

**Lehigh Area School District
Finance Committee Virtual Meeting
June 23, 2021 5:30 p.m.**

Finance Committee Minutes

The Meeting was called to order at 5:32 p.m.

The following Board Members were present: Mrs. Rita Spinelli, Mr. Nathan Foeller, Larry Stern (audience), Gail Maholick (audience), David Bradley (audience), Stephen Holland (audience)

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

George's Transportation Contract

Mr. Rarick goes over the extension to the George's transportation contract, various runs, and pricing for the 2021-2022 school year

Mrs. Spinelli asks if these numbers are included in the budget presentation for this evening

Mr. Rarick states that these numbers are in the budget

Mr. Foeller has no questions

Breakdown of Legal Fees for 2020-2021 Year

Mr. Rarick explains the legal fees for the 2020-2021 school year and how they were broken down into the various charges and the dollar amounts that coincide with them

Mr. Rarick explains that we will be receiving approximately \$9000.00 back from insurance

Mr. Cleaver states that the insurance deductible is \$15, 000.00 and then it is a 20/80 split.

Mr Rarick – yes

Mr. Foeller asks if these are the numbers for the 2021 school year

Mr. Rarick explains that he put this together as per the request from the June 14, 2021 finance meeting

Mrs. Spinelli states that if we were to choose King Spry with the 15, 000.00-year retainer it looks like we do spend just a little over that within the year

Mr. Rarick stated that in the previous meeting there were a variety of items included with the retainer for King Spry RPF, he called and talked to many other school districts (North Western in particular) and as long as they had been using them the retainer had always worked out for the districts

Bond Restructuring

Mr. Rarick stated that the bond restructuring was talked about in the June 14th meeting and that he just wanted to review it again, he continues to go over the process

Mr. Rarick explains that he does not feel that this is a good idea for the school district to do, he feels that we are in a much better financial position then we were six months ago

Taxes, COVID funds, and additional revenue have helped the district

Mrs. Spinelli states that she concurs with Mr. Rarick that we do not need to do the bond restructuring, this started because we were in a very different place and we are no longer in this place. This is however a decision that the entire board needs to make

Mr. Foeller agrees with Mrs. Spinelli, he does not feel that we need to do the bond restructuring s at this point and thanks Mr. Rarick for all his hard work

Mr. Rarick continues to explain the projections for the next school year

2021-2022 Proposed Budget Update

Mr. Rarick explains the budget slides again, revenues, expenditures for the 2021-2022 school year.

Mr. Foeller asks if we are using current numbers, contracts, George's etc. up to date in included

Mr. Rarick-yes

Mrs. Spinelli asks about the basic ed and special ed could be increased substantially, are we still in an austerity situation as far as supplies go

Mr. Rarick confirmed that we are in need of supplies, textbooks, supplies for the science classrooms, because we really have not made any purchases in the last few years. In addition to the funding formula on basic ed and special ed, our district is pretty consistent and would probably not see a large increase, maybe basic ed by \$100,000 not a large jump

Mrs. Spinelli is concerned that the district has been doing a lot of talking about the Library funding above the \$10,000 set aside for them, however if we are in need of so many supplies for our district the second \$10,000 would need to depend on the condition of our district in this year

Mr. Foeller asks if there is a way assemble the dollar amount to catch up those supplies, how were they handled even two/three years ago

Mr. Rarick stated yes, and that he has been going through the buildings and stating that we still need to be fiscally responsible and what do we need to get by for the year, would have to go back years ago to see what we had spent years ago. Math had no workbooks, no technology programs, science books rebound because we did not purchase, these things need to change in order to put our students in a better position

Mrs. Spinelli agrees, can we jump back, can you clarify the Legal fees – the items listed by the board can you please explain what that means

Mr. Rarick states that those are items filed by a Lehighon board member

Mrs. Spinelli states that this was not the entire board bringing law suits to the district

Mr. Foeller goes back to his previous question, if we could come up with a number to see what we need to come up with just to get our classrooms up to where they need to be, what we need to shoot for to get back on track

Mrs. Spinelli agrees and Mr. Rarick states that this is a project he can work on

Mrs. Spinelli states that we do need to have a plan on how to get there and a figure would be greatly appreciated

Mr. Bradley asks what his time limit is on his comment period

Mr. Rarick states that he thinks that comment is limited to three minutes, but let's see how it goes

Mr. Bradley wants to know the current interest rate for deposit

Mr. Rarick states that he believes it is .5%

Mr. Bradley talks about the interest for the six million set aside for post employee benefits, would be generating about \$30,000.00/\$40,000.00, do you know where those protected funds went,

Mr. Rarick stated no he was not here at that time

Mr. Bradley commented that it went to a stadium that is not generating little to no income

Mr. Bradley continues to comment on the stadium

Mr. Bradley wanted to go to page 14 of the budget, it looks like from the 1200 part of the budget, salary and benefits, are you trying to state to trim even \$100,000 from the generous Cadillac program that was offered to these employees. So that these teachers do not have to pull money out of their pockets for supplies.

Mr. Rarick comments that his budget will get us in a much better position for supplies

Mr. Bradley asks for a half a million dollars for supplies

Mr. Rarick talks about a large portion of this dollar amount is for PSERS and no he cannot pull a half a million out of this, we would then be underfunded in that area

Mr. Bradley asks to reduce the plan, benefits

Mr. Rarick states that this is under contract at this time

Mr. Bradley asks to go down to the legal services page, we all know that I am the one who is filing these court cases, because our district is failing according to the AG to follow our own policy and school codes, in the event they actually followed these there would not be any complaint. Who authorized to spend money with a defense attorney? Who has the authority to spend?

Mr. Cleaver when the complaint is filed it gets turned over to the insurance company

Mr. Bradley continues to comment on the legal fees and authorization

Mr. Cleaver states that Mr. Bradley can spin this any way he wants, he continues to explain the process

Mr. Cleaver and Mr. Bradley continue to discuss the legal fees

Mr. Cleaver and Mr. Bradley talk about the Right to Know and appeals filed against them

Mr. Cleaver stated that there are items here that Mr. Bradley has not picked up

Mr. Bradley continues to ask who authorizes these expenditures

Ms. Bowes asks about a George's bill,

Mr. Cleaver states that that was shared at the June 14th meeting

Ms. Bowes agrees, she then thanks Mr. Rarick for concurring that the bond restructuring is not a good idea for the district, she too was afraid and thought it would hurt the credit rating, glad we are in a better place, but looking at the federal numbers revenue, I know we are buying technology etc., but that was approximately \$300,000.00, 2.2 million is because of COVID, realizes that there are more funds coming next year and if we did not receive that we would be in trouble, when the COVID money runs out where will we be

Ms. Bowes stated about FOSS and the supplies would last three years and that is why we probably did not need those supplies

Mr. Rarick stated that he was specifically talking about Math and that the ESSER III funding was being looked at as helping with the future curriculum

Mr. Rarick stated that yes ESSER funding is onetime funding, still need to tax increase, still need to control expenditures, this year's budget was the first step in the right direction

Ms. Bowes states that we do want the children to have what they need but we still need to be careful with spending and watching every penny, teachers should not have to go out and buy supplies

Mrs. Spinelli clarifies the revenue from Federal sources is not all ESSER money, there is other funding included from Federal

Mr. Rarick stated that this is correct

Ms. Bowman asks if there is a plan to prioritize the purchases

Mr. Rarick stated that yes, requisitions go to the principles first, then up to the business office

Ms. Bowman asks if any funds are being used for curriculum, used to be on a cycle

Mr. Rarick stated no there is an actual separate curriculum line

Ms. Bowman asks about replacement teachers for those retired

Mr. Cleaver stated yes these are in review

Ms. Bowman asks could you give the dollar amount for the homestead exclusion

Mr. Rarick stated yes, there is a resolution - \$266.24

Ms. Bowman stated that if you are going to do double runs, cautions to look at this so we have no behavior issues

Mr. Rarick stated that is should be HS and MS that travel together

Mrs. Salerno comments to Mr. Bradley, email generated today where Mr. Bradley accused her daughter of winning homecoming because of her affiliation with Mr. Larry Stern, by cheating the system by being friends with Larry Stern, a picture was shared from my personal Facebook page, yes we are friends and have been for a long time, she won fairly from an election by her peers, so to be accused of anything other, you're beyond childish, if I was you I'd be more worried about the pictures circulation of you daughter at a military hospital where she is holding a stick hanging out of her like some man's penis with going into some man's mouth, not a 17 year old who won homecoming, you are disgusting to stoop to the levels you do. Before this gets out there he just attended my son's wedding and we did not talk anything about Lehighton, so tomorrow make sure you send an email about how lying Larry went to Sue Salernos's wedding, you preach Christianity, you are pathetic

Mr. Rarick stated he looks forward to the approval of the budget Monday night and thanks everyone for comments

Next Meeting Date: August 9, 2021