

**EAST STROUDSBURG AREA SCHOOL DISTRICT  
BOARD OF EDUCATION  
FINANCE COMMITTEE MEETING  
October 12, 2021  
Administration Center Board Room & Via Zoom  
5:30 P.M.  
Minutes**

**I.** In the absence of the Chairperson, Richard Schlameuss, 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 (attended virtually at 5:34 p.m.) Larry Dymond and Rich Schlameuss (in-person then attended virtually at 6:38 p.m.).

**Board Non-Committee Members Present:** Wayne Rohner and Lisa VanWhy

**School Personnel Present:** Brian Borosh, David Cooper, Diane Kelly, Frederick P. Mill, Daryle Miller, Craig Neiman, William Riker, Patricia Rosado, Chris Rossi and William Vitulli.

**III. Community Members Present:** Jennifer Floyd

**IV. Approval of Agenda and Minutes**

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Larry Dymond to approve the agenda for October 12, 2021 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 George Andrews and carried unanimously, 3-0.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to approve the minutes of the September 14, 2021 meeting. Motion was seconded by Larry Dymond and carried unanimously, 3-0.

**V. Items for Discussion:**

a. John Deere Gator for JT Lambert Athletics, quote - \$10,199.47

Mr. Neiman said that the first two items on the agenda this evening were previously presented to this committee last month. He said they are bringing them back to the committee for some reconsideration. He said Mr. Chris Rossi is here this evening, as well, who should hopefully be able to provide any answers to questions that the Board may have.

Mr. Neiman said he will speak briefly regarding the John Deere gator. Based on his notes from the last meeting, he believes that there were some questions around funding for this item. Questions about whether St. Luke's would be able to fund the gator on behalf of the district. He said they have moved forward with St. Luke's to provide the funding for this gator so they've confirmed that they are okay with that. He said there were also questions about the supply chain timelines and things of this nature. He said the Athletic Department is actually looking to place this order for next year's Athletic Season due to the long lead time. Mr. Neiman said he would now open this item up for discussion from the Committee. Mr. Andrews said what Mr. Neiman is saying is that the Athletic Department is looking to order it now in order to get it for the spring. Dr. Riker said you would need to order it now in order to get it for next Fall. Mr. Dymond said we should order it now and hopefully get it by the fall. Dr. Riker said that is the plan.

b. Ice machine for Lehman Athletics, quote - \$7,047.00

Mrs. Bear the next item is the ice machine for Lehman Athletics. She said that she spoke to some members of the North Athletic Committee as well as Mr. Rossi. They explained to her the need for the ice machine. Some members of the committee asked if they can share the ice machine between North and Lehman. From what they told her, the North ice machine is in a very far location from Lehman and it is the machine they have is the original ice machine from when they built the school. Mr. Dymond asked if our staff will be installing the machine. Mrs. Bear said she believes so. According to what she read on the paper, it only says the purchase is just for the ice machine. Dr. Riker said he does not see any installation fee or information; therefore, he believes our staff is installing it. She said she also asked Mr. Rossi if they he could use some of the St. Luke's money. Mr. Rossi said that he used his \$10,000 to buy the John Deere gator for J. T. Lambert Intermediate. As a trainer, he gets \$10,000 and he already used it for J. T. Lambert Intermediate. The ice machine is not part of the \$10,000. However, the district received \$50,000 but Mr. Rossi is not sure if these funds are allocated yet. He said if we could allocate some of this money for the ice machine it would be wonderful. Mrs. Bear said she told Mr. Rossi that she would look into what was allocated for the \$50,000 that St. Luke's gave to the district. She asked Mr. Neiman if he knows how the funds were used if they were already all spent. Dr. Riker said he does not know so he would ask that the committee vote on it without that information. He said he would suggest that they approve this item moving it forward even if those monies cannot be used for it. Mr. Andrews asked if the Athletics Department's Budget or the General Funds will pay for it. Mr. Neiman said the Athletics Department's budget is in the General Fund. Mr. Andrews said but this item is not in the Athletics Budget so they will have to move funds around. Mr. Neiman said he is correct. Mrs. Bear said if we get some money from what St. Luke's allocated, then it can be paid through those funds.

c. Hometown Event Management & Digital Ticketing Software, quote

Mr. Neiman said that both of the Athletic Directors approached him with the request that they make available, for those that attend athletic events, the opportunity or option to buy tickets electronically rather than just take cash at the door. He said they feel that folks have been asking them for this option. The Athletic Directors did some leg work on Hometown Ticketing. The Directors put Mr. Neiman in touch with them and so that he can get a better understanding on how exactly their system would interface with the district's networks and

how funds would get transferred into the district's bank accounts. After his discussion with them, he said he is comfortable moving this item forward to the Committee for discussion. As far the backend work, there would be some work on the Business Office part as well as the ITEC Department in order to get this system put in place. There is no cost to the district to implement this system. On the last page of the supporting documentation, he put together a brief analysis laying out the cost that would be incurred on a per ticket basis by the purchaser. Hometown will be charging a fee of \$1.00 per ticket for each ticket purchased. Hometown works with Stripe Organization, which is their banking side of the system. Stripe's fee is 30 cents, plus a 2.9% per ticket markup. He said he would like to lay out all of the cost before the Committee. Therefore, if a ticket costs \$4.00, the total cost with Hometown would be \$5.45. Mr. Neiman said the conversation that needs to be held by the Committee now is who will bear the brunt of the fee. Is it the district or the person who is collecting for the electronic payment option that would be charged the fees? When talking to Hometown, they said typically the person who is procuring the ticket would pay for the fees and not the district. He said this decision would need to be disclosed to the Board, if the Committee decides to move this item forward. How do you want to handle the fee? Mr. Schlameuss said we do not see a savings to the district on any personnel. He said he does not see a lot of people using it either. It's a nice option. Mrs. Bear said that the person buying the ticket should be paying the fees. It is similar to My School Bucks that parents use and pay a fee. Parents who use online methods are used to paying fees. The students do not pay because they go in for free. This is good for big events by helping to alleviate the congestion and to avoid lines. Mrs. Bear asked if there is a bulk fee, i.e. if they are buying for the entire season. Do they have to buy per ticket and pay a ticket fee for each ticket? Mr. Neiman said he did not discuss a season pass fee. Season passes may realize some savings. We need to discuss how far back they want to make this available. Mrs. Bear said the district needs to find out if they buy a season pass versus buying individual tickets and what discounts would be available to the purchaser of tickets. Mr. Schlameuss asked how do we handle a huge game that many want to attend. Some buy tickets on the app and others in person. He asked how will they handle if someone is standing in back of the line and already has a ticket. Mrs. Bear said currently there is a separate line for the students that do not pay. She suggested that they set up a line as they do for the students. Mr. Neiman said he did not discuss line management with the Athletic Directors. Mrs. Bear said it is more like capacity management. Mr. Andrews asked if there has ever been an issue with reference to capacity. Mr. Schlameuss said no. Mrs. Bear said there has not been an issue but if there were ever to be an event that i.e. South wins the football districts' game, there are families that have a lot of kids and other family members may come from out of town. Mr. Schlameuss said his concern is with the basketball games which have limited capacity. Dr. Riker said he hopes that we would have that problem. Mr. Schlameuss said the district should have a plan just in case. Mr. Neiman said he will take back all of their concerns to the Athletic Directors. Mr. Dymond said this system may create a hassle with the Business Office because they may be yelled at if anything is canceled. Mrs. Bear said they normally reschedule a game. Dr. Riker said he does not know the refund policy. Dr. Riker said like Mrs. Bear said, they may reschedule the game but we do not know if the individual will be available to attend on the revised date. He would hope that there is a non-refund policy. Mr. Dymond said if we do not have a non-refund policy; they will want a refund. Or if they lose the ticket, they will want a refund. He suggested that the purchaser call the company directly. Mr. Schlameuss

said the client will be responsible for any refunds or the implementation of a refund policy that would be used to manage a purchase. Mrs. Bear said her assumption is if they purchase the ticket, they will transfer funds directly to the Business office. Mr. Neiman said she is correct. Mrs. Bear said if a game is cancelled and we see that they have not scanned their ticket, the district has an option to give the refund back to the individual minus the fees that they paid because the district will not get the fees back. We would have to stipulate the refund they will get is minus the fees. Mr. Neiman said a check will be processed from the Business Office. Mr. Schlameuss said a policy would need to be in place and then placed on the district website. Mr. Andrews said why not just say non-refundable. Mr. Schlameuss said that a non-refundable policy would save the Business Office a lot of headaches. Mr. Neiman said he and the Athletic Directors did not discuss all details but wanted to bring this to the Committee's attention to see if they want to move it forward. Mr. Schlameuss said he appreciates the breakdown that Mr. Neiman provided to them. Mrs. Bear said the district needs to make sure that a policy is in place before implementing this system.

- d. North High School Swim Timing System Bid Award - Bids due on October 11th.  
Mr. Neiman said this item was removed from the agenda at the last Board Meeting because it needed to be advertised for proposals. They received two bids. They opened the bids yesterday and the winning bid was Industrial Service Technology also known as International Sports Timing for the swimming system at the High School North. Mrs. Bear asked how many bids were received. Mr. Neiman said they received two bids. Last time, they received three quotes but only two formal bids. The bid is \$92 less from what was received in quotes. Mr. Schlameuss said that this needed to be done in the proper manner and it now was.
  
- e. Emergency Connectivity Fund proposal  
Mr. Brian Borosh said the Emergency Connectivity Fund is a one-time fund similar to ESSER. It was established by the Federal Government in the amount of \$7 billion. There are components where you are eligible to apply for student and teacher devices, as well as hotspots and to get homes connected that do not have Wi Fi. He said he handed out tonight a spreadsheet, which represents the leases we have. The Technology Department is paying for each device every year for the last four years. The handout shows the four years in leases that the district has. It also contains the price and what we are eligible for. We are not eligible for more than \$100 for each device. We intend to apply for that \$100; therefore, the district would receive revenue in excess of \$456,000, which is a win for the district because we already paid for these leases. The second piece is to get homes connected, which could be through either a typical hotspot or through one of the cellular providers, Verizon, ATT or T Mobile in areas where there is no cell service, i.e. the Cresco area of our district. He said they did a survey and have been in contact with Blue Ridge Communications. Blue Ridge has engineered and built costs already. The second part of this grant would be to have Blue Ridge basically install cable in areas that don't have it right now. The cost is approximately \$265,000. When reviewing the surveys, in order to get to two of the addresses from the parents that filled out the survey, they would have to go out to 48 homes so these homes would also be eligible. These families would only have to pay for the installation fee and not the cables. Currently, in order to get from point A and that home, there are other homes that have no cable on the pole. Therefore, whether they have students or not they are still taxpayers so they will benefit as well. Another area would pass by 45 homes and another 33.

138 homes could pick up cable service by the district applying for this grant. Mr. Borosh said the Board has the contract in front of them from Debra Kriete, Esq., who is an e-rate attorney out of Harrisburg. The district normally uses her for the Wide-Area Network Project. He said they are in the process of getting ready to hit the submit button tomorrow, which is the deadline for this grant. The contract is a sliding scale between \$5,000 to \$15,000 depending on what money the district would gain. The cap was \$500,000 and her contract would be \$15,000. For the cost of her services, we could apply for that windfall amount for the devices, which is revenue for the district. They would also apply for Blue Ridge to install cables for these homes. Mr. Andrews said all that the families would have to do is pay for the hook up of the cable. Mr. Borosh said he is correct. Mr. Andrews said it would also benefit our community. Mr. Borosh said many developers did not run cables because they did not want to pay for it. It is a great opportunity to help these families get connected. Mrs. Bear asked if we are just paying for them to get internet or are we also paying for their internet services. Mr. Borosh said we are paying for the internet for the homes that have students through the remaining of the 2020-21 School Year because Blue Ridge may not be done with the construction by then. The third piece is that we identified 10 homes that are in a Blue Ridge cable coverage area that do not have adequate Wi Fi or cellular data. We may pay their internet service and offset that cost for the remaining of this school year. Mr. Dymond asked if any of these parents have Verizon or AT&T. Mr. Borosh said the way the grant is worded is that it has to be the most cost effective means possible. Mr. Borosh said, as he previously mentioned, they did site surveys and took hot spots from Verizon and AT&T. There was little to no cellular service at all. Mr. Dymond asked if these families have landline phones. Mrs. Bear said Verizon does not have those lines anymore. Mr. Borosh said you have to have DSL and be within 18,000 feet of a switching station. Mr. Schlameuss said even if you have that, you may be out of range; therefore, will slow down the service. Mr. Dymond said his phone service works fine. Mr. Borosh said there are pockets in our community that do not have any service. Mr. Schlameuss asked if we do not get the grant, do we have to pay anything. Mr. Borosh said we still have to pay for the attorney. Mr. Schlameuss asked if we would have to pay the \$265,000 up front to Blue Ridge. Mr. Borosh said our name is on the grant but Blue Ridge gets the grant. Mr. Schlameuss said we are not losing anything. Mr. Andrews said if we do not get the grant then will there be any internet or hotspots. Mr. Borosh these families would be in the same situation as they are in now. The attorney said if for some reason we are not funded with the connection piece, there is \$10 million that we can help us get everything done. We can apply for that, too. Mr. Andrews said we have to get cable to that area. Mr. Borosh said the area that most importantly needs it is the Cresco Area. There is no cellular or cables on the poles. Mr. Dymond asked what happens with the houses that do not have children living in them. Mrs. Bear said they would have to pay for the installation of the service if they choose to do so since it would now be available to them. Mr. Dymond said if we pay to run the cables, is there any possibility that we can work with Blue Ridge to charge those individuals that do not have children in their home. Mr. Borosh said we are applying for a federal grant and it is no cost to the district other than the amount of time spent on this project. It is a great community service piece to have done for those that are underserved in our community. We have to get from point A to Z and if it goes through taxpayers that do not have children in their homes, it will greatly benefit them. Dr. Riker said the amount of technology from remote learning options these families cannot take advantage of will no longer be a problem

through this offering. He said Mr. Borosh said it is not costing the district any money. We are trying to access money that are being handed out to those that do not have service. Maybe as some move out, more families with children may move in. Mr. Andrews asked if we do not get the grant will we still do this project. Dr. Riker said we do not have any obligation to do so and that is why we are trying to get the grant. Mr. Borosh said we may not know of all families that have children. We only know about those that filled out the survey. Dr. Riker said it is very costly to do. Mr. Dymond said he paid \$2,000 for his cable installation. He said it may be free for these taxpayers, but we all will have to pay for this somehow. There is no money out there for free. Dr. Riker asked Mr. Dymond if he is opposed to getting the internet services to these families. Mr. Dymond said he is not. Dr. Riker said that is what it sounds like he is saying. Mr. Schlameuss said we did not say it is free for all. It is free to the district. Mrs. Bear said we need to have good publicity. Mr. Borosh said this money has been allocated and there is \$2 billion left. If we do not apply for the money, it will go somewhere else. It would be terrible to pass up on this opportunity.

f. Snow Removal Bid Award - Bids due on October 11th.

Mr. Neiman said the district's five-year snow removal contract has come to an end. The snow removal RFP was put out. Unfortunately, we did not receive any responses to the RFP for snow removal services. Since it is October 12<sup>th</sup> and it can snow at any point, the district is moving onto Plan B. They discussed this scenario with the Solicitor and he gave us the okay to start contacting firms directly since we already went through the RFP process. Mr. Daryle Miller has been contacting firms to get quotes for snow removing services. Mr. Andrews said from past experience, the district used Leeward Construction and their prices were high. He said he hopes that we can find someone else since they charged \$450 for a ton of salt while others charged \$100. Mr. Schlameuss and Dr. Riker said the district is looking to find anybody since they have no bids. That is the problem here. Mr. Andrews said he is aware of that. Mr. Schlameuss said he would like to know what reasons the companies gave for not bidding on the snow removal. Mr. Neiman said we heard nothing. We advertised for three weeks in the Pocono Record, posted it on the district website and emailed folks that have cleared snow for us in the past. We got no responses. Plan B is to, hopefully, have Mr. Miller get quotes in time for our meeting on Monday. Mr. Miller said that he hopes to have some bids by the end of this week and or by noon on Monday. He said he reached out to everyone possible. There were people that said they would have something out to the district by the end of the week i.e. Evercor, Strauser Natures' Helper, etc. Mr. Schlameuss said if this does not work, there is a site that allows you to put your RFP and it opens it up to many vendors. However, this may be very hard due to the timing. Mr. Dymond said another option may be to rent the equipment and have our employees plow the lots. Mr. Miller said he does not think they have enough staff members to do this job.

g. BerkOne Act 1 Homestead/Farmstead Services, quote - \$3,225.00

Mr. Neiman said he is presenting to the committee the annual contract that they enter into with BerkOne for the printing of the Homestead/Farmstead letters that go out each year. Mrs. Bear asked if the price has changed. Mr. Neiman said the total cost of the increase is \$63 over last year. He said the packets included a contract for Monroe County and Pike County that he would need approved.

h. Sapphire Software, annual renewal invoice - \$161,242.00

Mr. Neiman said the previous contract for Sapphire was for five-years and it expired June 30<sup>th</sup>. The invoice he provided to them is also a new one-year agreement with Sapphire in order for them to continue providing student information systems software services for the district. Mr. Andrews asked if the previous contract was for five years. Mrs. Bear said the previous contract was for five years and now it is for one year. Is there a reason why it is only for one year since we normally get them for multiple years in order to get a discount or is the district looking for a new software? Mr. Neiman said his conversations with Mr. Forsyth was that he is happy with the software and still building it out. He said Mr. Forsyth would look to get a three-year contract next year. There was a slight price increase but it is in line with the price increases that we are realizing for five years. Mr. Neiman said he did not see anything out of line. Mrs. Bear said they added some features from what they had in the past, i.e. parents can input a reason for absences instead of sending a note. She feels it is user friendly. Mr. Schlameuss said that the only comment that his wife had is when a parent sends an email to a teacher, it does not get to the teacher.

Mr. Dymond said he forgot to mention when they spoke about the cellular services that Elon Musk has set up a satellite for internet and phones. They are estimating it would cost about \$7 a month for the service and can be used wherever you go. Mr. Schlameuss said that right now it costs \$500 for the material and \$100 a month for the service. It also has to have good line of site. Mrs. Bear said we do not have a good line of site because we live in the woods. Mr. Schlameuss said the satellite service is called Starlink. Mr. Dymond said this will be the technology of the future.

i. Dude Solutions Software, annual renewal invoice - \$7,946.56

Mr. Neiman said that the Dude Solutions Software contract is similar to the Sapphire contract. This is just an annual renewal for solutions for the inventory direct and technology essentials. Mrs. Bear said she thought the Committee already discussed a contract for Dude Solutions a couple of months ago. Mr. Andrew said it was for a different module. He asked Mr. Borosh if he knows what they spoke about. Dr. Riker said he uses the Dude solution for inventory. Mrs. Bear asked what is this Dude Solutions being used for. Mr. Andrews said that Dude solutions is for the technology inventory and they were going to use something else for the maintenance one. Dr. Riker said the contract that is being presented tonight is for the maintenance side.

j. Zonar Systems Inc., annual renewal invoice - \$51,120.00

Mr. Neiman said that the Transportation Department would like to renew the agreement with Zonar. Mrs. Bear asked that a couple of years ago, they agreed to increase our plan with what the capabilities are. Are we utilizing all the new capabilities that they upgraded to? Mr. Neiman said he does not know. Mrs. Bear said they paid extra because that is what the representatives from Zonar said they thought we should have. I want to make sure that our Transportation Department is finding the extra capabilities beneficial and that it is helping them. Mr. Andrews asked if Zonar interfaces with Transfinder. Can we use Transfinder instead of Zonar? Mr. Schlameuss said they are two different packages. Mr. Andrews asked if the two items are linked. Mr. Schlameuss said he believes they are because the data from Zonar goes through Transfinder. Mr. Dymond said can we get the two groups (Zonar and

Transfinder) together to figure it all out. Mr. Schlameuss said we do not need to figure it out. The Transportation Department needs to figure it out. Mr. Dymond said we need to figure out if they are utilizing the systems efficiently. Mr. Schlameuss said they did figure that out and got efficiencies out of it and nobody liked it. Dr. Riker said the Committee asked for these efficiencies. Mrs. Bear said the contract should be changed from Bob Sutjak to Damaris Robins.

- k. Edmentum - Reading Eggs - renewal quote - \$6,954.80 - ESSERs 20%

Dr. Vitulli said this item is a renewal contract for a software package that is utilized in grades K -1 in all elementary schools. He said he did not immediately renew this contract because he wanted to see if there really was a need for it. Now he heard our schools speak loud and clear. They want the software back because they utilize it and have evidence on how it's heavily used. It favors our kids quite a bit. It will be paid through ESSER III Grant. Mr. Andrews asked if Dr. Vitulli confirmed that is being heavily used. Mr. Vitulli said yes that is correct.

- l. Reading Wonders - Special Ed/ESL - renewal quote - \$9,104.01 - ESSERs 20%

Dr. Vitulli said the next item is Reading Wonders. He said earlier this year, he sliced Reading Wonders purchases dramatically since they were looking at a new program. We have two different programs they are looking at. Our ESL and Special Education teachers said they need online component for these students. I am requesting to get these two different packages. Mr. Andrews asked what does he mean that he sliced this item down previously. Dr. Vitulli said that earlier this year, the cost was about \$100,000 and he slashed it down to \$50,000. These students were not part of that purchase. Teachers are asking for this program for their students. Mrs. Bear said a percentage of this item is being paid through ESSER Grant.

- m. Title Crate Software for Grant Management - quote - \$5,000 - Title 1 Grant Funding

Dr. Vitulli said this item a request by Mrs. Angela Byrne, our Grant Coordinator, who is doing a great job. Generally, Angela would handle about 10-12 grants at an approximate value of \$10 million at one time. She currently has under her management about 23 grants in the approximate amount of \$29 million. We would like to purchase this grant software using Title I Grant money to help her manage her time and the money. Grants can be extremely complicated. This will help her quite a bit. There is another option to spend another \$5,000 and get further service to help manage all of the grants. She would like to try it first with the Title 1 grant to see how it works. If she likes it, we can use the software with all grants. Grants are difficult to manage and Mrs. Byrne's time must be divided in a particular manner. Approximately 50% of her time must be spent on the Title I grant. Mr. Neiman said that Angela is a real asset to the district. He said he does not know where the Business Office would be without her help in navigating through the grants. She has worked very closely with Mrs. Jeanne Wescott. Mrs. Wescott's workload has increased due to the grants. Grants are a good thing but the management on the backend is challenging. Mr. Neiman thanked

Mrs. Byrne and Mrs. Wescott for the work that they do to keep everything squared away with the grant funds. Mr. Andrews asked if Ms. Byrne moved to Florida. Dr. Riker said that she moved to Florida. He said that Mrs. Byrne was going to leave the district but the Board approved for her to work remotely. She has helped bring in millions of dollars. Dr. Vitulli said Mrs. Byrne has a tremendous knowledge and has helped the district to keep in compliance.

n. HoverCam Document Cameras for Elementary Teachers, quote - \$25,112 ESSERs III Funding

Mr. Brian Borosh said that the Committee members can see that he placed on the Form 611 that they surveyed all elementary school teachers who were given HoverCams at one point in time. The district would like to buy 29 cameras to replace those that are probably 10 to 12 years old and no longer work with the new Mac computers. Also, there are 32 teachers that do not have any HoverCam Cameras; therefore, the district would like to purchase them cameras and an additional 12 cameras to have 2 spare ones at each elementary school. The cameras are to guide each person with remote instruction for brick and mortar remote students. The camera hooks into the projector. It can be displayed for the students to see in the classroom or at home. He said they solicited three vendors to provide quotes. They received quotes from two vendors with Visual Sound being the lowest quote. This expense will be fully funded through the ESSER III grant in the amount of \$25,112 for 73 cameras. Mr. Andrews asked if the camera takes a picture that they can place on the projector. Mr. Borosh said it connects with the projector. It will display the document on the wall. Also if they are home learning, the student will see that as well.

o. ESACA SWPBS - \$3,000 - ESSERs III Funding

Dr. Vitulli said that last month he requested \$5 per student of extra money to help promote student attendance, grades and behavior at each of the schools. He said he failed to consider the ESACA program, which currently has over 600 students. He said he is now requesting an additional \$3,000 to provide the ESACA Program use of the aforementioned items.

p. Presentation - 2020-21 Financial Results

q. October 18, 2021 Board motions to close out the 2020-21 Fiscal Year

Mr. Neiman presented the 2020-21 General Fund Financial Results as follows:

Page 2 – 2020-21 Highlights

- Revenues 8.5% higher than Budget
- Expenditures 0.7% less than Budget

Page 3 Actual Results compared to Budget

	2020-21 Budget	2020-21 Actual	Variance \$	Variance %
Revenue	\$160,104,718	\$173,724,481	\$13,619,763	8.5%
Expenditures	\$165,285,625	\$164,124,237	\$1,161,388	0.7%
Revenue over Expenditures	(\$5,180,907)	\$9,600,244	\$14,781,151	
Beginning Fund Balance	\$49,144,941	\$49,144,941		
Ending Fund Balance	\$43,964,034	\$58,745,185		

Page 4 – 2020-21 Revenue Summary

	2020-21 Budget	2020-32 Actual	Variance \$	Variance %
Local	\$104,042,108	\$109,500,642	\$5,458,534	5.3%
State	\$47,828,977	\$51,309,056	\$3,480,079	7.3%
Federal	\$6,783,207	\$11,653,519	\$4,870,312	71.8%
Other	\$1,450,426	\$1,261,263	(\$189,163)	-13.0%
Total Revenue	\$160,104,718	\$173,724,481	\$13,619,763	8.5%

Page 5 –Local – Current Real Estate Tax Trend

- 2020-21 Actual Falls short of budget
- Budget shortfall of \$2 million (\$87.2 Actual/\$89.2 Budget)
- Budget based on STEB assessed value and Board approved millage
- Concerning trend of declining current Real Estate tax collections
- Monroe County reassessment has generated almost \$2.0 million in assessment appeals

Page 6 – Local – Delinquent Real Estate Tax Trend

- 2020-21 Actual significantly exceeds budget
  - \$5.5 million favorable to budget (\$14.0 Actual/\$8.5 Budget)
  - Significantly exceeds recent trend
  - Strong local Real Estate Market
  - Suspension of Sheriff Sales in 2020 due to COVID-19 generates pent up inventory
- Mr. Andrews asked if these are delinquent taxes that were collected. Mr. Neiman said that is correct. Mrs. Bear said that Mr. Chris Brown did a great job with the collection of delinquent taxes.

Page 7 – Local – Transfer Tax Trend

- 2020-21 Actual almost triples budget
- \$1.2 million favorable to budget (\$1.9 Actual/\$0.75 Budget)
- Significantly exceeds recent trend
- Strong local Real Estate Market
- Major concern at the onset of the COVID-19 pandemic

Mr. Andrews said this shows that the real estate market is hot right now.

Page 8 – Local – Earned Income Tax Trend

- 2002-21 Actual significantly exceeds budget
- \$0.6 million favorable to budget (\$4.0 Actual/\$3.4 Budget)
- Significantly exceeded recent trend
- Strength of local employment
- The Biggest concern at the onset of the COVID-19 pandemic

Page 9 – Federal & State Revenue Highlights

- State Revenue exceeds Budget by \$3.5 million or 7.3%
- Federal Revenue exceeds Budget by \$4.9 million or 71.8%

Mr. Andrews asked if there is any ESSER III money included as part of the Federal revenue. Mr. Neiman said no the ESSER III will be included in next year's budget.

Page 10 – 2020-21 Expenditure Highlights

- Expenditures favorable to Budget by \$1.2 million or 0.7%
  - Charter School tuition payments more than doubled compared to budget and prior Year. (\$9.3 million paid versus \$4.4 million budget)  
Mr. Andrews asked if this amount is less than what we estimated. Mr. Neiman said it is in the ball park of what we thought it would be.
  - Budgetary reserve of \$1.1 million not used
  - Transportation costs favorable to Budget \$0.8 million
  - CIU20 and MCTI costs favorable to Budget \$0.7 million
  - Non-Charter Tuition payments favorable to Budget \$0.5 million
  - Building Principals favorable to Budget \$0.4 million
  - Athletics favorable to Budget \$0.3 million
  - Utilities favorable to Budget \$0.1 million

Page 11 – Capital Reserve Trend

- As of June 30, 2021 Capital Reserve Balance is \$9.7 million
- On average, District spends \$3.7 million per year on Capital initiatives
- Summer 2021 project cost not included in chart
- District “self-funds” Capital initiatives
- Recommend discussing strategic Capital plan in December and annual transfers to balance Capital needs
- ESSER III Funds will also support select Capital initiatives
- Recommends transferring \$10 million from General Fund to Capital Reserve effective June 30, 2021.

Mr. Andrews said the Capital projects they spent on was for the air conditioning and the roof. Mr. Neiman said they spent the money on several projects.

Page 12 – Financial Statement impact of the \$10 million transfer

	General Fund	Capital Reserve
Balance as of June 30, 2021 – Prior to Transfer	\$58,745,185	\$9,677,524
Fund Transfer	(\$10,000,000)	\$10,000,000
Balance as of June 30, 2021 – After Transfer	\$48,745,185	\$19,677,524

- Accounting entry will be back dated to be effective as of June 30, 2031 (Financial Statement impact)
- Bank posting will be effective based on date it occurs after Board vote (Cash/Bank Statement impact).

Mr. Andrews said between the General Fund and the Capital Reserve the district has about \$68,000. Mr. Neiman said that is correct.

Mr. Neiman said he would like to speak about an accounting entry compared to a bank statement. We had several conversations with folks trying to reconcile bank statements compared to financial statements. Accounting is about getting your timing right by matching revenues and expenditures in the appropriate period. The accounting period is still open because the audit is not final yet. If the Board authorizes \$10 million that he is suggesting, he would recommend that they make the posting effective June 30<sup>th</sup>. It would be reflected on the June 30<sup>th</sup> Financial Statement. The Auditors are one hundred percent in line that this is appropriate accounting. The difference is, we won't do the actual transfer on the banking side until after the Board votes on this, so it will be sometime in late October or early November. The \$10 million transfer would be made between the two bank accounts by someone in the Business Office. Therefore, if someone is reading a bank statement versus a financial statement, you are going to have a \$10 million disconnect but a whole process of what accountants do in order to reconcile the accounting bank to your bank statement. Mr. Andrews asked although the funds are being moved, does the total number between the General Fund and the Capital fund will remain at \$60,000. Mr. Neiman said that the transfer

does not change the total amount even though they are two separate funds and bank accounts. Mr. Neiman said he wanted to discuss this process to see if there were any questions since this happens all of the time. He said he did not want any confusion with the \$10 million transfer. Mrs. Bear asked if the Capital Reserve fund pays for our projects. Mr. Neiman said that is correct. Mrs. Bear said the Property/Facilities Committee needs that amount in there for their long list of projects that they have. Mr. Andrews said his understanding is once they put money into the Capital Reserve, they cannot take it back out. Mr. Neiman said that is correct. That is why they have to be sure they want to place the funds in there. Mr. Neiman said he is here to say that he is comfortable with moving this amount in the Capital Reserve fund. Mr. Dymond asked if they start a project and need more funds can they add money from the General Fund to the Capital Reserve Fund at that time. Mr. Neiman said we can transfer from the General Fund to the Capital Reserve Fund at any time but not vice versa. The district is fortunate that they can self-fund. Mr. Andrews said the Legislators keep beating up on the district due to the healthy Fund Balance.

Mr. Neiman said the audit is complete but not yet final. The following motions are to make the audit complete.

#### Page 13 – Recommended October Board Motions

That the Board of School Directors:

- Approve the transfer of \$10,000,000 from the General Fund to the Capital Reserve for future capital improvements.
- Approve the General Fund Balance commitment of \$18,000,000 for PSERS Rate Stabilization and \$6,000,000 for Future Healthcare costs.
- Approve the General Fund Balance assignment of \$4,528,817 to be used as revenue to balance the 2021-22 Budget deficit, \$5,000,000 for Future Budget Expenditures and \$6,000,000 for Future Educational Programs.

Mr. Andrews asked if the funds allocated for PSERS and Healthcare can be moved around. Mr. Neiman said that would be at the discretion of the Board. Mr. Andrews said the Capital Reserve Fund cannot be moved around. Mr. Neiman said that is correct. Mr. Neiman said we also need to hold onto the \$4.5 million that the auditors suggested be assigned as revenue to balance the 2021-22 budget deficit.

#### Page 14 2022-23 Budget Timeline

- October 18<sup>th</sup> – School Board meeting; 2020-21 Fund Balance motions to close out the fiscal year.
- November 8<sup>th</sup> – Finance Committee meeting; Zelenkofske Axelrod present 2020-21 Audit results.
- November 15<sup>th</sup> School Board meeting; Zelenkofske Axelrod present 2020-21 Audit results.
- By November 30<sup>th</sup> – 2020-21 Annual Financial Report (AFR) submitted to PDE.
- December Finance Committee meeting – Review Capital Reserve balance and long-term capital needs. Discuss 2022-23 Act 1 Index.
- December 20<sup>th</sup> School Board meeting; motion not to exceed 2022-23 Act 1 Index (pending Finance Committee discussion).

Mr. Dymond asked if everyone is aware that MCTI is putting on an addition. Dr. Riker said he is aware from the report that Mrs. VanWhy presented at the last Board meeting. Mr. Dymond said that MCTI may be short in funds in order to complete this project. He asked if there is a way for the district to help fund this project. Dr. Riker said MCTI would need to come to each district in order for them to vote on this issue. Mrs. Bear said MCTI has to get a vote of all or none in order to receive the funds. Dr. Riker said she is correct. He said Mr. Virga would need to visit each district and put a presentation together in order to request the additional funds. Mr. Dymond asked if giving them the extra funds is a possibility. Dr. Riker said it would need to be a Board decision.

Mrs. Bear said she will now read off all of the recommendations from the Property/Facilities Committee meeting. Mr. Andrews asked Mrs. VanWhy if the storm drains and parking lots at North were placed on next year's Capital Project list. Dr. Riker said since it is not Public Participation time, Mrs. VanWhy cannot answer. Mr. Andrews asked Mrs. Bear if she had an answer. Mrs. Bear said if they presented these items at the Property/Facilities Committee meeting, which she did not attend, then it would be on the following list. Otherwise, it would be placed with next months' items. Mr. Andrews said these items were not finalized at the last meeting. Mrs. Bear said that is why they are not on this list so they would be placed on the list next month. The items would need to be recommended by the Property/Facilities Committee in order to move it forward to the Finance Committee agenda.

## **VI. Recommendations by the Property & Facilities Committee**

- a. D'Huy Engineering Invoices:
  - i. High School North Roof Replacement – Invoice #53602 \$405.00
  - ii. Resica and Middle Smithfield Water Filtration – Invoice #53603 \$4,610.00
  - iii. High School North Sanitary Liner Replacement – Invoice #53604 \$598.04
  - iv. High School South Pool Repairs – Invoice #53605 \$1,457.62
  - v. High School North and Lehman Intermediate Window Replacement – Invoice #53606 \$4,320.00
  - vi. Lehman Intermediate and Bushkill Elementary Flooring Replacement– Invoice #53607 \$6,112.24
  - vii. J.M. Hill Vestibule Renovation – Invoice #53608 \$643.55
  - viii. Additional Retainer Tasks – Invoice #53667 \$1,314.50
- b. Applications for Payment
  - i. High School South Pool Repairs and Upgrades – All State Technology – Application #2 \$135,015.00
  - ii. J.T. Lambert POD – TRANE – Application #2 \$19,969.00
- c. Current Projects List- Mrs. Bear asked if Mr. Andrews' items are on the Current Projects List. Dr. Riker said they would not be since the list includes current projects and not future projects.
- d. Trane Bushkill Elementary Summer 2022 HVAC Controls Upgrade –Letter of Commitment - \$19,771.00

- e. Authorization to Bid 2023 Summer Projects that will be funded by ESSERS
  - i. HSN/LIS Rooftop HVAC Units Replaced \$4,000,000
  - ii. RES Univents Replacements \$1,500,000

**VII. Recommendations by the Education P&R Committee**

None

**VIII. Public Participation - Limited to Items of Discussion**

None

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

1.

**RECOMMENDATION BY THE COMMITTEE:**

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

- a. The quote from Deere & Company for the purchase of a John Deere Gator at JT Lambert, in the amount of \$10,199.47.
- b. The quote from Commercial Refrigeration of Harrisburg, Inc. for the purchase of an ice machine at Lehman Athletics, in the amount of \$7,047.00.
- c. The award of the North High School Swim Timing System project to the lowest responsible bidder, to Industrial Service Technology/International Sports Timing, in the amount of \$36,358.00.
- d. The Emergency Connectivity Fund agreement with Debra M. Kriete, Esq., at a cost not to exceed \$15,000.
- e. Snow removal Quotes (contingent upon receiving of quotes).
- f. The quote from BerkOne for services related to Act 1 Homestead/Farmstead, in the amount of \$3,225.00.
- g. The agreement with K12 Systems Inc. for the annual renewal of Sapphire Software, in the amount of \$161,242.00.
- h. The agreement with Dude Solutions. for the annual renewal of Dude Software, in the amount of \$7,946.56.
- i. The agreement with Zonar Systems Inc. for the annual renewal of Software, in the amount of \$51,120.00.
- j. The quote from Edmentum. for the annual renewal of Reading Eggs, in the amount of \$6,954.80, through ESSERs 20%.
- k. The quote from Reading Wonders. for the annual renewal of Special Ed/ESL content, in the amount of \$9,104.01, through ESSERs 20%.
- l. The quote from Title Crate, for Grant management software, in the amount of \$5,000.00, through Title 1 Grant.

- m. The quote from Visual Sound, for Hovercam Document Cameras for Elementary Teachers, in the amount of \$25,112.00, through ESSERs III Funding.
- n. The use of ESSER III funding to support ESACA SWPBS, in the amount of \$3,000, through ESSERs III Funding.
- o. The following designations of operating surpluses upon conclusion of the audit but prior to finalization of the 2020-2021 financial statements:
  - i. The General Fund Balance commitment of:
    - 1. \$18,000,000 for PSERS rate Stabilization
    - 2. \$6,000,000 for Future Healthcare costs
  - ii. The General Fund Balance assignment of:
    - 1. \$5,000,000 for Future Budget Expenditures
    - 2. \$6,000,000 for Future Educational Programs
    - 3. \$4,528,817 to be used as revenue to balance the 2021-22 Budget
  - iii. The transfer of \$10,000,000 to the Capital Reserve from the General Fund for future capital improvements.
- p. The following Property/Facilities Committee items:
  - i. D'Huy Engineering Invoices:
    - 1. High School North Roof Replacement – Invoice #53602 \$405.00
    - 2. Resica and Middle Smithfield Water Filtration – Invoice #53603 \$4,610.00
    - 3. High School North Sanitary Liner Replacement – Invoice #53604 \$598.04
    - 4. High School South Pool Repairs – Invoice #53605 \$1,457.62
    - 5. High School North and Lehman Intermediate Window Replacement – Invoice #53606 \$4,320.00
    - 6. Lehman Intermediate and Bushkill Elementary Flooring Replacement– Invoice #53607 \$6,112.24
    - 7. J.M. Hill Vestibule Renovation – Invoice #53608 \$643.55
    - 8. Additional Retainer Tasks – Invoice #53667 \$1,314.50
  - ii. Applications for Payment
    - 1. High School South Pool Repairs and Upgrades – All State Technology – Application #2 \$135,015.00
    - 2. J.T. Lambert POD – TRANE – Application #2 \$19,969.00
  - iii. Trane Bushkill Elementary Summer 2022 HVAC Controls Upgrade –Letter of Commitment - \$19,771.00
  - iv. Authorization to Bid 2023 Summer Projects that will be funded by ESSERS
    - 1. HSN/LIS Rooftop HVAC Units Replaced \$4,000,000
    - 2. RES Univents Replacements \$1,500,000

Mr. Dymond said he would like to have more information before he can vote on the Hometown for Event Management and Digital Ticketing Software. Mr. Neiman asked that they provide him with a list of all of their questions. Mrs. Bear asked if this system can help students with paying for the prom or field trips. Mr. Neiman said there are other functions that can be bought for this system but he thought that they should start with athletics first.

2.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Richard Schlameuss to recommend that the Board consider for approval an agreement with Hometown for Event Management and Digital Ticketing Software. Motion was seconded by George Andrews. A roll call vote was taken and passed 3-1. George Andrews, Rebecca Bear and Richard Schlameuss voted yes. Larry Dymond voted no.

**X. Next Meeting - November 8, 2021**

**RECOMMENDATION BY THE COMMITTEE:**

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

**XI. Adjournment: 7:08 p.m.**

Respectfully submitted,  
Patricia L. Rosado  
Board Secretary