replace the tower it would cost about several hundred thousand dollars. Mr. Dymond said if we can find the plans, we can find out how short it is and raise it rather than waste the chemicals and water. Mrs. Bear asked if the district owes Trane money. Mr. Andrews said he and Mr. Dymond spoke to the guy named John from Trane and he said Trane would fix it but it was not written in the contract so it is just hearsay. Mr. Dymond said John from Trane let them to believe that Trane would handle it. If we find the paperwork, we can get some direction. If we find the prints and we find out that the contractor did not install it properly, we can proceed from there. It would be cheaper to raise it than replace it. Mrs. Bear asked if anyone has attempted to call the contractor. Mr. Dymond said no one seems to know who the contractor is. That is why he asked to see the contract. Mr. Schlameuss said this is an issue for the Property/Facilities Committee. Dr. Riker said the item that Mr. Dymond is speaking about is not related to Application Payment #8 that is on the Finance Committee agenda tonight. From a Finance Committee point of view, they did what they were contracted to do. Mr. Ihle revised this particular contract and indicated that there was no language specifically to the cooling tower that they were supposed to address. Mr. Andrews said that is what he said before. It was just verbally communicated and not written. Mr. Dymond asked Dr. Riker if Lyman and Ash contacted him regarding the East Stroudsburg Elementary sprinkler system. Dr. Riker said Lyman and Ash asked him for the pictures that were taken and he emailed the pictures to them. Mr. Dymond said this issue will not present itself in court for a couple of years; therefore, he suggested sending the contractor a letter to see if they want to repair the issue instead of taking it to court. Dr. Riker said he is sure that Lyman and Ash would prefer to extend this case for many years but he said he will take direction from the Board. Mr. Dymond said this issue should be discussed at the next Executive Session. Mr. Schlameuss said it will be discussed at the next Executive Session.

i. Finance Committee meeting dates

Mrs. Bear asked if the Committee members if the Finance Committee members would like to continue meeting as they have been, the second Monday of each month at 5:30 p.m. Mr. McIntyre said that the dates that are highlighted in yellow are a Tuesday night due to the MCTI meetings being held on the Monday during that week. All Committee members agreed with the scheduled dates and time.

VII. RECOMMENDATIONS BY THE PROPERTY & FACILITIES COMMITTEE:

1. D'HUY ENGINEERING INVOICES

- a. Invoice #51915 \$19,059.97 - High School North Roof Replacement
- b. Invoice #51916 \$425.00 - High School North Roof Replacement Forensic Investigation
- c. Invoice #51917 \$1,763.10 - J.T. Lambert/Resica Elementary Flooring Replacement

- d. Invoice #51918 \$804.20 - Transportation Building Underground Storage Tank Removal
 - e. Invoice #51919 \$3,855.01 - High School South Pool Repairs
 - f. Invoice #51920 \$380.01 - High School North/Lehman Intermediate Window Replacement
 - g. Invoice #51921 \$665.03 - Lehman Intermediate/Bushkill Elementary Flooring Replacement
 - h. Invoice #51922 \$1,757.50 - High School North & High School South Hand wash Stations
 - i. Invoice #51923 \$9,000.00 - Resica/Middle Smithfield Elementary Water Filtration
 - j. Invoice #51924 \$5,700.00 - High School North Sanitary Liner Replacement
- 2. Application for Payment #6 - Lehigh Valley Flooring – J T Lambert Flooring Replacement \$10,716.00
 - 3. Application for Payment #8 - Trane – HS North/Lehman Intermediate HVAC Controls \$283,863.79
 - 4. Application for Payment #11 – Jottan Inc. – HS North/Lehman Roof Replacement - \$304,220.48
 - 5. Application for Payment #1 – Environmental Restoration – Underground storage tank removal - \$69,954.20
 - 6. HS South Auditorium Lighting – Center Stage Lighting & Rigging - \$10,452.00 To be funded by the general fund.
 - 7. JT Lambert POD HVAC Dehumidification Control – Trane - \$31,969.00 To be funded by the capital fund.
 - 8. HS South Server Room Fire Suppression System – Keystone Fire Protection - \$17,884.00/\$1,000.00

VIII. RECOMMENDATIONS BY THE EDUCATION P&R COMMITTEE

- 1. 2nd Step Anti-Bullying Curriculum - Committee for Children - \$5,645.00
Mrs. Bear said the district already uses the Second Step Social Emotional curriculum and this pairs well with our existing program. It covers five schools due to the amount of the grant. They will roll the sixth school in the budget for next year. This will add more to the curriculum in the elementary level.

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 Rich Schlameuss to recommend that the Board consider for approval the proposal from Committee for Children in the amount of \$5,645.00 for the subscription and materials for Second Step Bullying Prevention. Motion was seconded by Larry Dymond 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 proposal from IntegraOne in the amount of \$104,028.00 for a five-year Antivirus protection. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the proposal from Pro-Vision in the amount of \$148,676 for the procurement of Bus Stop-Arm Camera Bundle. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

4.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval Bundle B - Basic Services of the proposal from BerkOne for Act 80 Comparison Services in the amount of \$730.00. Motion was seconded by Rich 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 following recommendations by the Property/Facilities Committee. Motion was seconded by Rich Schlameuss and carried unanimously, 4-0.

1. D'HUY ENGINEERING INVOICES

- a. Invoice #51915 \$19,059.97 - High School North Roof Replacement
 - b. Invoice #51916 \$425.00 - High School North Roof Replacement Forensic Investigation
 - c. Invoice #51917 \$1,763.10 - J.T. Lambert/Resica Elementary Flooring Replacement
 - d. Invoice #51918 \$804.20 - Transportation Building Underground Storage Tank Removal
 - e. Invoice #51919 \$3,855.01 - High School South Pool Repairs
 - f. Invoice #51920 \$380.01 - High School North/Lehman Intermediate Window Replacement
 - g. Invoice #51921 \$665.03 - Lehman Intermediate/Bushkill Elementary Flooring Replacement
 - h. Invoice #51922 \$1,757.50 - High School North & High School South Hand wash Stations
 - i. Invoice #51923 \$9,000.00 - Resica/Middle Smithfield Elementary Water Filtration
 - j. Invoice #51924 \$5,700.00 - High School North Sanitary Liner Replacement
2. Application for Payment #6 - Lehigh Valley Flooring – J T Lambert Flooring Replacement \$10,716.00
 3. Application for Payment #8 - Trane – HS North/Lehman Intermediate HVAC Controls \$283,863.79
 4. Application for Payment #11 – Jottan Inc. – HS North/Lehman Roof Replacement - \$304,220.48
 5. Application for Payment #1 – Environmental Restoration – Underground storage tank removal - \$69,954.20

6. HS South Auditorium Lighting – Center Stage Lighting & Rigging - \$10,452.00 To be funded by the general fund.
7. JT Lambert POD HVAC Dehumidification Control – Trane - \$31,969.00 To be funded by the capital fund.
8. HS South Server Room Fire Suppression System – Keystone Fire Protection - \$17,884.00/\$1,000.00

Mr. Dymond requested a scope of the work and plans for the J. T. Lambert POD HVAC Dehumidification Control from Trane. Dr. Riker said he did not see a schematic or diagram but other details were shared. Mr. Dymond said he needs to see the drawings and job description. Dr. Riker said Mr. Josh Grice was involved and was at the Property/Facilities Committee meeting. He said he will reach out to him to see if he has them. Mr. Dymond said they have had six meetings on site and it has been a long process. Dr. Riker said the process started in February. Mr. Dymond it was not working correctly. Dr. Riker said the same price that was shared with the Property/Facilities Committee in February is the same price as it is now. Mr. Dymond said the price is good if it gets fixed. Mr. Andrews asked if this was voted on at the Property/Facilities Committee meeting. Dr. Riker said it was approved; otherwise, it would not be on tonight's agenda. Mr. Dymond said they received a description but no paperwork showing how the problem is going to be corrected. Mr. McIntyre said the Property/Facilities Committee should not have approved the if there were concerns. Dr. Riker said he agrees and they did describe what was going to be done. Mr. Dymond said they received a description but no documents. Mr. Schlameuss said he is not sure if there are documents or not and the Board members are not engineers in order to inspect the paperwork. As Board of Directors, they are not responsible to do the in-depth inspection of the items. They simply give direction to Dr. Riker to have administration do the right thing and not micromanage them. Mr. Dymond said he does not want to micromanage but wants to make sure that everything is in order. Mr. Schlameuss said that is a good point but it is up to Dr. Riker to make sure that Mr. Ihle has the correct documentation and that he understands what is involved. Mr. Dymond said he wants to make sure that if in six months after the job is done and something goes wrong, that we have document to back it up. Mr. Schlameuss said this is a discussion for the Property/Facilities Committee meeting.

6.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to approve the following meeting dates for 2021. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

January	11,	2021	--	5:30 PM – Carl T. Secor Administration Center – Board Room & Via Zoom
February	08,	2021	--	5:30 PM – Carl T. Secor Administration Center – Board Room & Via Zoom
March	08,	2021	--	5:30 PM – Carl T. Secor Administration Center – Board Room & Via Zoom
April	13,	2021	--	5:30 PM – Carl T. Secor Administration Center – Board Room & Via Zoom
May	10,	2021	--	5:30 PM – Carl T. Secor Administration Center – Board Room & Via Zoom
June	14,	2021	--	5:30 PM – Carl T. Secor Administration Center – Board Room & Via Zoom
July	13,	2021	--	5:30 PM – Carl T. Secor Administration Center – Board Room & Via Zoom
August	09,	2021	--	5:30 PM – Carl T. Secor Administration Center – Board Room & Via Zoom

September 14, 2021 -- 5:30 PM – Carl T. Secor Administration Center – Board Room
& Via Zoom
October 11, 2021 -- 5:30 PM – Carl T. Secor Administration Center – Board Room
& Via Zoom
November 08, 2021 -- 5:30 PM – Carl T. Secor Administration Center – Board Room
& Via Zoom

XI. NEXT MEETING – January 11, 2021

RECOMMENDATION BY THE COMMITTEE:

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

XII. ADJOURNMENT: 7:31 P.M.

Respectfully submitted,
Patricia L. Rosado
Board Secretary