

EAST STROUDSBURG AREA SCHOOL DISTRICT

BOARD OF EDUCATION

FINANCE COMMITTEE MEETING

November 13, 2017

Carl T. Secor Administration Building – Board Conference Room

5:30 P.M.

Minutes

- I. The Chairman, Robert Gress, 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 were: Robert Gress, Gary Summers and Lisa VanWhy. Ronald Bradley was absent.
- III. School Personnel Present: Jeff Bader, Larry Dymond, Eric Forsyth, Fred Mill, Tom McIntyre, Ryan Moran, William Riker and Patricia Rosado.
- IV. Community Members Present: George Andrews
- V. **APPROVAL OF AGENDA AND MINUTES**

Motion was made by Gary Summers to approve the agenda for November 13, 2017 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 Gary Summers to approve the minutes of the October 9, 2017 meeting. Motion was seconded by Lisa VanWhy and carried unanimously, 3-0.

VI. ITEMS FOR DISCUSSION:

a. Time & Attendance System

Mr. McIntyre said that the district has been looking into replacing Kronos since timesheets are still being used when employees such as the support staff work extra duties aside from tier normal work schedule. Teachers also use timesheets when they are asked to perform a task outside of their normal workday. The business office uses Munis for their financial system and a software system needs to be purchased that would work with Munis. The system that seemed compatible with Munis is Frontline. It will integrate well. It will calculate automatically what type of job the employees will perform. It is more efficient and can be used with multiple devices. Currently, the time clock is used but the iPad, Chromebooks, etc., can be used with this new system. It would be a savings of about \$4,500, which would yearly would save the district about \$14,000 a year. Right now, the district pays \$36,000. The new system would be \$19,800 plus a start-up cost of \$7,000. Frontline will set up the schedule with the information that will be provided by the district. Mr. Summers asked if this will replace Kronos and is Mr. McIntyre recommending that Frontline will replace Kronos. Has the business office gathered all Kronos users to walk them through on how this new program will work? Is Frontline comparable to Kronos? Mr. Summers said he realizes there are issues with Kronos but he is more concern with the people who are using it. The new system should be explained and compared to how Kronos operates. It sounds good but everything should be in place before they finalize the change. Mr. Gress said that Kronos was supposed be the best and nothing else was needed with it. Now the Business Office is recommending Frontline for \$14,000 a year. What

else will be needed in the future? What about a maintenance fee? How long will the district have to pay the \$19,800 and what would a five-year total cost be? The Board needs to know total cost down the line. Has our Solicitor, Tom Dirvonas, looked at the contract? Have you looked at other vendors? Mr. Bader said that he spoke to people who use Munis and Frontline for time and attendance. Mr. Summers said that they should work with users to make sure they understand. Mrs. VanWhy asked if the district has enough iPads for employees to use with this new system or would the district need to buy more in place of the time clocks. Mr. McIntyre said that they will replace the clocks with the iPads. We may need to get more iPads to use with the current ones in the district. Mr. Summers said that the Board will need to know the total cost before a final decision can be made. He recommended that they bring the total cost for the next two years. Mr. Gress suggested that they use new equipment and not recycled one in order to avoid any issues. They should start with all new equipment. Chromebooks cost about \$300 to \$400 each. Mr. George Andrews asked when is the district looking to start using this new program. Mr. Gress said it would be probably in June 2018. Mr. Bader said they would like to start in December 2017. They will begin by using the two systems and phase them out which will take about 8-10 weeks. Mrs. VanWhy asked if they will bring this item back in December for approval. Mr. Bader said they will come back in December with all details. Mr. Gress asked if waiting for December causes an issue with the time frame. Mr. Bader said it won't because it gives them time to get everything together.

b. Employee Self Service

Mr. McIntyre said that with their new Munis Software, they have the employee self-service portion, which is an employee self-service. This is a modern way of looking at your paycheck, W-2, W-4, and all of your current paperwork. This self-service is part of the package and will not be an additional cost to the district. Mr. McIntyre said he just wanted to make the Board aware that the employee will have this information available to them in an easier manner. The employee will be able to change their information and will be verified by Human Resources. They will be able to view and print their paychecks. Currently, the district prints about 30,000 paychecks. This system will save them money on paper. Several years of information will be kept on file, which will help payroll not having to back into the paper archives. There will be no mailings of W-2s. Mrs. VanWhy said that not all of the support staff has access to a computer nor do they know how to operate them. Is this only going to be provided to them on-line? Mr. McIntyre said that Payroll will have the option to view it or print it for the employees. Mr. Gress said that where he works, about 25% of the employees have no access to computers. What about the cafeteria workers in the district? They do not have access to computers. He said he thought the law says the district has to provide a W-2 to everyone. We need to make sure that the system is secure and safe. Mrs. VanWhy said some people would like printed copies. What is this system? Dr. Riker said it is the Munis Financial System. Mr. McIntyre said this is another branch of the Munis Financial System. Dr. Riker said the district would need to provide access to the employees. Mr. McIntyre said that if an employee would like to change their deductions, they will be able to see the difference before they finalize the change. Mr. Gress said to make sure that everyone is comfortable and that more than one option is provided to them. He recommends that the district use everything that has been purchased.

c. Navigate Proposal

Mr. Forsyth said that currently the district uses School Dude for crisis management, which was made into a flip chart. Over the years, this program has been difficult to manage. The Emergency Planning Committee and the Joint Task Force looked at tools and got

recommendations from those who used the School Dude. They hosted several meetings with the IU 20 and IU 21. They looked at School Dude and Crisis Go for the free service but got what they paid for. Now they arrived at the consensus to try the NaviGate tool. They heard that Stroudsburg Area School District signed up with this program. Stroudsburg is satisfied with the set up and they were up and running within a few weeks. The price is \$53,000 over three years. It integrates the camera system, card access, student information system and Chapter 10 updated information for students. Navigate will not replace the periodic reprinting of the flip chart. The district has something with FEMA and Navigate. This will help get to a paper copy. The IU negotiated and got it to \$30,000 because they waived the implementation fee. NaviGate will confirm the price for three years and will send a crew to the ten buildings. They will also set up the cameras, electrical panels, lights, etc. The district tried to keep Sitewise updated but it was difficult to do. The district stopped paying for Sitewise this year since it's difficult to maintain. NaviGate will do it all. The three-year price is \$17,460.00 if paid in advance. Dr. Riker said that he and Chief Mill discussed his current budget and there is money in his budget if they do not purchase a car this year. They can purchase a car next year. Mrs. VanWhy asked what was the district paying for Sitewise. Mr. Forsyth said the district paid about \$1,000 per year for Sitewise and for School Dude it was about \$5,000 to \$6,000 a year. NaviGate is less expensive for three years. Mrs. VanWhy asked if they will take enough photos every years. Mr. Forsyth said if needed but they will take pictures of the changes. They won't have to take pictures every year. Mr. Summers said he heard good things about this program from Stroudsburg's staff. Is Pleasant Valley using it too or planning to use it? Mr. Forsyth said that Pleasant Valley will be getting it. Mr. Gress said the Control Center should also review this program, too. If the district needs to get a police car, they should get one. The district can find the money elsewhere. He appreciates Chief Mill finding it in his budget but safety should come first. Chief Mill said this system is very important. The district needs to access cameras. Normally, he needs to go to each building to check the cameras. With this new system, he will be able to check from his phone. Mr. Forsyth said he worked with Monroe County Control Center. Mr. Andrews asked if there are cameras in the classroom. Chief Mill said there are not. Mr. Gress said sometimes what the IU 20 reviews is not in the best interest of the district. Mr. Forsyth said he made sure to involve them.

d. Act 1 Mailing Proposal

Mr. Bader said that every year the school district sends out a mailing to those who do not have homestead/farmstead on file. This information needs to be sent out before the end of December. Mr. Summers asked how many mailings will be done. Mr. Bader said it will probably be around 1,000 mailings. Mr. Summers said; therefore, almost all that qualify applied. Mr. Gress said there is a savings of about \$400.

e. GO Bonds Series 2017 AAA Sale Update

Mr. Bader said that the information he provided is the sale of the last of the 2017 AAA refinancing which was done on October 30th. On page 7, they will see five bidders. On page 8 they will see that there were 30 bids with the winning bid from Janney Montgomery Scott, who was the lowest bidder. The rate was 3.35% to 2.68%. The district did very well. The debt service was spread over three years. We need to make an upfront payment, but we already factored into the savings for this year. Mr. Summers asked if this is for the 2017/18 school year. Mr. Bader said it is. Mr. Gress asked what is the State's reimbursement from the local effort on page 9. Mr. Summers asked if this is for this year or next year. What about 2016/2017. Mr. Bader said that they will see a savings in 2017/2018 that were anticipated. Mr. Summers asked if this will reduce the fund balance.

Mr. Bader said no. It will increase it. Mr. Gress asked if the Board needs to take action on the bond issue at this time. Mr. Bader said no action is required.

f. Electric Bid Results

Mr. Bader said that the Board authorized him to sign off on the lowest bidder for the electric supply. The lowest bidder, Constellation came in at 3.33 cents per kilowatts, which is less than what the district currently has of 3.7 cents. The rates are low; therefore, was a good time to bid. This price is only for the generation and not Met Ed. Mr. Bader said he now needs the Board to ratify this contract.

g. North Site ESCO Project

Mr. Bader said at the last Board meeting Mr. Summers raised the suggestion that much of the capital needs of the District could be paid for through an energy savings contract. Mr. Bader explained that the District has been working with Trane for the past year to scope an energy savings contract to pay for the new controls at HSN and Lehman. Last month, the Board approved Trane putting energy meters on the electric lines in order to generate better information on how much energy savings potential there was. A rough estimate by Trane is that the energy saving measures they identified might generate approximately \$200,000 in savings per year. The money saved on energy would be used to pay for a bond issue to do the improvements. Based on the \$200,000 in savings, Public Finance Management provided figures on the maximum bond issue that could be floated. That would be approximately \$4M, which should be about what it will cost to implement the energy saving measures and pay for the new control system. At best, this project might be self-funded. Mr. Gress said what about the roof project. Mr. Bader said ESCO would not have enough money for it. Mr. Gress said it has to be done so it should be done now in order to obtain some savings. Mr. Bader said the roof needs to be done but it will not be part of this project. Mr. Summers said that the roof needs to be done. The ATC needs to be replaced at a cost close to three million dollars. 6.6 million dollars using 200,000 a year is a big balloon payment. Right now the debt service is 3.6 million dollars until 2029, which will drop down next year. We can generate additional savings by extending debt another year. We are paying off over 20 years and we should not extend the life. Mr. Bader said it shouldn't. Mr. Summers said that items that need to be done should be part of the Capital Reserve Fund. If asked if we did this, would we not have to withdraw funds from the Capital Reserve? Mr. Bader said that if the Board chose to go with the balloon payment option, there might be enough to do the roofing work at the same time. Mr. Summers said if we get the 6 million dollars, the roof and other projects such as the windows can be done since they generate savings. Mr. Gress said how about solar panels. 20 years is a long time. Mr. Summers suggested that the district have Trane continue working on the projects.

h. District Recycling Program

Mr. Bader said that Mr. Scott Ihle presented the district's recycling information at the Property/Facility Committee Meeting. Mr. Gress said he would like to see the percentage per building of how much is being recycled. This positive information should then be posted on the district website. Mr. Summers said that the district should continue to look at what else can be done with recycling.

i. Smithfield TIF

Mr. Summers said that the district will need to pick another board representative to sit on this TIF Committee. The Committee is meeting on Monday and will discuss numbers of

revenues, bonds, etc. Mr. Summers will then report back to the Board with all the information.

j. Meeting with Sen. Scavello

Mr. Gress said that some Board members met with Senator Scavello. Senator Scavello did not want a public meeting but agreed to meet privately with 3 or 4 Board members. Basically, what he said was that in order for him to be able to help the district, the district needs to close schools, spend down the fund balance and lay off staff.

k. 100% Homestead Exclusion Referendum

Mr. Gress said they will not have the reassessments done until 2019. Now they have voted for no property taxes to be given to school districts. This topic should be kept on this agenda for further discussion. We do not know what the ramifications will be. Mr. Andrews asked if this referendum will be for 100% and not half. Mr. Gress said it will be 100% if we can go until then. Mr. Andrews asked what is the rate now. Mr. Summers said it's divided by the areas at 6%. Mr. Gress said it can then go to 50%. We will still receive taxes due to the debt service.

l. Property & Facilities Items

i. JTL/LIS Masonry – D'Huy Engineering Invoice #46771- \$8,944.76

ii. JTL/LIS Masonry – Jones Pay App #5 - \$131,478.50

iii. LIS Metal Panel Repair – C&D Waterproofing - \$9,975.00

Mr. Bader said that the C & D Waterproofing invoice is for a series of panel connectors that came loose or broke and they need to fix them. Mr. Summers asked if this was a result of the work they were doing on the Masonry Project. Mr. Bader said this occurred in a different area. Mr. Summers asked where is the money coming from to pay for this item. Mr. Bader said it is coming out of the Capital Project Fund. Mr. Summers said that the Capital Project Fund is not a "cookie jar". Was this item on the original list of items to do? Mr. Bader said it was not. Mr. Summers said we are not doing a good job with identifying projects. Since we now need to spend about \$10,000, then another project will not get done. Mr. Bader said that they are looking into getting funds from elsewhere. We did not know that this was going to break. Mr. Summers said he understands this, because if the district did, they'd be funding it from another place. Mr. Bader said he will work on finding these funds elsewhere. Mrs. VanWhy asked how old were the panels. Dr. Riker said they are as old as when the building was built. Mr. Gress asked which doors had this issue. Dr. Riker said they are by the South wing. The doors are corroding from the salt that's been placed on them over the years. Mr. Gress asked if there were issues with any other doors. Dr. Riker said he is not aware of any other doors that have this issue. Mr. Gress asked if this item was budgeted. Mr. Bader said it was not. Mr. Gress said if something needs to be done it needs to be placed in the budget. Mr. Summers said the district should have a contingency fund.

iv. LIS Door & Frame Replacement - A. G. Mauro – \$21,350.00 (Costars)

Mr. Bader said that the above mentioned expense is for unforeseen conditions that arose within this project. D'Huy Engineering feels this amount will cover all the extra cost. Mr. Gress asked for a breakdown of the cost from the original amount. Do the hours work out? Mr. Bader said they do. Mr. George Andrews asked if something is going to be placed at the door to prevent the same thing to occur over

the years. Mr. Gress said that the doors are stainless steel and it has to do with preventive maintenance that has not occurred. Dr. Riker said that he spoke to Mr. Ihle and they talked about having the staff clean more frequently.

- v. JTL/LIS Masonry – D’Huy Request for Contract Amendment - \$21,000

VII. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

- A. Mr. Larry Dymond asked if the district obtained more than one bid for the doors. Mr. Bader said they did not because they will purchase the doors through Co-Stars. Mr. Gress said Co-Stars does the bids.

Mr. Dymond asked if the time clocks will be resold. Mr. Bader said they will try to sell them but is not sure if they will be able to due to their age. Mr. Dymond said he does not understand why they are being replaced if they are the best. Why won’t they assign a task without using a timesheet? Mr. Gress said they looked at interfacing it with the new system but it could not be done. Mr. Dymond said this is not true because someone said it can be done. Mr. Summers suggested that Mr. Dymond speak to Mr. McIntyre and give him the information that he received about the time clocks. Mr. Gress said that not everyone can use them because some are doing work at a different pay rate from their normal pay.

VIII. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Gary Summers to recommend that the Board consider for approval the following items: Motion was seconded by Lisa VanWhy and carried unanimously, 3-0.

- A. Navigate Proposal for Emergency Preparedness in the amount of \$17,460.00 from 11/21/17-6/30/21
- B. BerkOne Proposal for the Printing and Mailing of Act 1 applications in the amount of \$.294 per application effective 12/1/17.
- C. The Electricity Supply Agreement with Constellation NewEnergy, Inc.
- D. The following Property & Facilities Committee Items:
 - i. D’Huy Invoice #46771 in the amount of \$8,944.76
 - ii. Jones Pay App. #5 in the amount of \$131,478.50
 - iii. C & D Waterproofing Proposal in the amount of \$9,975.00
 - iv. A.G. Mauro Door Proposal in the amount of \$21,350.00 (Costars)
 - v. D’Huy Contract Amendment for JTL/LIS Masonry Repair Project in the amount of \$21,000.00

IX. NEXT MEETING – TBD

X. ADJOURNMENT: 6:35 p.m.

Respectfully submitted,

Patricia L. Rosado
Board Secretary