

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

May 14, 2018

Carl T. Secor Administration Building – Board Conference Room

3:00 P.M.

Minutes

- I. The Chairman, Lisa VanWhy, called the Finance Committee meeting to order at 3:00 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. **Board Committee members Present:** George Andrews, Larry Dymond, Rich Schlameuss (left at 6:15 p.m.) and Lisa VanWhy.

Board Non-Committee members Present: Keith Karkut and Wayne Rohner

School Personnel Present: Brian D. Baddick, Jeff Bader, Brian Borosh, Chris Brown, Tom McIntyre, Daryle Miller, Ryan Moran, Heather Piperato, William Riker, Patricia Rosado and Paul H. Schmid.

Community Members Present: Joe Hogan and Chuck Leonard – TIF Plan
Mr. Jones and Mr. Hall – Education Solutions Services (ESS)

I. APPROVAL OF AGENDA AND MINUTES

Motion was made by Rich Schlameuss to approve the agenda for May 14, 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.

Motion was made by Larry Dymond to approve the minutes of the April 4, 2018 meeting. Motion was seconded by George Andrews and carried unanimously, 4-0.

V. ITEMS FOR DISCUSSION:

- a. **Food Service Bid Results**
Mr. Schmid presented the bread bid results. He sent bids to 3 vendors, Rockland Bakery, Morabito Bakery and Bimbo Bakery. The lowest bid was from Rockland Bakery. The total contract value for 2018-19 is \$42,671, which is a \$4 increase from 2017-18. Mr. Schmid also presented the results for the food and supply bids. He sent bids to 13 vendors. The contracts were awarded to Reinhart, Pocono Pro, Nardone Brothers, Kasa Foods, RC Finer Foods, Mullen's and Pocono Dairies. The total contract value for 2018-19 is \$1,033,500, which is a \$20,200 increase from 2017-18. All items were advertised, posted on the website and sent via regular mail.
- b. **ESS Substitute Staffing**
Mr. Bader said that he has been getting more and more calls to allow subs to work more than the 30 hour/week restriction in place for ACA in order to provide educational continuity. Many of our absences are for more than just a day or two. Doing so may expose the District to having to provide health insurance for the subs. Another option

would be to contract our teacher subs. To that end, the District has been talking with Education Solutions Services (ESS) for teacher substitute services. If we hire ESS to handle substitutes they would be responsible for ACA requirements. We would also hope to broaden the substitute pool.

Mr. Jones and Mr. Hall of ESS presented information about their Comprehensive Management of ESASD substitute teacher staffing program, which included: Cost reduction and containment, 90% fill rate, projected savings to the district of \$45,000, execute detailed transition plan, recruiting, training and support, etc. There would be no restriction on days or hours the subs may work. There is no upfront cost. Mr. Schlameuss recommended that this contract be bid out to see what other companies are out there. Mr. Brown, Solicitor, explained that as a professional service it was not necessary to do a bid or an RFP. The Committee felt more comfortable if the district did an RFP and brought back the results to the committee in June.

c. TIF Plan

Mr. Bader said that he and Mr. Brown, Solicitor, reviewed the TIF agreement. The Board needs to affirm that they would like to proceed with the project. The Board can make changes now. If the Board approves, the project can proceed to the township and municipalities. Mr. Chuck Leonard said that he is here to answer any questions. Mr. Bader said that since the district is providing the developer tax abatement for a long period of time, he reached out to Mr. Leonard to see if the developer would agree to foregoing assessment appeals on the properties for a similar period of time once the TIF concluded. This is the problem that several school districts are facing with the warehouses off Route 33. When the TIF concluded, they sought tax appeals. Mr. Brown said if the Board would like wording to include that the company cannot ask for an assessment, it can be added in the agreement. Other concerns were if students move into the housing development, which is included in this plan, the district may incur a large expense having to educate these students. Mr. Brown said this agreement does not lock the district into any final commitment yet.

d. Computer Bid Results

Mr. Borosh said that they sent out 28 bids for a period of three weeks. They were advertised in the Pocono Record, Morning Call and the district website. Six companies replied. The companies that were the lowest bidders were: W.B. Mason for HP Equipment, Staples for Lenovo Chromebooks, and SHI for Anywhere Carts for a total cost of \$1,307,794.31. There is a savings of approximately \$200,000, if they remove computer carts. Mr. Moran said that they are looking into one-on-one devices for grades 6-12. Currently K-2 share carts. Grades 3-5 receive devices in homeroom. If they have the students take the Chromebooks home, it would cost about \$497.79 per device per student. Mr. Moran said he recommends that students be allowed to take the devices home. The cost will not change and there are spare devices built into the plan. The district is looking at a policy which states if the students damage the Chromebook, the district will pay for the repair for the first two times. If there is a third time, the parent will be responsible to pay. The district will create a survey to see if the students want a computer. He will bring results to the Board in January

- e. Replacement of Transportation Utility Truck
Mr. Daryle Miller provided two options for the purchase of a utility truck. Option 1 includes the truck, life gate and plow for a total amount of \$14,031.00. Option 2 includes the truck, plow, buy back of the old truck from the insurance company and parts to fix the old truck using the district's mechanics at a total amount of \$14,923.00. The difference is a total of \$892.00. Under Option 2, the district will end up with two trucks instead of one.
- f. Computer Financing Proposals
Mr. Bader provided copies of the First American proposal for the HP/Lenovo/Anywhere carts for the computer leasing in the amount of \$319,363.37. He also provided the Apple Finance Services proposal for the Apple computers in the amount of \$133,888.56. The proposals will be reviewed by our Solicitor.
- g. Hybrid Learning Plan
Mr. Moran presented the cost for the renovations for the Hybrid plan. The costs include all access control to exterior door and two inside doors and intercom and double buzzer to main entrance door. Scope of the work include painting and bathroom additions. The total fee of \$7,000.00 is through Costars Vendors and the Scope of the Work cost of \$13,275.45 will be provided through quotes. The total cost of the project is \$20,275.45, which will be funded through the RTL grant.
- h. Athletic, Custodial, Medical, and Tech Ed Bid Results
Mr. Bader said that two months ago the district went out to bid for the Athletic, Custodial, Medical and Tech Ed items. He is now providing them with a breakdown of the lowest bidders and the cost for each of these items.
- i. Insurance Renewals
Mr. Bader provided a list of the insurance renewals for the next school year. Prices for next year include about \$20,000 more than this year's insurance cost. It is close to what was budgeted.
- j. 2018-19 Budget Update
Mr. Bader said he made adjustments from his last budget presentation. Under revenues, there were changes totaling (\$270,648). Under expenses, there were changes totaling (\$2,338,279). All changes totaled (\$2,067,631). Draft #2 included a deficit of (\$3,026,886). The Proposed Final Budget includes a deficit of (\$959,255). The Board will need to approve the Proposed Final Budget in May and the Final Budget in June.
- k. Homestead/Farmstead
Mr. Bader said that the amount of money allocated for the Homestead/Farmstead exclusion for 2018-19 was about the same as it has been for the last several years, but the number of eligible properties has increased slightly. For next year, since there are more properties that are eligible, the tax relief is \$431.70 in Monroe and Pike County, which is \$1 less than what was provided this year.

- l. Payment of Bills
Mr. Bader said that the revisions to the Board policy were not approved. He asked the committee members how they would like to proceed. Mr. Schlameuss distributed some documents from the Parkland School District, which he would like the district formulate. They included a Summary of Expenditure and Revenue Status Reports, List of Bills, Month Ending Local Services Tax Report and Treasurer's Report. He said he understands that certain items need to be paid but for the most part, all other items need prior Board approval.
- m. Board Treasurer's Report
Mr. Bader submitted a Year to Date Budget/Actual Report as of April 30, 2018. The report can also be broken down by function/object. Mr. Bader said cash accounts of funds are also available. Mr. McIntyre said they have a cash and treasurer's report.
- n. MCTI Excess Revenue
Ms. VanWhy said that MCTI would like to keep the excess revenue instead of giving it back to the district as they would normally do. Mr. Bader said that the total excess revenue equals \$1,069, 533. Option B is for MCTI to transfer \$819,533.00 into their Capital Reserve Account, \$200,000 into their EBTEP for Healthcare Account and \$50,000 for Fund Balance for Grant Matches. The ESASD share equals \$233,674.19. Mrs. VanWhy said there are three options to choose from. Option A is to place the whole amount into the Capital Reserve Account. Option B is as Mr. Bader stated. Option C is for the district to have their share of the excess funds returned to ESASD.
- o. J M Hill Concrete Bid Results
Mr. Bader said that he provided the Committee members with the bid tabulation for the J.M. Hill Sidewalks and Curbing Replacement Project. The lowest bidder was Northeast Masonry. The only item they have not provided is their bid bond. Northeast worked on the J.T. Lambert Concrete Project. The Committee agreed to contract with Northeast as long as they submit their bid bond before Monday's Regular Board meeting.
- p. Property & Facilities Items
 - i. Security Cameras at Smithfield Elementary
Mr. Borosh said the district is looking to move away from the current Honeywell cameras and system to Cisco Meraki cameras, which do not require video recording devices. He is proposing to install the Meraki cameras at Smithfield Elementary since it is a small school and will provide a good test. The district received a total of 4 bids from the 40 companies that received the information with IntegraOne being the low bidder.
 - ii. North Campus ESCO
Mr. Bader explained that apparently there was a discussion at the Property & Facilities Committee meeting on the possibility of using an energy savings contracting approach to address the control system issues at HSN & Lehman; however, the presentation may not have been very clear. He presented the Committee with several options to consider that would generate energy savings to offset some of the cost of the control system replacement. Several financing options were also included. Mr. Bader explained that in order to move forward the district was seeking guidance on which of the options the Board would like to consider. The Committee did not want to obtain additional funding, which would add to the district's debt.

iii. Northsite Power Meters – Trane Application - \$35,958.00

iv. JTL Masonry – Jones Pay App#6 - \$95,990.15

Mr. Bader said that the Property/Facilities Committee recommended that the invoices be paid for the two above mentioned projects. After the payment of \$95,990.15, there would be a balance of \$31,493.35 for the JTL Masonry Project. There is some landscaping that needs to be done.

VI. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

VII. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the following items. Motion was seconded by Larry Dymond and carried unanimously, 3-0.

- a. The award of the Food Service Bids in the estimated quantities and at the unit prices.
- b. The Tax Increment Financing Plan and Resolution for the Smithfield Tax Increment Financing District.
- c. The award of the Computer Bid Results.
- d. The Computer financing Proposals.
- e. The award of bids for Athletic, Custodial, Medical, and Tech Ed supplies to the lowest responsible bidders.
- f. The 2018-19 insurance providers and premiums.
- g. The Replacement of the Transportation Dept. Utility Truck.
- h. For MCTI Joint Operating Committee to allocate the district’s excess funds into their accounts.
- i. To accept the bid from Northeast Masonry in the amount of \$54,173.00, the lowest responsible bidder for the J M Hill Concrete project.
- j. To approve the proposal from IntegraOne for forty (40) Cisco Meraki cameras.
- k. To approve Trane for the purchase and installation of the power meters at Northsite complex in the amount of \$35,958.00.
- l. To approve Pay Application #6 from Jones Masonry in the amount of \$95,990.15 for the JTL Masonry project.

VIII. NEXT MEETING – June 11, 2018 at 5:30 pm

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to adjourn. Motion was seconded by Larry Dymond and carried unanimously, 3-0.

IX. ADJOURNMENT: 6:19 P.M.

Respectfully submitted,
Patricia L. Rosado,
Board Secretary