

**Lehigh Area School District
Finance Committee Virtual Meeting
June 14, 2021 6:00 p.m.**

Finance Committee Minutes

The Meeting was called to order at 6:02 p.m.

The following Board Members were present: Mrs. Rita Spinelli, Mr. Nathan Foeller, Mr. Richard Beltz, Larry Stern (audience), Gail Maholick (audience)

The following Administration Members were present: Jonathan Cleaver, Edward Rarick, and Rebecca Karpowicz

Barbacane Presentation

Barbacane explains the presentation to the committee

Mrs. Spinelli asks about the items the district needs to look over

Explanation of those items are; recommendation on bank reconciliations that one prepares them- someone else should review them and documented, district does not have a formal capitalization policy what is considered a capital asset. What is being done now is based on past practices, nothing formal. Recommendation on accounting software- old and not up to date, district get a more current system. Process of payroll; certain functions should be separated that currently are not, master file person should be separate from the person that processes payroll. Comfortable that the business manager is overseeing the process. Mailing of checks the process with the district is currently the same person who is issuing the check is also mailing those checks, recommend that someone at least spot check those checks or two separate people do those duties. Recommend that the district do a physical inventory of what the district owns. These items were issued in a separate letter for management and board only.

Mrs. Spinelli asks Mr. Rarick if we are working on correcting these areas

Mr. Rarick stated that when we close out the current year we are going to work on setting up procedures for the items listed, comply and put us in a better situation

Mrs. Spinelli asks if we are able to use any ESSER funds to purchase a new accounting system

Mr. Rarick – no but we are hoping to transition to the web based version of our current software, fall of this year

Mrs. Spinelli asks if Steve currently familiar with the software

Steve said yes he believes that will help the district

Mrs. Spinelli stated that she realizes that we are very short-handed in the business office but that we really do need to take care of those items

George's Transportation Bill

Mr. Rarick goes over the May Transportation Bill

Mr. Foeller is good to pay

Mrs. Spinelli is good to pay

Budget Transfers

Mr. Rarick goes over the budget transfers presentation. These will need to be board approved and will get the budget into the correct budget codes.

Copier RFP

Mr. Rarick discusses the copier RFP, for our copier services which is expiring this year.

Mr. Rarick explains the spreadsheet with the various costs associated with the copiers, colored and black/white, contractual savings, number of copies

The number one copier was Toshiba Direct; some of the services they provide are scanner redaction system, google integration platform, papercut services

Explains that we did bring in copiers in various buildings to test and evaluate the copiers themselves, Toshiba had the best services overall.

Mrs. Spinelli does not have any questions

Mr. Foeller was questioning the numbers which are based on our current usage

Mr. Rarick and Mr. Foeller talk about the various ways to pay for the actual copies, explains papercut services

Mr. Foeller asked if Fraser would be able to provide Toshiba machines

Mr. Rarick stated that they were not able to provide those any longer

Toshiba machines will be familiar to our staff

Toshiba direct was extremely knowledgeable and helpful to the district just for the set up of the demo

Technology Purchase

Mr. Rarick talks about the Chromebook purchase of 650 devices through the ESSER II grant

This does not cover the district needs

The IU rental for devices has gone up dramatically, \$540 for the year

The option is to purchase the Chromebooks instead of leasing them

Overall saving options discussed

Suggesting for the ESSER III grant that we purchase versus leasing then the district will own

Letting everyone know where we stand with our 1:1

Mr. Foeller stated that the cost to purchase is less then leasing

Mr. Foeller asked if the issue is that we need to get the order in sooner so that we have the for the upcoming year

Mr. Foeller agrees that purchasing is the way to go

Mrs. Spinelli agrees with purchasing

2021-2022 Proposed Budget Update

Mr. Rarick discusses the 2021-2022 budget, revenue and expenditures

Mrs. Spinelli asks if we will be having another budget meeting to talk about the budget in more detail

Mr. Rarick stated that we will have another meeting next week

Mrs. Spinelli talks about the line item of \$10,000.00 under community services, we have yet to decide but guessing that is for the library

Mr. Rarick stated the yes it was and he was trying to get something into that budget.

Mrs. Spinelli stated that if we want to do the full amount we need to find the \$8000.00 somewhere in the budget

Solicitor RFP

Mr. Rarick talks about the RFP for solicitor services

Briefly explains each RFP information, fees and services

Mrs. Spinelli asks if we know how much we have paid for legal services for the current year

Mr. Rarick states that he does not at this time but will pull the files and put those figures together

Mrs. Spinelli wanted questions for Barbacane first

Barbacane left the meeting

Those questions could be gotten from them at another time and given

Mr. Bradley stated that in the future we should allow public with questions to ask them right away, committee meeting, more topical

Copier first, proposals better for less, did anyone ever ask the questions what would the cost be for our actual needs. Did you get the direction from your board? Cost for actual needs. We need to do that, the implementation of tracking came from Mr. Feick and myself and it was very successful.

What model Chromebook are you looking at?

Mr. Rarick gets the quote and explains the devices

Mr. Bradley agrees that it would be better to purchase than lease

Mr. Bradley and Mr. Rarick discuss the chromebooks, the testing that was done with students and teachers, most popular and fastest model is this one, along with the two ports,

Mr. Bradley talks about the Wi-Fi devices for the elementary center? Did we look at the source? Did we look at that contract – same as the one as the access points.

Mr. Rarick states that that vendor not offer the pricing that they were \$75.00 higher than the current quote

Mr. Bradley asks if Mr. Rarick included in the current budget update, did you include the support contract stipends going to all these people, with no service tied to that cash payment, did we account that in what numbers did you come up with that left you only \$2000.00 left over, were you given that information, payment stipend much like the teacher contract

Mr. Rarick states that he is unsure of what Mr. Bradley is talking about.

Mr. Rarick states that he used the simple salary numbers from where they believe the contract is going to land.

Mr. Bradley wants to know who told him where the contract is going to land

Mr. Rarick stated that he was privy to the negotiations but not any stipends

Mr. Bradley asks if they were removed or hidden in the negotiations for the support contract
Mrs. Spinelli states that she doesn't know what he is talking about as well.

Mr. Rarick comments that he thinks what Mr. Bradley is referring to is the existing contract and the stipends that go to PIMS Coordinator, food services, and the Maintenance Supervisors

Mrs. Spinelli agrees these are for those doing extra duties

Mr. Bradley states that we need to get clarification and then make sure that those extra duties are actually being performed.

Mr. Bradley talks about the support contract

Mr. Bradley talks about the massive amounts of school codes not being followed and the King Spry Failures

Mrs. Spinelli states that in an RFP anyone who wants to bid can

Mr. Bradley states that he feels that two of those that did are unqualified and should be eliminated by any rational board member.

Mr. Bradley stated that a comment about budget transfers, repeated a comment that was made 17 minutes into this meeting

Mr. Bradley continues to comment on the board and budget transfers

Mr. Bradley asks Mr. Rarick if he read the 609 code

Mr. Rarick stated that he disagrees with his interpretation of that code.

Mr. Bradley commented on the library dollar amount should be increased to 30K

Mr. Bradley asks about the checks being issued, are the signatures pre signed on the checks

Mr. Rarick answered that the checks are pre printed

Mr. Bradley asks Rita when she reviews the payments

Mrs. Spinelli stated that she looks at them when they are on the board and explains the common practice

Mr. Bradley asks how do you reduce the amount of consumption for the district

Mrs. Spinelli and Mr. Bradley continue the conversation

Ms. Bowes comments on the RFP for solicitor, wanted us to talk to the districts that these solicitors worked for before and what they were charged, get feedback, check references

Ms. Bowes talks about moving budgeted items and the 609 codes

Mr. Rarick states there are times when not everything fits inside of the little box and talks about grants and expending funds as an example, expenditure before the reimbursement

Autumn A talks about the library funds and thank you for including in the budget, we did note that it was for the \$10,000.00, however is the difference something that you are looking into fitting into the budget

Mr. Rarick stated that if he could find more funds in the budget he would consider looking into giving the library more funding

Mr. Zloomsowitch asks about the solicitor and the bids, can you go contact solicitors

Mr. Rarick stated that yes we can

Mr. Zloomsowitch stated that he had heard of one from the Harrisburg area, that does school law and that they were around \$145.00 an hour and they will answer quick questions with no fee, he talked to a board member from Jim Thorpe

Mr. Zloomsowitch stated that he felt that the \$1000.00 stipend given to the teachers was earned because they dug into their own pockets for the last two years to pay for supplies, etc. Mr. Zloomsowitch asked about the bond re-structure and the process, does it happen quickly Mr. Rarick stated that this will be discussed further on the June board meeting along with a motion, but restructure will happen in the fall of 2021

Mr. Zloomsowitch stated that even with the tax increase in the last two years we are in such financial crisis that we still need a max 4% and a restructure and covid money

Mr. Rarick stated that this is a board will decide what we need to do for the district

Mr. Zloomsowitch continues to ask questions on covid funds

Mr. Rarick explains that these funds do not come all at once, this comes over a few years and all of the issues that could arise from not using the funds properly

Mr. Rarick talks about the bond restructure and how this was brought up by Ms. Bowes and some options that will help the district financially, this is a board decision, he will look into alternatives for the district

Ms. Sittler asks what the covid funds were used for because many in the community have asked

Mr. Rarick stated that we have only received one payment so far and it has not been expended yet, ESSER II is for continuity of education, ESSER III is used for learning loss, school police officers, purchase of technology, technology programs for students and teachers, additional disinfectant and further spread of covid, transportation in ESSER II, risk assessment, salaries for school psychologists, social works. First covid funds when they came out was for special education teachers, operational supplies, covid required items, face masks

Ms. Sittler asked if we supplied the district with face masks

Mr. Rarick answered that yes we did but nursing, students, staff, with the help of Lehigh Valley could purchase whatever they wanted that was different or what they chose

Ms. Sittler stated that she heard through the teachers that they had to buy their own PPE

Ms. Sittler asks about the solicitor and the numbers in regards to what was spent where, cannot make an educated decision without the variables

Mr. Rarick answers that the current solicitor is paid by the hour and that the ones who applied also showed their hourly rate. I will go back and calculate what was spend where on the legal fees.

Mr. Rarick stated that Filer Schwab we have spent \$39, 374.00 year to date

Mr. Zloomsowitch asks about King Spry

Mr. Rarick answers \$45, 205.73

Ms. Bowes asks about budget transfers, the problem is that it has always been done this way and items had not been in the correct codes, and if it was something that had only been done occasionally it would not be a big issue, realize you are trying to get everything in the proper area.

Ms. Bowes restates her ideas about the solicitors RFP

Mr. Rarick points out that we could interview the solicitors if we choose to

Mr. Rarick pulled six years of budgets and agrees with Ms. Bowes, just trying to make it better for the future and all the work that it takes for the budget codes, broken down by each school, funding sources, etc. and hopefully moving forward we have less of these issues

Ms. Bowes thanks him for his work, better software might make the job easier

Mr. Bradley, King Spry- can you separate that as to how much was spent on student IEP's, how much was spent on defense litigation fighting challenges of immunity and Filer Schwab sub contract. Talks about the budget transfers and the non-compliance of 609 code. Does believe that the teachers did pay for supplies out of pocket but it makes no sense because we had funds and continues to talk about what we spend on students and non-resources, giving teachers back money when we had a surplus in funding.

Mr. Zloomsowitch asked if there were funds there when teachers were spending from their pockets last year

Mr. Rarick stated he did believe that teachers did purchase items when the district could not, knows that the art department did

Mr. Rarick stated that he believes Mr. Bradley is going back to past budgets

Ms. Sittler asks for examples of this

Mr. Bradley stated that she should pull up page four of this agenda

Mr. Zloomsowitch stated he was just asking a question did not want to make another argument

Mr. Rarick stated to stop and no one is hijacking this meeting

Mr. Rarick continues to state that since he has worked for this district not one purchase order or order for any teacher has not been turned down including a stage for graduation, not one has been rejected for any teacher/student.

Mr. Bradley continues to comment on the budget transfers

Mr. Rarick re-states that not one item has been rejected, before he came into the district that there were many strict rules.

Mr. Foeller clarify, he disagrees that the students are all hurting, is happy with much of what goes on in the district

Next meeting date: June 23, 2021, 5:30 p.m.

