

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
February 8, 2016
Carl T. Secor Administration Building – Board Room
5:30 P.M.**

Minutes

- I. The Chairman, Gary Summers, called the Finance Committee meeting to order at 5:32 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. Board Committee members present were: Ronald Bradley, Debbie Kulick (arrived at 5:33 p.m.), Gary Summers and Lisa VanWhy.

Non-Committee Board Members present were: Robert Gress and Judy Summers.

School Personnel Present: Jeff Bader, Brian Borosh, Joe Formica, Sharon Laverdure, Tom Lesniewski, Fred Mill, Ryan Moran, John Rosado, Patricia Rosado and Kim Stevens.

III. APPROVAL OF AGENDA AND MINUTES

Motion was made by Ronald Bradley to approve the agenda for February 8, 2016 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 Lisa VanWhy and carried unanimously, 3-0.

Motion was made by Ronald Bradley to approve the minutes of the January 12, 2016 meeting. Motion was seconded by Gary Summers and passed, 3-0.

IV. ITEMS FOR DISCUSSION:

a. Network Infrastructure Bid

Mr. Borosh said that the district is looking to add newtwork infrastructure and they posted an RFP for 29 days. Five bids were received, as indicated on the attached handout. In the handout MSRP (Manufacturer's Suggested Retail Price) and PEPPM (Pennsylvania Education Purchasing Program for Microcomputers) prices are included and Integra One is the lowest price. This will enable the District to double the number of wireless access points. Mr. Summers asked if this will allow internet access in all classroom as opposed to every other classroom. If so, why is it needed? Mr. Borosh said that the district is working on a one to one initiative with students. This will be brought to the Board at a later time. Mr. Summers asked what is PEPPM. Mr. Borosh said it's a bid and price list from the State. He checked and one came above price and one below price. Mr. Bader said this is similar to what the Property/Facilities uses with COSTAR (Commonwealth of Pennsylvania's Cooperative Purchasing Program) bids. We decided to go with PEPPM which is similar to Co-stars but when the RFP were submitted, they received better prices. Mr. Borosh said they received a price of \$70,000 less than PEPPM. Mr. Summers said, therefore, the district's share is 20% since the E-rate discount pays 80%. Mr. Borosh said that is correct.

b. Staffing Levels for Para Professionals & Student Aides

Mr. Summers said that he closely monitors head counts and the Para Professionals (Paras) and Student Aides (Aides) caught his eye. It looks like there has been a significat increase

in a couple of the elementary schools. The staff level seems to be much different than in other schools. We just added four student aides and paraprofessional in January. This needs to be looked at. Mrs. Laverdure said, per Mr. Summers request at the last meeting, Mrs. Kim Stevens is here tonight to address his concerns. Mrs. Stevens said that with the need to follow a more inclusionary model and the nature of the needs of students enrolling in the district, there is a need for extra support. The district does monitor the number of aides and paras and only fills the positions when needed. For example, the district does not replace individuals who have retired until they see what the needs will be. Mrs. Stevens said that Middle Smithfield Elementary has a life skill class which required paraprofessionals to be hired to better suit student needs. They transfer aides and paras to fill the need. Mr. Summers asked if these are new students coming into the district. Mrs. Stevens said they are new students. Mr. Summers asked are their IEPs available. Mrs. Stevens said they receive IEPs. They review the paperwork they receive and put para professionals in place but then when support was exhausted, student aides were needed. Mr. Summers said we need to keep monitoring every IEP to justify that the need is educational and not behavioral. Mrs. Stevens said that some students come from feeder schools. They review and transfer individuals as necessary to align with the IEPs. Mrs. Laverdure said that if the Board sees more aides or paras in one elementary school than another is due to some elementary programs being in one specific school. It all depends on the programs and children level.

c. IU 20 Expenditures

Mr. Summers said we need to review the IU 20 expenses and hopes the district is using the money wisely. Why is the district not hiring a psychiatrist. Mrs. Stevens said that we do not have an ongoing need in just one building. A lot of students come into the district with emotional disturbance. If the district does not receive the information that is needed then a psychiatrist is hired to get it. Any service that is needed from a psychiatrist has to be approved by one of the Directors of Pupil Services. Mrs. Stevens said that they will try their best to get information about the students that have significant breakdowns to see what is needed. Mr. Bader said that the IU 20 expenses of about 3 million dollars are for programs that the district does not have. The district is trying to place more programs in-house. We have cut back in transportation by 75%. This may be a discussion for when the IU 20 comes to present their yearly operating cost budget. In their current budget estimate, they have a 2.9% increase in their cost for these programs. Since the index is less, we may need them to keep this cost down like we are doing. The IU 20 should be encouraged to come down outside of the operating budget. Mr. Summers said that he hears stories about our district being an IEP magnet. We need to review this issue. Mrs. Stevens said that one problem may be that New York does not share information on the students because they consider it part of the HIPPA Law. Mr. Summers said that this is a school code requirement. Mrs. Stevens said that is correct and they have counselors and psychiatrist that are contracted. All contracts are approved by the Director of Pupil Services first. Mrs. Stevens said that Least Restrictive Environment are based from the IEP. Mr. Summers asked if the number of IEPs change all the time. Mrs. Stevens said yes and they do extensive monitoring to do what's in the best interest of the student.

d. Maintenance Vehicles (Tabled from last meeting)

Mr. Summers asked if the district is replacing any vehicles from the list that was given to them tonight since they are asking to buy a van, a gator and a slit seeder. Mr. Bader said that the only vehicles that were disposed of were the 1996 E-250 Van and the 1988 E-350 Van that were approved at the Regular School Board meeting in January. Mr. Summers asked which department will use these vehicles. Mr. Bader said that the Maintenance and Grounds Department will use the split seeder. Mr. Summer asked what is a split seeder.

Mr. Bader said it is a machine to make a trench so seed can be inserted into the ground to increase the percentage of seed that germinates. This is done occasionally in the grass fields. This item is currently borrowed but if the district purchases one, it will always be available for use. Mr. Summers asked what is a gator. Mr. Bader said that a gator is used to move small equipment mostly to the North Campus. Mr. Summers asked if it is some type of pick-up truck. Mr. Bader said it is not. Mrs. Laverdure said she thought we have a gator. Mr. Bader said we have an old one that needs to be replaced. Mr. Summers asked who is in charge of all the vehicles on the list. Mr. Bader said that his office handles the insurance portion of all the vehicles. Mr. Summers asked who is in charge of the vehicles and is there some type of replacement program to document why they are being used and what needs to be replaced. Mr. Bader said that in column three of the list they received, it states who is in charge of the vehicle. Mrs. VanWhy asked who is in charge of the vans. Mr. Summers said the new Director of Maintenance will be in charge of the vans. Mr. Summers asked if we have prices for the vehicles they are looking to purchase. Mr. Bader said they have ball park amounts but will need to firm the pricing.

e. Drivers Ed Vehicles –

Mr. Summers said that we have two dodge vehicles with many miles and asked if they will need to be replaced. We are the only district that offers Driver's Education despite our budget issues. We have two car dealerships in our district. We should ask Doc Martinelli to ask the dealerships to donate brand new vehicles to the only school district that is running a driver's training class. Mr. Bader said that he spoke to Doc Martinelli and in 2005 they approached the dealership but none of them said yes. The vehicle that Doc Martinelli operates is in need of many repairs and the one up North probably has the same issues. Mr. Summers suggested that they approach the dealerships again. Ms. Kulick asked if they can check COSTAR of any other State pricing list to compare the cost for the vehicles. Mr. Bader said the State list was used the last time they obtained the vehicles. Mr. Bradley suggested checking with Enterprise when they have yearly sales on their vehicles since they are well maintained. He also suggested looking a local repair shops that service vehicles. Mrs. Laverdure said that the vehicles are serviced in the district. Mr. Bradley said this may be the problem. Mr. Summers asked if we ever tried working with MCTI. Mr. Bader said that they looked at body work that needs to be done but MCTI could not give the district a specific timeframe that worked. Mrs. VanWhy asked if the Maintenance Department services the vehicles. Mrs. Laverdure said they do minor items like oil changes. Mr. Bradley suggested speaking to Honda about car repairs. Mrs. Laverdure asked why not approach them to see if they will give the district a car. Mr. Bradley said they will not donate a car but may help with repairs. Mr. Summers suggested that Doc Martinelli go to the car dealerships in our district and ask if they will donate two cars for our Drivers Ed Program and he should take the Reporter from the Pocono Record with him.

f. Library Expenditures –

Mr. Summers said that if we budget what the Librarians are asking for they need about \$210,000 for books and periodicals. This would be an increase of about \$150,000. According to the checks that were issued, they totaled about \$160,000 but some were for software expense. Before we agree to any amount, we need to see how much they actually spend. Mr. Bader said that his handout includes just books and periodicals. Mr. Summers asked Mr. Bader to explain the handout. Mr. Bader said that his handout includes the library expenses from the 2011/12 school year. The actual amount that the libraries spent in 2011/12 was \$70,306.94, 2012/13 \$83,042.52 and 2013/14 \$78,430.37. In 2014/15 they spent \$115,480.05 because each school was given an allotment of \$5,000. In 2015/16 \$54,415.00 has been budgetted. If they received what they are requesting per student, it

would total \$1,263,384.14 and \$60,352.00 would be for books. Mr. Summers said; therefore, the Principals are asking for \$60,000 for books but the librarians are asking for \$210,000. Mrs. Laverdure said that when the Librarians presented this total, they did not expect it all in one year. This would overwhelm them and they would not be able to accomplish their goal in one year. The district would like to phase in their proposal. Mr. Bader said he believes Mrs. Laverdure is correct. Mr. Summers said aside from the software that they spend on, what would they spend the extra money on. Mr. Bader said they would like to upgrade and weed out books. Mr. Summer asked if they would need about \$100,000 to do this. Mr. Bader said if they go from where they are to where they need to be, it may be more. Mr. Summer said this amount per student may be for a library that is just starting out from scratch. Mr. Bader said yes but it's for book allocations per student. Mr. Summers said that we have libraries in every school. We need to pull out old but they already spent about \$115,000 in 2014/15. Mr. Bader said he believes this is what they need to be added to their budget and not for the libraries to start from scratch. Mr. Summers said let's make sure that we understand and not intrepert what we think they need. Even if we were to add this year and more the next. Mrs. Laverdure said we should talk to the librarians to see what their plans are to phase in their request. Mr. Bader said every school has the same need. Mr. Summers said since they already spent money, I am not sure why they need the extra money. Some money was spent on software and some items can be accessed online. We don't need books. Shouldn't this count for something. Mr. Bader said the librarians explained how online works compared to the print form. Mr. Summers said he is not opposed to spending more money, but it is not clear what they are going to do with the money. Let's make sure we know what they need. If necessary, let's pick a library to see what they need in order for us to determined if it is something different. Ms. Kulick asked what is done with the material that they weed out. Mr. Bader said it gets replaced. Ms. Kulick asked where does it go. Mr. Bader said some gets resold and others are recycled. Mrs. Laverdure said we don't get a lot of money for it and some books are donated.

g. School supplies

Mr. Summers said that Mr. Gress brought some concerns about school supplies. Mr. Gress said that some schools buy school supplies while others don't. A letter went out asking that student bring in some supplies like tape, staples, etc. It is not equal in all schools. Mr. Summers asked if supplies come out of the building's budget. Mr. Gress said that the reports indicate that they have supplies. Every year letters go out in the beginning of the school year, but they never received one requesting supplies after running out of them. In the past, if they ran out, they would go to the office to request more. This may be an affect due to budget cuts. Mr. Summer said that based on reports, everyone gets a flat amount per school. It's the same amount per student. A school with more students get more. We believe this amount covers the cost of supplies. Mrs. Laverdure said that she visited 85% of the schools. Everyone she spoke with had a supplyroom filled with supplies. Mrs. VanWhy asked why was the letter sent out. Mrs. Laverdure asked him to get more specifics so the district can check on the needs. Mr. Gress said that some parents may not want to disclose their information. Mr. Summers suggested that the Administrators ask all schools to see where there is a need. Mrs. Laverdure said everyone has an adequate amount of money for supplies.

h. Class trip transportation

Mr. Summers said that according the the Board Policy, the district pays for class trips but some PTOs hold fundraisers. Mr. Bader said that we cover within the district boundaries and such places as ESU. Mr. Summers asked what if they go to New Jersey. Mr. Bader said New Jersey and any area that is not within the district's area is not covered. Mrs.

Laverdure said that some field trips are paid by the Title II Grant. Mr. Ryan Moran said the trips to the Bog, which is directly related to the students' instruction, is covered through the grant. Mrs. Laverdure said that she received a letter that they are not funding this expense any longer. Mr. Bader said if trips are not within the boundaries of the district, they need to fundraise to pay for the trip. Mrs. Laverdure said that Senator Scavello provides the funds for the 4th graders to attend Harrisburg since it is written into their curriculum. Mr. Summers said Price Chopper may have funds for field trips. This may be something to keep looking into. Mrs. Laverdure said that about five years ago, the district looked to scale back on field trips as a way to save money. Every little bit of money makes a difference. There are also virtual trips that students can take.

i. Electricity Purchase

Mr. Bader said that our current electricity supplier is valid through 2017. The Colonial Intermediate Unit Energy Purchasing Program has submitted bids for electric generation for the period July 1, 2017 through June 30, 2019. The bid prices are only good for 48 hours. Mr. Bader asked for authorization to accept the low bid on behalf of the District and to bring the bid to the Board for ratification at the next Board meeting. Mr. Summers asked if Mr. Bader plans to approve an extension on our current contract. Mr. Bader said it is new pricing for two to three years. Mr. Summers asked if this is similar with what someone would do for their home. Mr. Bader said, yes, but not with Med Ed but with a supplier. Mr. Summer said this item will go to the Board for approval after Mr. Bader signs tomorrow.

j. Substitute Pay Rates

Mrs. Laverdure said that she spoke to the teachers about substitutes. Mr. Bader said that it is difficult to keep substitutes. Mr. Summers asked if there is a sub rate comparison with other schools district because the MCTI raised their price to \$100. Mr. Bader said that we are pretty competitive with all rates except with the teachers. Mrs. Laverdure said that Stroudsburg Area School District is the same rate as ours. Mr. Moran said he confirmed with Stroudsburg and that is correct. Mr. Summers asked if there are any other classifications that the district is having trouble filling aside from the teachers. Mrs. Laverdures said nurses are also a problem. Mr. Summers said that bus drivers rate are higher in our district than in others. Mrs. Laverdure said the cafeteria aides and workers are also higher in our district than in other districts. Mr. Bader said we are in pretty good shape with other positions. Mrs. Laverdure said that the Health Room Assistants' rate is low and they are different from the School Nurse. Mr. Summers asked what is Administration proposing. Mr. Bader and Mrs. Laverdure suggested raising the substitute rates as follows:

Heath Room Assistant from \$9.50 to \$12.00

Para professionals from \$9.00 to to \$11.00

Student Aides from \$8.00 to 10.00

Teachers from \$80.00 to \$100.00

School Nurses from \$80.00 to \$100.00

Mr. Bader asked if the district should keep the substitute teacher bonus incentive in place. Ms. Kulick asked how many times a year do they receive this bonus. Mrs. Laverdure said they may receive it about three times a year. Mrs. VanWhy asked if they get the bonus for every 30 days they work and does it have to be consecutive days. Mrs. Laverdure said that they receive the bonus for every 30 days they work but it does not have to be consecutive days. Mr. Summers suggesting leaving the 30 days incentive bonus in place.

k. RFP for Substitute Management

Mr. Bader said he would like to look into a pool for outsourcing substitutes. Mr. Summers asked if he means that an outside company would be in charge of supplying the substitutes (subs) for the district. The district would not pay the subs but the company would. Mr. Bader said that this is correct and the district would not pay for healthcare; therefore, it would not impact us with trying to maintain minimal hours that the subs have to work. This will open the opportunity for subs to work five days a week. We can also get a larger pool of subs to work in our district. Ms. Kulick said it may also help with workers compensation or liability issues. Mr. Bader said the district will advertise for an RFP to see how many companies respond. Mr. Summer said that some of the Lehigh Valley districts outsourced subs. Mr. Bader said that they outsourced subs in the Bethlehem School District. Mrs. VanWhy said districts still have problems getting sub teachers. Mr. Bader said this will not be a “cure all” solution. Mr. Summers said that it does not hurt to try. Mr. Bader said that he can include as part of the RFP for the company to submit their filled rate percentage.

l. Berkheimer Act 80 Proposal

Mr. Bader said that the district has to verify all taxpayers within our district. If we see that they do not belong in our district, we have to indicate where they belong. Last year, the district used Berkheimer, who did the verifications electronically. Their cost last year was \$760. He recommends that we use them again. They can do the work less expensively than the district can and with greater accuracy. Last year, Berkheimer sent their quote to us through our Tax Accountant’s email, but she is no longer with us. The Business Office received the email today informing of them of the deadline to get the verifications done. Mrs. VanWhy asked if the work can be done within the timeframe that is requested. Mr. Bader said it can be done. Mr. Summers asked if the district is mandated to do this. Mr. Bader said the district has to get this done.

m. Finance Committee Goals for 2016

Mr. Summers requested that the Finance Committee Goals for 2016 be placed back on the agenda under Old and New Business to be part of the Old Business. He would like to remind everyone that in June of 2014, the Board voted unanimously the 2014/15 budget. At that time, there was no tax increase and somehow it did not lower the taxes in Monroe County but it lowered the taxes in Pike County by 4.3 mills. A year later, the Board also approved the 2015/16 budget unanimously. Monroe County received a 1.44 mill decrease and Pike County received a 0.02 mill decrease. For two years in a row the millage was lowered. The initial view of the 2016-2017 budget presentation is, if it were to be approved, that the mills in Monroe County would remain the same and be reduced in Pike County by 1.2 mills. Mr. Summers said, in his opinion, it would not be unreasonable for Administration to reduce the mills for Monroe County by 1.5 mills. He would like to continue to talk about this because we need to equalize the taxpayers’ burden. We need to continue to reduce the budget. Mr. Bader said that his intent was not for the budget deficit to increase but for it to be reduced. If we reduce taxes, it would be tax dollars that we will never get back. There will be approximately \$755,000 loss in revenue. Mr. Summers said he understands his concerns but we need to review what was done when the district spent less in 2014/15 than in 2013/14. The district’s expense has three major expenses: head count, debt service and other which is about 26 to 27 million dollars. We do not have to squeeze to get 5% from that amount. The five-year plan suggested that expenses stay flat. Principals will need to decide what to spend their budget on. We should communicate this goal to all that we are going to knock the budget down by 1% a year. They will always find a way. He would like to see this item back on the agenda next month. The district needs to cut taxes by 1%, because we have an obligation to the taxpayers. The taxpayers is

where the money came from. Mr. Bader said that his five-year plan was a best case scenario because the expenses will increase due to change in prices that we cannot control and even with no increase in expenditures for non-salary and benefit items, the projection showed a significant deficit. Some uncertainties of a budget are items like special education, transportation, fuel, etc. If you cut budget items like materials for the libraries, supplies and field trips, students may suffer. Mr. Summers said the district needs to look at all areas to see what can be reduced. Mrs. Laverdure said that cutting back may impact the student programs. Mr. Summers said if we do not cut back now, it will eventually impact programs because there will be no other choice. Harrisburg does not help and he would like to insure that the taxpayers do not have to pay not even a nickel more than they have been imposed on as of yet. We do not know when relief is coming and he does not want to furlough anyone. Mrs. Laverdure said that it is important that the Board members know that the district has done all that they can to save money. This is an important message that should be relayed to the employees. Mr. Summers said he does not plan on negatively informing the employees of what has to be cut but will compliment them on the good job they have done. Ms. Kulick ask how do we get this message across to the employees. Does the Board communicate with them or does Administration relay the message. Mr. Summers said he can have the employees email him directly. Mrs. Laverdure said that she would rather that they contact administration. Mr. Bader said that a survey can be done to request feedback. Mrs. Laverdure said they reached out before but can try again. Mr. Summers said that this topic can be placed on the agenda under Old and New Business in the New Business section. Ms. Kulick said they can solicit suggestions and recommendations from employees. Mr. Bader said that he appreciates the consistent message from the Board to the district. Mr. Summers said the Board makes an effort to be consistent because they owe that to the district.

n. Property & Facilities Items – Mr. Bader

i. JTL HVAC/Lighting Project – Myco Mechanical Pay App #20 (FINAL)

Mr. Summers said that he ran into an employee at J. T. Lambert Intermediate School and the heating system seems to be working. He is recommending that the final application be approved. He also recommends that the Pay App. #19 that was tabled last month be placed back on the agenda for approval.

ii. Repair work at Water Towers

Mr. Bader said the Water Towers were inspected and a substantial amount of work needs to be done. Some safety issues were addressed but the scope of the work needs to be done. A water mixing system needs to be installed inside to keep it clean. Mr. Summers asked if this issue was the result of the problems they were having at the North school. Mr. Bader said it may have contribute to the problem due to the high content of manganese. The water needs to be treated. The district would like permission to go out to bid to have the initial scope of the work done.

iii. Fire Alarm Panels at JTL & BES – 5-Yr Capital Plan

Part of the five-year plan included replacing the alarm panels at J.T. Lambert Intermediate School and Bushkill Elementary School that were not on the same system as the other schools. Mr. Summers asked if the North alarm systems was done last year. Mr. Bader said last year they replaced two schools that needed to be done. The district can get a mini bid to compare it to the Costar prices. Mrs. Laverdure said, through a min bid, the district may be able to obtain someone who has more experience with a State System.

V. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

VI. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Debbie Kulick to recommend that the Board consider for approval the following items: Motion was seconded by Gary Summers and carried unanimously, 4-0.

1. The bid from IntegraOne for district technology network infrastructure equipment.
2. The purchase of a new van, a gator, and a slit seeder for the Maintenance Department.
3. The award of a bid by the IU Joint Purchasing Board for electricity generation to Talen Energy for the period July 1, 2017 through June 30, 2019.
4. The Substitute pay rates as presented at this meeting.
5. The seeking Requests for Proposals for Substitute Management services
6. The proposal submitted by BerkOne for Act 80 Comparison Services
7. The Pay Application #19 from Myco Mechanical in the amount for the JTL HVAC/Lighting project that was table at the January 25th Regular School Board meeting.
8. The Pay Application #20 (Final) from Myco Mechanical for the JTL HVAC/Lighting project.
9. The seeking of bids for repairs to the water towers at the north campus and Resica Elementary.
10. The seeking of quotes from Costars vendors for the replacement of the fire alarm panels at JTL and Bushkill Elementary as part of the 5 year Capital Improvement Plan.
11. The Finance Committee also suggested placing the Finance Committee Goals for 2016 under Old and New Business on the Board agenda as an Old Business item and under New Business surevy input from employees regarding expenses.
12. The Finance Committee members requested to have a tour arranged for the Finance Committee members along with the Property/Facilities Committee members of the J.T. Lambert completed HVAC project.

VII. NEXT MEETING – March 14, 2016 in the Administration Center Board Room at 5:30 p.m

VIII. ADJOURNMENT: 6:55 P.M.

Respectfully submitted,

Patricia L. Rosado,
Board Secretary