

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

March 11, 2019

Carl T. Secor Administration Building – Board Conference Room

5:30 P.M.

Minutes

I. **The Chairman**, Rich Schlameuss, 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:** George Andrews, Larry Dymond, Jason Gullstrand and Rich Schlameuss.

Board Non-Committee member Present: Keith Karkut

III. **School Personnel Present:** Brian Baddick, Brian Borosh, Bill Gouger, Shahida Jones, Matt Krauss, Tom McIntyre, Fred Mill, Ryan Moran and Patricia Rosado.

Community Members Present: Maria Hopkins

Other: Chris Brown, Solicitor

IV. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the agenda for March 11, 2019, with the following additions. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

Larry Dymond asked for the following items to be placed on the agenda:

Budget and Billing, Bank Statements, Grants for the Future and Damaged Band Instruments.

RECOMMENDATION BY THE COMMITTEE: Motion was made by George Andrews to approve the minutes of the February 11, 2019 meeting. Motion was seconded by Jason Gullstrand and passed 3-0-1. Rich Schlameuss abstained.

V. **ITEMS FOR DISCUSSION:**

a. **Draft Assessment Appeal Policy**

Mr. Brown said that within the last few years, the district has initiated tax assessment appeals, which have generated about \$2,000,000 for the district. He has drafted a Policy #627, which indicates the procedures the district will use to choose properties for an assessment appeal. The policy reiterates what has been done in the past. He indicated that there are three reasons why the procedures should be placed in writing. No. 1 – To protect all nine Board members by clearly stating the procedures as to how the properties appealed are picked; No. 2 – To clearly indicate what guidelines are to be followed as we select

properties; and No. 3 – Will help with courts since it shows our policy is non-discriminatory. Keystone has gone out and selected various properties and they look at those that will generate revenues for the district, over \$10,000, in order to prosecute a case. This is a collaborative effort between Chris Brown, Tom McIntyre and Keystone. Mr. Dymond asked do we just go after the high-end properties. Mr. Brown said they look at all possible properties which will generate \$10,000 or more. The appellate courts have previously given approval to policies at this amount. Mr. Dymond asked if the district can chose to go for properties that will generate a lower amount. Mr. Brown said they can but they will have to change the policy. The policy will be sent to the Policy Review Committee in order for them to forward it on to the Board agenda.

b. Microsoft Agreement Renewal

Mr. Borosh said that the Microsoft Agreement is part of IU 13, which is from Lancaster. It is a statewide license agreement. The majority of the LEA in the State belong in order to save money on licensing. This is the third agreement that the district has participated in. The first agreement was for five years. The second agreement was for three years. This year's agreement will start our 9th year. Mr. Andrews questioned the end date of the contract. Mr. Borosh said it should be from August 1, 2019 through July 31, 2024. Mr. Borosh said the district would like to choose Package B with a total cost of \$68,543.45. This is \$4,000 less than the current contract because the ADM went down slightly and more entities joined in the State. This rate is for the number of employees, 907 and number of students, 6,673, based on the ADM, which is not actual students. The contract will start in July. Mr. Schlameuss asked if this is licensing is for servers as well. Mr. Borosh said it is. It is unlimited; therefore, cost cannot be predicted. Mr. Schlameuss asked if the contract is expiring due to having outdated services. Mr. Borosh said the new equipment can help the district stay current without having to check every license. This Microsoft agreement has always been good for the district. Mr. Andrews asked if the agreement includes the Chromebooks. Mr. Borosh said it does not but it includes the license for the equipment in the offices, and the computers for the students. Mr. Schlameuss asked where the fee of \$56.30 comes from. Mr. Borosh said he can obtain a breakdown of all the numbers and cost to give to the Board members. Mr. Schlameuss asked what the district is currently paying. Mr. Borosh said the district is currently paying over \$72,608.69. This contract is based on full-time employees.

g. Property & Facilities Items

v. District Cameras

1. Camera Install/Proposed Replacement Schedule/Project Status

2. Resica Camera Project - Proposal IntegraOne - \$64,953.00

Mr. Borosh said he submitted information regarding camera installation, proposed replacement schedule and project status on the district's cameras, which totaled \$1,950,637.54. Integra One will provide the fifty-one Cisco Meraki Cameras, which will replace the 18 older Honeywell cameras and 33 additional cameras will increase security at Resica Elementary School.

ix. North Campus Security Cameras – Guyette Communications - \$342,736.00

Mr. Borosh submitted a bid tabulation for the North Campus Security Camera upgrades. Three bids were submitted and Guyette Communications was the lowest bidder at \$342,736.00. His department will upgrade 355 cameras. Currently there is no data connection at the Athletics' Press Box. Now they will be able to have Wi-Fi for the staff and students. The project can be started as early as the first week in April. Mr. Schlameuss suggested that a cost estimate for this type of project be included to determine if the district is receiving a fair price. Mr.

Dymond asked what information was given to the vendor to arrive at this amount. Mr. Borosh said that the information included the man hours and prevailing wages. This job will be out of Scranton. It will take about four individuals to complete the job in about 1,200 hours. They will completed cabling, punch panels, etc. All items were listed on the bid specs and it is not a complex job. Mr. Borosh said he would have estimated this job at \$355,000. He could have obtained this job on Co-Star but thought it would cost efficient to bid out. Mr. Dymond asked if the company is performing the total job or will they be contracting any part of it out. He would like to see the total job before the make a final decision. Mr. Borosh said he will give Mr. Dymond the complete paperwork.

c. School Based ACCESS Program update

Mr. Krauss and Ms. Jones presented information regarding the district's School Based Access Program (SBAP). SBAP is a state and federal government program that allows LEAs to receive Medicaid reimbursements for health-related services provided to MA-enrolled students under 21. ESASD must meet and follow all applicable state and federal statutes, regulations and policies to participate. Reimbursement money must be used within the Special Education Program. The account has increased by about one million dollars since Mr. Krauss has taken over. By June 2019, the account should have about 2.7 million dollars. The State does not want more than half a million in the account. The funds can only be used for Special Education programs and items. Some individuals from the district are paid through Access funds. Mr. McIntyre said the district pays funds for special education and some money comes back to the district. Mr. Andrews asked what does it cost to education each student. Mr. Baddick said the district pays about \$45,000 for a student aide (includes salary and benefits). Mr. Krauss said it is not mandatory to participate in this program. Ms. Jones said they have purchased some materials for the students such as adaptive seats for Bushkill Elementary School. They are also creating Sensory rooms at each K-5 building. They hope to do the same for the secondary buildings next year. Mr. Schlameuss asked when the rooms will be completed at the elementary level. Ms. Jones said they are hoping to have them done by the beginning of the next school year. Mr. Andrews asked what percentage of the students will be going into the rooms. Mr. Krauss said the principal will determine who will participate. Mr. Dymond asked if the sensory rooms are the only purchase they have made. Mr. Baddick said they have also purchased vans, provided professional development, purchased technology, adaptive PE items, etc. Mr. Krauss said that they have to spend the funds that are reimbursed to them. Custodians will be trained on how to clean the rooms and other materials. Mr. Karkut asked if the money has always been there but the district was not applying for it. Mr. Krauss said there were uncertainties before but now reporting is more efficient. Mr. Karkut asked if any IU programs can be brought back into the district to save money on was is being paid to the IU 20. Mr. Baddick said yes. Mr. Karkut asked when the IU 20 uses our equipment, do they pay a fee. Mr. Krauss said they do not pay a fee since it is used for our own students. Mr. Schlameuss said the best use of the money is to bring the students back into our district. Mr. Krauss said they will be returning on Monday to discuss the social aspects of the job they have been doing in the districts in grades K-12.

d. Auditor General Audit Report

Mr. McIntyre said that a meeting was held on February 28, 2019 with the Department of the Auditor General, Bureau of School Audits. Two Board members were in attendance for the Audit review meeting. A full report is forthcoming. They had one comment regarding a flaw they found with the former CFO's compensation terms, which cost the

district extra money. They provided the district a recommendation and Chris Brown prepared a response. The response needs to be Board approved. The Auditor's report will be discussed at the April Board meeting.

e. Procurement Manual – Discussion

Mr. Andrews said that the procurement manual does not follow the current Board policies. Mr. McIntyre said that is why he wants to have discussions with the Committee to see what changes they would like to see implemented. Mr. Schlameuss said there needs to be a draft prepared and then the policies need to be changed. The law also needs to be followed to insure that the district knows what is required. Mr. Andrews said he will send Mr. McIntyre all of his suggestions. Mr. McIntyre said that he attended a conference last week and sat in on two procurement sessions. Mr. Dymond asked if the district has procurement software to aid all individuals. Mr. McIntyre said usually the financial packet carries this feature. Mr. Andrews asked does our financial system have it. Mr. McIntyre said our financial software has a feature but it is not comparable with the law. He asked the Board members to send him any comments/suggestions so he can put everything together. Mr. Schlameuss suggested that a dispute resolution be included in the manual.

f. Treasurer's Reports/Payment of Bills – Discussion

Budget Transfers:

Mr. Schlameuss said that Mr. McIntyre provided financial reports, which were included in the February Board book. The reports included were budget transfers, payment of bills, treasurer's reports. Mr. Schlameuss asked Mr. McIntyre to explain how the process works. Mr. McIntyre said that when an employee wants to purchase an item they start by creating a requisition for the vendor. It then gets approved by the supervisor. All ITEC items need approval by Brian Borosh. Mr. Andrews asked if the accounts are balanced out. Mr. McIntyre said that budget transfers are needed in order to balance the accounts. No budget transfers can be made before October 1st of each year. Accounts are reviewed in order to create an accurate account for next year's budget. Mr. Karkut asked are we overspending because we can. Mr. McIntyre said no because they are able to see the totals and cannot spend above what is in the account. Mr. Gullstrand said that individuals are asked to budget for next year not knowing what was spent this year; therefore, they estimate the best they can. Sometimes transfers will be needed. Mr. Dymond said getting better at budgeting does not solve the problem because in the past, principals increased the budget by 5% per year. Mr. Andrews said if the budget stays the same each year, adding a percentage to it will solve the problem. Mr. McIntyre said he had a department meeting and informed them that they are not receiving any additional money for next year's budget. Mr. Dymond asked if they receive any information to serve as a rule of thumb. Mr. McIntyre said everyone is receiving zero budget and they build up from there. Mr. Dymond said the ESASD pays a higher amount per student than the State reimburses. Mr. Karkut said there a high volume of budget transfers around May and June. Mr. McIntyre said this is due to trying to equal out the accounts and transferring payroll into the new account. Mr. Karkut asked if the district has a treasurer. Mr. McIntyre said Dawn Nickischer is our current Treasurer.

Payment of Bills:

Mr. McIntyre said that he sent out a notice to all at the district informing them to place specific details when creating a purchase order. Mr. Gullstrand asked if the contracted drivers are hired through the IU 20. Mr. McIntyre said they are ESASD contract drivers. Mr. Andrews asked for a copy of their invoices. Mr. McIntyre said he will check on this information.

Treasury Reports:

Mr. McIntyre reviewed the treasury reports and gave the Board members copies of the bank statements, which matched up with the information that is on the treasury report. Some accounts on the report are in the negative because they have not received all the funds to place in the accounts. Once all money is received the negative balances will become whole.

Mr. Dymond said that the lunch program currently has an outstanding balance of about \$45,000 in the student accounts. Mr. McIntyre said he can discuss this issue next month.

g. Property & Facilities Items

i. D'Huy Engineering – Trane Controls Oversight North Campus – Invoice #48878 - \$689.01

ii. D'Huy Engineering – High School North/Lehman Intermediate Water Heater Replacement – Invoice #48879 - \$1,556.24

iii. D'Huy Engineering – Resica Elementary Roof Replacement – Invoice #48876 - \$7,793.98

iv. D'Huy Engineering – High School North/Lehman Intermediate Roof Replacement Design, Bidding & Construction Phase Services – Invoice #48875 - \$38,129.94

Mr. McIntyre said that the above mentioned bills need to be paid for work that has been performed. Mr. Dymond said he does not remember the amount of the roof replacement agreement being that high. He asked if we are being doubled billed. Mr. Karkut said that the \$467,250.00 is divided by the percent of the work that was already done; therefore not in addition to. Mr. Gullstrand asked if D'Huy Engineering handles all responsibilities. Mr. McIntyre said they handle all aspects of the job and oversee that everything is done properly. Mr. Gullstrand said if there are any issues they would be responsible. Mr. Schlameuss said he is correct.

vi. North Bus Garage Generator Update

1. Curtis Beam/Matthew Hirsch Proposals - Generator

a) Winter Engine - \$17,736.00 (90 Day Warranty)

Mr. Karkut said that he is upset with this proposal because it states that it is a John Deere engine with a warranty. This is not the case because the manufacturer is Kohler not John Deere. He recommends that they table this item until the next time the Property/Facilities Committee meets. Mr. Andrews said he agrees. Mr. Karkut said that he had asked for the generator to be delivered within 2-4 weeks, have a one-year warranty and be manufactured by John Deere. Mr. Schlameuss said according to the proposal submitted by Winter Engine, it says that the warranty is for 90 days and does not specify if John Deere or Kohler manufacturers it.

vii. North Roof - Jottan Roofing Lowest Bid - \$6,556,867.00 with Alternate 1 to include Garland Roof - 30 Year Warranty for Additional \$451,768.00

Mr. Karkut said that Middle Smithfield Elementary's roof is failing and it is a Garland Roof. What company did the roof? Mr. McIntyre said the company that will perform the work is Jottan Roofing and will be installing a garland roof. Mr. Karkut said he has concerns with a garland roof. Mr. Schlameuss said that the district needs to get a 30-year warranty. Mr. Andrews said that they should not wait to install a roof because if they do, it may delay it for another year.

- viii. Resica Roof - C & D Waterproofing Lowest Bid - \$ 647,250.00 with Alternate 1 - 30 year Warranty Garland Roof at \$9,700.00 as well as Alternate 2 to infill existing Sky Light for Additional \$10,765.00
Mr. McIntyre said the Property/Facilities recommended the same type of roof, Garland, be installed at Resica Elementary School with a 30-year warranty.

VI. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

- a. Mr. Fred Mill said that the district received the 2018-2019 Safe School Targeted Equipment Grant in the amount of \$22,900.00; therefore, he would like to purchase a Visitors’ Management System. He received three quotes and the one from Raptor Technologies seems simpler to use. The district would like to purchase 11 units, which will be for the 10 schools and one for the Administration Center. Mr. Bill Gouger said that the system records information, sets up anything that appears on the license and it also runs a national sex offender list to notify us if the individual who is coming into the district is on that list. It will then print a badge for the visitor. It will also help with tracking students who arrive late or leave early. The system integrates with our current system. Within 1 hour or so the system will be up and running. Mr. Schlameuss asked where the information comes from. Mr. Gouger said that the district inputs the information. Student court orders will also be contained within the system. Mr. Schlameuss said that he would like a Form 611 – Procurement Form be completed and submitted to the Board for final approval at Monday’s Board meeting. Mr. Mill said that the system will also help keep track of the vendors that come in and out of the district. The yearly maintenance fee will be \$5,940.00 and the total cost for this system is \$20,243.00.
- b. Mr. McIntyre said the district receives an application for payment in lieu of taxes every year from the National Recreation Area project. Instead of taxes, we receive an amount of \$11,669.92 for a property that is assessed for \$94,371.00. This item requires Board approval.
- c. Mr. Dymond said that some band instruments are getting damaged each month, which causes an added expense on the district. Mr. Karkut said that there are many large instruments that the district owns and they need to get repaired. The repairs are necessary and are not a waste of money. Some instruments are old and require more care.

VII. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

1.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to forward the draft of the Assessment Appeal Policy #627 to the Policy Review Committee. Motion was seconded by Jason Gullstrand and carried unanimously, 4-0.

2.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Jason Gullstrand to recommend that the Board consider for approval package B of the participation agreement with Microsoft Corporation in the amount of \$68,543.45 annually, starting July 1, 2019 through June 30, 2024. Motion was seconded by George Andrews and carried unanimously, 4-0.

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to recommend that the Board consider for approval the response to the Department of the Auditor General detailing adoption of the D.A.G.'s recommendations, as presented. Motion was seconded by George Andrews and carried unanimously, 4-0.

4.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Jason Gullstrand to recommend that the Board consider for approval the following Property/Facilities Committee items. Motion was seconded by George Andrews and carried unanimously, 4-0.

1. The payment of invoice #48878 from D'Huy Engineering in the amount of \$689.01 for Oversight of the Control Replacement project at the North campus.
2. The payment of invoice #48879 from D'Huy Engineering in the amount of \$1,556.24 for the design and bidding of the North/Lehman Intermediate Water Heater replacement project.
3. The payment of invoice #48876 from D'Huy Engineering in the amount of \$7,793.98 for the Resica Elementary Roof Replacement project.
4. The payment of invoice #48875 from D'Huy Engineering in the amount of \$38,129.94 for the HS North/Lehman Intermediate Roof Replacement Design, bidding, Construction, and Phase Services.
5. The proposal from IntegraOne for the purchase of security cameras, wall mounts, and software licenses at the Resica Elementary School in the amount of \$64,953.00.

5.

RECOMMENDATION BY THE COMMITTEE: Motion was made by George Andrews to recommend that the Board consider for approval the Winter Engine Proposal regarding a New John Deere 4045HF Generator in the amount of \$17,736.00, contingent upon that the manufacturer is John Deere and that the warranty is for 1 year or greater. Otherwise, this item will be forwarded back to the Property/Facilities Committee meeting for further review. Motion was seconded by Jason Gullstrand and carried unanimously, 4-0.

6.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Larry Dymond to recommend that the Board consider for approval the proposal from Jottan, Inc., the lowest responsible bidder, for the High School North and Lehman Intermediate roof replacement, to install a Garland Roof in the amount of \$6,556,867.00 with Alternate 1, which includes a 30-year warranty in the additional amount of \$451,768.00. Motion was seconded by Rich Schlameuss and passed, 3-1. George Andrews voted no.

7.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Larry Dymond to recommend that the Board consider for approval the proposal from C & D Waterproofing Corp., the lowest responsible bidder for the Resica Elementary roof replacement, to install a Garland Roof in the amount of \$647,250.00 with Alternate 1, which includes a 30-year warranty in the additional amount of \$9,700.00 and Alternate 2 to infill the existing Sky Light for an additional \$10,765.00. Motion was seconded by Jason Gullstrand and passed, 3-1. George Andrews voted no.

8.

RECOMMENDATION BY THE COMMITTEE: Motion was made by George Andrews to recommend that the Board consider for approval the proposal from Guyette Communication Industries Corp., the lowest responsible bidder for the North Campus Surveillance Camera Installation, to install Security Cameras at the North Campus in the amount of \$342,736.00. Motion was seconded by Jason Gullstrand and carried unanimously, 4-0.

9.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Jason Gullstrand to recommend that the Board consider for approval the proposal from Raptor Technologies for a district-wide visitor management system in the amount of \$20,243.00. The installation and first year Software costs will be covered by a 2018-2019 Safe School Targeted Equipment Grant. Motion was seconded by George Andrews and carried unanimously, 4-0.

10.

RECOMMENDATION BY THE COMMITTEE: Motion was made by Jason Gullstrand to recommend that the Board consider for approval the ratification and affirmation of the authority of the Superintendent, Board, President, and Board Secretary to execute and submit to the Pennsylvania Department of Education an Application for Payment pursuant to Section 604 of the School Code for payment in lieu of taxes for property acquired by the Commonwealth for the National Recreation Area project located in Lehman Township, Pike County. Motion was seconded by George Andrews and carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to adjourn. Motion was seconded by Jason Gullstrand and carried unanimously, 4-0.

VIII. **NEXT MEETING** – April 8, 2019 at 5:30 pm

IX. **ADJOURNMENT: 8:58 P.M.**

Respectfully submitted,

Patricia L. Rosado
Board Secretary