

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING**

February 12, 2018

Carl T. Secor Administration Building – Board Conference Room

5:30 P.M.

Minutes

- I. The Chairman, Lisa VanWhy, 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:** George Andrews, Larry Dymond, Rich Schlameuss and Lisa VanWhy.

Board Non-Committee member present was: Keith Karkut
- III. **School Personnel Present:** Brian Baddick, Jeff Bader, Tom McIntyre, Fred Mill, Ryan Moran, William Riker, Patricia Rosado, Bill Vitulli and Steve Zall.
- IV. **Community Members Present:** None
- V. **APPROVAL OF AGENDA AND MINUTES**

Motion was made by Rich Schlameuss to approve the agenda for February 12, 2018, 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 Larry Dymond and carried unanimously, 4-0.

Mr. Bader asked to add to the agenda discussion on a Request for Proposal for the district's postage machines.

Motion was made by George Andrews to approve the minutes of the January 18, 2018 meeting. Motion was seconded by Rich Schlameuss.

VI. ITEMS FOR DISCUSSION:

a. **Blended School Proposal**

Mr. Moran and Dr. Vitulli discussed an ESACA Blended Program Proposal. Last year, they discussed a blended cyber program. The Proposal involves a combination of students doing their courses online as well as coming in and working with East Stroudsburg teachers in a classroom environment. Not all students have the discipline to be successful with a fully online curriculum, so this program allows for more guided learning for those students who need it. Dr. Vitulli said the district tries to promote the East Stroudsburg Area Cyber Academy within the schools and on the website, but it is difficult to compete with the cyber charter schools because we cannot use public funds to advertise as they do. Mr. Moran said that they plan to set up multiple classrooms at TLC in back of the J. T. Lambert Intermediate School. Dr. Riker said that there is money in the fund balance and grant money, too, in order to get the program up and running. If we don't start reaching

out to the students, we will lose them. He said he is working on personalizing or customizing students' learning in the brick and mortar schools since some cannot succeed online. Mr. Schlameuss said that the blended approach will cost the district less than if the students are in the brick and mortar schools. Mr. Moran said the blended program would start in the 2018-19 school year. Mr. Schlameuss asked what capital expense is needed. Mr. Moran said it is needed for teachers that will need to interact with the students face to face, which can be paid from the RTL Grant. Mr. Dymond suggested putting K-12 in one building and hire an extra principal. Mr. Moran said their goal is to start with these grades and add K-5 with minimal cost in renovations. Mr. Dymond asked if anyone in Monroe County is using the blended program. Dr. Riker said Parkland is the closest district with this program. Mrs. VanWhy said how are we advertising this program. Dr. Riker said the administrators are getting the word out at the schools through parent meetings and informing the students, too.

b. Social Work positions

Mr. Baddick and Mr. Zall are here tonight to discuss adding two new Social Worker positions to augment those services for which we are contracting such as the Student Assistant Program and Project Fame Program. These programs are designed to help with the students' behavior, emotional well-being, attendance, etc. Currently, the district has five part-time Social Workers from the IU20 at a cost of about \$25,000 per month. They cover about 6 hours in the building. The two full-time Social Workers will cost about \$160,000 and will be paid by the Ready to Learn Grant. The part-time Social Workers are at capacity with trying to meet students' needs. Two full-time Social Workers' salary will cost about \$160,000, which include their salaries and benefits. Mr. Zall said currently students' counseling gets interrupted when one of the IU 20 personnel resigns, then they have to wait for them to replace that individual, which may take 3-4 weeks. Having two full-time Social Workers will help build continuity. These positions are currently budgeted for in the Ready to Learn Grant. Dr. Riker said if for whatever reason the Ready to Learn Grant is no longer provided to the district and they find that the program is no longer cost neutral, they will come back to the Board and let them know. It will then be up to the Board if they want to continue and fund the program or if they will eliminate these positions.

c. PEPPM Mini Bid Results

Mr. Bader presented the PEPPM bid results for the stacking hardware for switches and uninterruptable power supply (UPS). Although there are various vendors under the PEPPM contract, ePlus was the only company to submit a bid for items in this category. One advantage of going through PEPPM is that the district can go back to the vendor and negotiate. Through PEPPM ePlus is available for eRate pricing. The Board will need to approve the bid results.

d. 2018-19 Governor's Budget

Mr. Bader said that the Governor presented last week his Proposed Preliminary 2018/19 Budget and asked for an addition \$100 million dollars for Basic Education. Based on the current formula (which will change when the updated data becomes available), the district will receive about \$878,000 above what we are currently getting. The district will receive about \$100,000 more for Special Education based on the current data. Mr. Bader said we are very early in the State budget process and much can change. Unless directed otherwise, he will continue to budget based on current year actual figures. Mrs. VanWhy said it is best to wait. Mr. Schlameuss said it is better to be cautious.

e. MCTI 2018-19 Budget

Mr. Bader said that representatives from MCTI are coming to the next Board meeting to present their budget. MCTI receives Vocational Ed Subsidy that they normally give back to the districts, but they will be requesting to place this money in their capital reserve budget. If the Board approves the MCTI budget, they are approving for them to keep the subsidy for their capital projects.

f. FRS Agreement

Mr. Bader said that the district was contacted regarding a class action lawsuit regarding lithium ion batteries. The company is a legal firm representing the claimants, but will gather the necessary information. We do not know how much the district will get at this time. The district has purchased a number of items containing lithium batteries, such as computers, laptops, chromebooks, etc. The company will keep 1/3 of what they recover.

g. James Mungro & Renato Zuniga Scholarships

Mr. Bader said that Mr. Mungro will like to close his scholarship fund, which is about \$400.00, in order to donate it to the Athletics Department for students that may need it. He checked with the solicitor and this is allowed.

Mr. Bader said that Renato Zuniga Scholarship, which is handled by his brother, is requesting that they close the account since he moved out of the district. The district also checked with the solicitor and it can be done.

h. Fund Balance Allocation

Mr. Bader said the current unrestricted fund balance is above the threshold of where it should be and suggested that the Board should allocate some of the funds. He asked for their thoughts of how the money should be used. He suggested placing some money in the capital reserve budget for other projects that need to be done as the list of capital projects far exceeds what is funded in the capital reserve. Mr. Schlameuss suggested placing 75% in the capital reserve budget and 25% in the operating budget. Mr. Dymond asked if they allocate the funds, can they change it at a later time. Mr. Bader said they can reassign the funds but not the money that has been allocated to the capital reserve. Dr. Riker said that there are a lot of educational programs that the Education Committee would like to move forward. All programs will need some startup costs. He suggested taking some of the funds to dedicate to these programs. If they do not come to fruition or are cost neutral, there are other programs the district can look into, i.e. EMT Program, Fire Fighting Programs, Police, etc. Mrs. VanWhy said the money can go into the support of new programs. Mr. Bader said the district has 12.5 million dollars it can assign. The Board will need to approve any changes

i. Postal Machines

Mr. Bader said he would like to advertise for an RFP for the district's postage machines. The district has 4 postage machines that have passed their end of life. The machines have been discontinued; therefore, they do not make parts nor do they service them. The machines are from Pitney Bowes. He would like to go out for an RFP instead of going to a State Contract. He believes the district can get a better price through an RFP. The machines are situated at the Administration Center, High School South, J. T. Lambert and H. S. North and Lehman intermediate share one. The Elementary Schools do not send a lot of mailings so they are sent out by the Administration Center as needed.

Mr. Schlameuss asked that Mr. Bader include with their next package month to date as well as year to date budget to actual information. Mr. Bader said he will get something together.

VII. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

VIII. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to recommend that the Board consider for approval the following items. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

1. The Blended Program Proposal as presented to be housed at the TLC effective for the 2018-19 school year at an estimated cost of \$736,585 and includes the hiring of one High School Principal, four Teachers, and one Secretary. The funding for 2018-19 will come from the Ready to Learn Grant.
2. The addition of two Social Worker positions to be funded from the Ready to Learn Grant for 2017-18 and 2018-19.
3. The bid from ePlus, the lowest responsible bidder, for Stacking modules, 10 GB Cisco Switches and APC Smart-UPS units in the amount of \$51,461.80 as awarded under the PEPPM E-Rate Mini bid. The District's share of the cost is \$10,292.36 with the balance to be paid for by E-Rate funds.
4. The agreement with Financial Recovery Services for claims management services for the lithium ion battery class action lawsuit.
5. The request of Mr. James Mungro that the remaining balance in the James Mungro Scholarship fund be made available to the Athletic Department to help needy students purchase football equipment.
6. The request from Mr. Shawn Zuniga to take the remaining funds in the Renato Zuniga Scholarship, started by Mr. Shawn Zuniga, to start a scholarship in another school district due to his moving out of the East Stroudsburg Area School District.
7. The allocation of \$8.5M of the Unrestricted Fund Balance to the Capital Reserve for future capital projects and to assign \$4.0M for new educational programs.
8. Soliciting for an RFP for new postage equipment.

IX. **NEXT MEETING** – March 12, 2018 at 5:30 pm

X. **ADJOURNMENT**

Respectfully submitted,
Patricia L. Rosado,
Board Secretary