

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

April 8, 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 5:32 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.
- III. **School Personnel Present:** Brian Baddick, Fred Mill, Armand Martinelli, Tom McIntyre, Ryan Moran, William Riker, Patricia Rosado, Chris Rossi, and Paul H. Schmid
- Community Members Present:** Greg Menio, Gerard Rozea,

IV. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the agenda for April 8, 2019 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 Jason Gullstrand and carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the minutes of the March 11, 2019 meeting. Motion was seconded by Jason Gullstrand and carried unanimously, 4-0.

V. **ITEMS FOR DISCUSSION:**

a. Lunch Balances – Discussion

Mr. Paul Schmid reported on the district's lunch balances ending in March 2019. Since they enacted Act 55 in 2017, the school district may not publicly identify or stigmatize a student who cannot pay for a school meal or who owes money for school meals. A student who cannot pay for a school meal may not be required to perform chores or other work to pay for the school meal. A students may not be required to discard a school meal after it was served to the student due to the student's inability to pay for the meal or the amount of money owed by the student for prior school meals. Meals can continue to accrue to the student's school meal account. Parents/guardians must be notified when there is total of five meal charges (combined between breakfast and lunch). The communication must be directed to the parent/guardian and not through the student. Students must be offered the school food program meal options that are available to all students. Section 1337 does not apply to a la carte food sales. Delinquent debt can carry over to the immediate subsequent school year if the delinquent debt is being actively pursued using the collection procedures identified in the school's Local Meal Charge Policy. The total amount of delinquency is currently about \$51,793.00. Through the Administrative Services Department, a Connect Ed goes out every Sunday to all students' home who owe \$10.00 or more. Every month a

letter goes out to the students' home that owe \$50.00 or more. A letter goes out from the Business office to the students' home who owe \$100.00 or more. Parents may be taken to the magistrate, too. The district is exploring options to see if graduation ceremony can be taken away as a privilege. In discussion with other districts, he found out that they also have the same issue. Some families may be taking advantage of this situation and choosing not to pay. Taking families to the Magistrate may causes the district to incur more money. Mr. Schlameuss suggested that the district reach out to the legislators regarding this issue. Mr. Schlameuss questioned if graduation can be included as an incentive to pay. Dr. Riker said it can be. Mr. McIntyre said that graduation can be included along with the other items that fall under the students' obligations. Mr. Schlameuss asked if Prom can be added to the list. Dr. Riker said they can look at all of the options for next year. Mr. Schlameuss asked what amount the district receives. Mr. Schmid said the total amount that is reimbursed by the State is about 4.5 million dollars. A la carte is about \$60,000.00. Mr. Schlameuss asked how much does it cost to provide a student a hot meal. Mr. Schmid said that it costs about 70% of what is received. Currently 66% of the students receive free and reduce as a result of the application that they fill out to qualify. Mr. Dymond asked if any district has considered a collection agency to help with this situation. Mr. McIntyre said that one district tried but had a poor turnaround because the social security number is not required on the application. Currently the negative amount is higher than the positive amount. Dr. Riker said he will check with our representatives. Mr. Schlameuss said that he will also speak to them in order to find an alternative for this issue and to help them understand the penalties on the district and students.

b. Breakfast/Lunch Pricing

Mr. Paul Schmid said that last year he requested a breakfast and lunch price increase for this year. He is requesting a 10 cents lunch increase for next year. This will add about \$22,100 in additional revenue. The elementary lunches will now cost \$2.55 and the secondary lunches will cost \$2.65. The price increase recommendation are made in anticipation of increased costs for school year 2019-2020 since the cost of food and supplies is expected to increase by 1.09% and the cost of bread by 2.95%. Another reason for the increase is due to the wage increase for the cafeteria workers and cooks. Funding increase from USDA and PDE have not been determined and, as in the past, will not be known until late June.

c. Food & Supply Bid Results

Mr. Paul Schmid said he sent the bread bid to three vendors. The three vendors responded. The bid opening occurred on April 2, 2019. The contract was awarded to Rockland Bakery, Inc., the lowest responsible bidder. The contract totals \$48,290, which is about \$1,384 more than last year and a 2.95% increase. The Food and Supply Bid was done on March 26, 2019. The bid was sent to 15 vendors and 9 responded. The contracts were awarded to: Reinhart (main distributor), which includes Maid Rite and Nardone Pizza, Pocono Pro (main distributor), Kasa Food (pizza), RC Finder Foods (soup bases), Mullen's (chicken) and Pocono Dairies (milk, juice and yogurt). The total contract value is \$916,844.00 which is an increase of \$9,811.00 than last year and a 1.09% increase.

d. Grants for the Future – Discussion

Mr. Larry Dymond asked if there are any grants that the district has applied for and are hoping to get. Mr. Moran said that are a few grants that the teachers along with Angela Byrne have worked on. There is an Athletic Grant entitled "Stop the Bleed" for Physical Ed teachers and life guards. Mr. Dymond asked if the district receives letters and/or emails

with information on any grants that may be available. Dr. Riker said the district receives information about State Grants. Mr. Moran said currently the district has funds from Ready to Learn, Title I, II, III and IV grants that total about 3.6 million dollars. Mr. Dymond asked if these grants will cover the salaries for Matt Krauss, Shay Jones and Erin Dreisbach for next year. Mr. Moran said the funds will cover the individuals mentioned as well as some Cyber Academy staff. Dr. Riker said that the individuals will be covered by the grants but when the grants are no longer provided, the Board will need to make the decision if they would like to place these individuals in the General Fund. Mr. Schlameuss said some grants are competitive and wonders if there is any new grants available. Dr. Riker said an example of a new grant is the Safety Grant, which totaled 60 million dollars. Every district received \$25,000 for Part A. As of yet, the district has not been advised about Part B. Mr. Mill said that the district received the Safe Schools Targeted Grants, which will pay for the Visitor's Management System and training for the School Resource Officers. Dr. Riker said if the Board is asking if there is one place to look for funding, there is not. Mr. Schlameuss said certain libraries may have some information but is our Grant Writer looking in all possible areas and places. There also may be strings attached to some grants that may cost the district more than it's worth. Mr. Moran said Ms. Byrnes, Director of Federal Programs, receives and or searches for grants. After reviewing them, Ms. Byrnes sends them out to the appropriate staff.

e. Auditing Services RFP

Mr. Tom McIntyre explained that the RFP that the Board received is for auditing services for the annual audit that they will need to perform on the district's fiscal years ending June 30, 2019, 2020 and 2021, with possible extensions to include fiscal years ending, June 20, 2022 and 2023. Mr. Andrews asked if the RFP is the same that has been done in the past. Mr. McIntyre said it is the same RFP that was done five years ago. Mr. Schlameuss said since the audit is required, wonders why it needs Board approval. Mr. McIntyre said that in the past, the Board approved the RFP prior to sending out.

f. IU Paper & Janitorial Bid Results

Mr. Tom McIntyre presented the summary of Bid Awards from the Northampton/Monroe/Pike County Joint Purchasing Board for the 2019-2020 School Year. The items included are paper and janitorial supplies. The bid awards need to be approved by the Board. Mr. Andrews requested that the Board be given a list of the specific items that are going to be purchased. Mr. McIntyre said he will ask the IU to include a more specific list. Mr. Schlameuss asked if the district is purchasing the same amount that they did last year. Mr. McIntyre said that he can find last year's document to compare it to this year's list. The IU provides the district a form and every department/school inputs their request. A summary is then comprised. He said he can provide the Board a comparison from this year to next year.

g. Waste Management Landfill dumping agreement

Mr. Tom McIntyre said the district does not have a contract for taking items to the landfill, which is cheaper than getting a dumpster. Waste Management requires an agreement in order for the district to be able to dump in the landfill. Mr. Schlameuss asked if the district will know the cost prior to taking the items. Mr. McIntyre said the truck will get weighed right before it's dumped. A credit card payment will not be needed on site if an agreement is in place. Mr. Andrews asked if this agreement covers the North and South schools. Mr. McIntyre said the contract says it's for Monroe County only. Dr. Riker said an item from any school can be taken. Mr. Dymond asked if this contract includes the dumpsters that

the district uses. Mr. McIntyre said this item is not for the dumpsters but for the district to be able to dump in the landfill.

h. Sports Medicine Services Proposal

Dr. Riker said that sometime in the fall he was asked to attend a meeting with a number of individuals. At the meeting, he was informed that St. Luke was interested in making a proposal to provide the district with Athletic Trainers. Our current contract with East Stroudsburg University totals approximately \$79,000.00 a year. St. Luke's met with the district two times. One of the meetings included the Athletic Directors, Denise Rogers and Chuck Dailey. St. Luke's proposal totaled \$30,000.00 plus they would give back \$10,000.00 to the district. This amount is about half of what the district is currently paying. We sat down to review the proposal to see if the same services or more than what we are getting will be provided. Everyone felt that we are getting equal or better than the current proposal. Dr. Riker asked if the Board would like the district to pursue a new proposal. Last week, he heard from Lehigh Valley Hospital – Pocono, who are also interested in submitting a proposal. The district has not met with Lehigh Valley Hospital or East Stroudsburg University. They are first looking for direction from the Board to see if they would like administration to continue to pursue. It will take time for a new proposal to be put in place. Summer physicals begin in June. Mr. Schlameuss suggested that this service be bid out for the 2020-2021 school year. He also suggested that the proposal state that all students get transported to Lehigh Valley Hospital – Pocono because it's the closest hospital. The district also needs to maintain a relationship with East Stroudsburg University and that everyone's job is secure. Dr. Riker said that no one's job will be affected.

Gerard Rozea, of East Stroudsburg University (ESU), said ESU has been providing these services for more than 10 years. Currently, they are providing 4 graduate training assistants and the cost has moderately increased. ESU provides assistance to both high schools, the Athletic Department and middle schools. They also provide strength training. They have a strong relationship with St. Luke's, Mountain Valley Orthopedic, Coordinated Health, etc. Mr. Andrews asked if they are providing the same services as St. Luke's is offering. Why is there a great difference in the amount that they are charging? Mr. Rozea said they also provide an additional athletic trainer for North at no additional cost. Dr. Riker said there is not complaint about the services, just the cost. St. Luke's services are comparable. Dr. Riker said the district has the data on how much ESU charged the district for the past 10 years, which is about \$79,000 a year. Mr. Rozea said he was not aware. Mr. Andrews said it has been ESU for the past 10 years and now St. Luke's submitted a proposal. Why not get a proposal from all the other organizations that are interested in working with the district. Mr. Schlameuss said that working with ESU would serve twofold since it would build a better relationship between the district and ESU as well as help the students with their training by what they learn in the district. Mr. Rozea said ESU works with all networks and has the best interest of the district and taxpayers in mind.

Dr. Greg Menio said that he is a volunteer coach at H.S. South. H.S. South has had a Sports Medial Program for the past 10 years. East Stroudsburg University has provided great care to the athletes and has played a vital role in the Strength and Conditioning Program. St. Luke's Proposal is not providing apple to apple services. ESU always provides game coverage and care for the North and South athletes. Dr. Bart is the physician for the North school and when not available, Doc Martinelli, Mr. Rossi and Dr. Menio are called when needed. ESU will insure that athletes get the best care at the closest hospital, which is Lehigh Valley Hospital - Pocono. By adopting St. Luke's Proposal,

students will need to travel farther for their care such as Bethlehem. The St. Luke's Hospital in Bartonsville does not have pediatric care and no surgeon. There will be a cost increase for parents because service will not be done locally. If the district wants to advertise for an RFP, then they need to indicate all specifics that will be needed so that apples to apples can be compared. Dr. Menio offered his assistance in writing the proposal. Mr. Schlameuss said that he recommends that an RFP be developed. He suggested that Dr. Menio not be part of this process to avoid any conflicts; however, he can recommend someone to help the district. The district should maintain the same services for the next school year and prepare an RFP for the 2020-2021 school year.

i. MCTI Excess Funds

Mr. Tom McIntyre said that MCTI is requesting that the district allow them to keep the access funds that should go back to the district in order for them to place it in their Capital Reserve Fund. Our share is \$176,483.00. In order for them to do so, the Board must approve this request. Mr. Schlameuss asked if this will add an expense to next year's budget. Mr. McIntyre said funds would impact this year's budget.

j. 2019-20 Budget Update

Mr. Tom McIntyre said that since draft #1 of the 2019-20 Budget presentation a lot has transpired with reference to Professional and Support Staff contract settlements. Tonight he has a presentation of Draft #2 of the 2019-20 Budget. The presentation included:

Draft 1

Anticipated Revenues of \$159,417,071

Anticipate Expenses of \$164,326,728

Deficit \$ 4,909,657

There were some budget adjustments under the revenues with the real estate transfer taxes, bond reimbursement from the State, Social Security Reimbursement and PSERS Reimbursement at a total increase of \$1,666,545. There were also budget adjustments under the expenses with the salaries, fringe benefits, professional services, contracted services, other purchased services, supplies, property, and other objects at a total decrease of \$2,858,426.

Draft 2

Anticipated Revenues of \$161,083,616

Anticipate Expenses of \$161,468,302

Deficit \$ 384,686

Additional Staffing Requests not in current proposed budget such as three elementary Assistant Principals and seven district psychologists to replace the 8 psychologists contracted with the CIU#20. He will continue to evaluate staffing needs, reflect cost savings on the computer leases, and copier lease agreement as well as insurance renewals. The Board will need to approve a Proposed Final budget at the Regular School Board meeting in May 2019.

Mr. Schlameuss asked if Mr. McIntyre anticipated the salaries for retirees. Mr. McIntyre said he budgeted the replacements at entry level salaries. Bushkill Elementary was removed from the list to be completed because it will be done in two years. Mr. Dymond suggested filling the pot holes. Dr. Riker said that the district thought it would be better to spread out the repairs on all of the schools. Mr. Schlameuss recommended that they use a

seal coating with chip and tar, which may have a five-year value at a lower cost. Dr. Riker said although some schools were removed from the current cycle, the Board may elect to add them back on. If the tar and chip cost less and last longer than it's worth looking into. Mr. Dymond said that they should start booking now to complete these projects since the contractors book up quickly. Mr. Andrews suggested that this item be forwarded to the Property/Facilities Committee for discussion. Mr. McIntyre said that they can talk to Bob Sutjak to get a plan together for all these issues. Dr. Riker said the administrators are comprising an inventory of all vehicles to include the year, average mileage, timeframe, trade-in, etc. Mr. Schlameuss said that Penn Dot has an estimated use of life guide. Dr. Riker said they are also doing a feasibility study to see what items are covered by the capital plan and what items can be done in-house. Mr. Dymond asked what happens if an item cost more than budgeted. Mr. McIntyre said money is found elsewhere like in the fund balance. Mr. Schlameuss asked if the budget takes into account new or old assessments. Mr. McIntyre said it includes the same old numbers. Next year's budget will be a challenge since monetary information is not known until December. Mr. Schlameuss asked where the district stands with this year's budget. Is it where it needs to be? Mr. McIntyre said he believes we are where we need to be but will input current salaries and make the changes. Dr. Riker asked if the budget includes the additional State revenue. Mr. McIntyre said it includes PSERS and Federal Government funds. Mr. Dymond requested a comparison of last year's payroll compared to this year before the contract and after the contract was approved.

Mr. Schlameuss asked why the guidance counselors cannot handle what an Assistant Principal will handle at the elementary level. Dr. Riker said an Assistant Principal will help with observation and discipline. They will also provide the staff with instruction and leadership. Mr. Gullstrand asked what buildings the Assistant Principals will be added to. Mr. Moran said they are needed in all Elementary Schools. Dr. Riker said the district's long-term plan is for all schools to get an Assistant Principal. Mr. Schlameuss requested a job description for an Assistant Principal. Mr. Dymond said that the Principals can handle the responsibilities. Mr. Moran said they cannot because there are about 80 staff members to one Principal. Mr. Andrews asked for the ratio for the other buildings. Dr. Riker said Principals at the secondary handle about 40 individuals to 1 and at the intermediate level 60 to 1. Mr. Gullstrand said there is a large special education expense that needs to be reviewed. Mr. Schlameuss said goals and performance measurement indicators need to be created. Dr. Riker said they can be created but what do they want to measure. If their request is to increase test scores then he needs direction from the Board. As it stands, there are many programs that the district has been implementing that cannot be measured with test scores. Mr. Schlameuss said these are objectives but what are the measures. We need performance indicators to communicate back to the community. Mr. Gullstrand said that scores are relevant to teachers' performance; therefore, if there is a plan to increase them then the morale will go up, too. Mr. Dymond asked for the bus purchase schedule. Mr. McIntyre said he will start getting together the schedule and cost for each year since there will be a decrease with the diesel buses.

k. Lyman & Ash – Invoice #3125 - \$3,335.00

Mr. Tom McIntyre said that the most recent invoice from Lyman & Ash totals \$3,335.00, which will require Board approval in order to process payment.

l. Property & Facilities Items

- i. HS North/Lehman Water heater Replacement – D'Huy Engineering – Invoice #48976 – \$8,943.76

Mr. Dymond requested a copy of the drawings or the cost estimate of the water heater. Dr. Riker said the total is \$267,000. Mr. McIntyre said this amount was approved last month. Mr. Dymond requested a copy of all of the details.

- ii. Resica Roof Replacement – D’Huy Engineering – Invoice #48974 - \$5,499.99
- iii. Tree Removal Services – Bender’s Tree Service – \$500.00

VI. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

1. Mr. Dymond said that the Tennis Courts are falling apart. Dr. Riker said the North and South courts have a one year warranty from 2011.
2. Mr. Dymond said Billy Gouger tracked down the sprinkler system company, Bognet.
3. Mr. Dymond asked what does Dr. Bart’s contract includes. Dr. Riker said he attends all North Football games, does sports physicals and reviews IEP’s. He will check with Dr. Bart to see if he is interested in submitting a one-year contract.
4. Mr. Dymond asked about Dr. Primiano’s contract. Dr. Riker said Dr. Primiano attends the South Football games and will be contacted to see if he would like to submit a contract this year. The district is interested in saving funds; therefore, an RFP will be worked on for the future for all of these services.

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, 4-0.

1. The cafeteria school prices for the 2019-20 school year with a \$.10 increase in lunch prices and 0 percent increase in breakfast prices.
2. The award of the Food Service Bids in the estimated quantities and at the unit prices as presented.
3. Issuing a Request for Proposal for Auditing Services.
4. The award of bids by the IU Joint Purchasing Board for paper and custodial supplies effective July 1, 2019 for a period of one year.
5. The agreement with Waste Management of PA, Inc. for Industrial Waste and Disposal Services as presented.
6. The request of the MCTI Joint Operating Committee to distribute \$784,163.00 in 2017-18 excess funds to the MCTI Capital Reserve Fund.
7. The payment of invoice #3125 from Lyman and Ash in the amount of \$3,335.00 for Special Construction Counsel.
8. The following Property & Facilities items:
 - a. HS North/Lehman Water Heater Replacement – D’Huy Engineering – Invoice #48976 \$8,943.76
 - b. Resica Roof Replacement – D’Huy Engineering – Invoice #48974 - \$5,499.99
 - c. Tree Removal Services – Bender’s Tree Service – \$500.00

VIII. **NEXT MEETING** – May 13, 2019 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, 4-0.

IX. **ADJOURNMENT: 8:33 P.M.**

Respectfully submitted,

Patricia L. Rosado
Board Secretary