

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
September 10, 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 5:35 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, Brian Borosh, Charles Dailey, Tom McIntyre, Fred Mill, William Riker, Denise Rogers, Patricia Rosado.
- Community Members Present:** Anthony Bozzuto, Eastbay
DJ Vangorder, Eastbay

IV. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the agenda for September 10, 2019 and with members of the Committee reserving the right to add to the agenda, with addition, and take further action in the best interest of the District. Motion was seconded by Jason Gullstrand and carried unanimously, 4-0.

Mr. McIntyre asked the Committee to add the Lyman & Ash Bill, which was received today, on the agenda.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to approve the minutes of the August 8, 2019 meeting. Motion was seconded by Jason Gullstrand and carried unanimously, 4-0.

V. **ITEMS FOR DISCUSSION:**

- a. **UA Highlight Athletic Agreement**
Two contracts were presented to the committee: UA Highlight Athletic Agreement for Under Armour and Eastbay Team Sales Partnership Agreement. Mr. D. J. VanGorder from Eastbay Team Sales presented the Proposal from Under Armour and EastBay. The contracts include the following:

Under Armour

1. It would be for five years from September 1, 2019 through August 31, 2024
2. \$5,000 signing bonus for year 1
3. \$12,000 allotment after each year's spend
4. Additional 15% rebate to be used as coaches gear after \$100,000 threshold is reached

5. UA will provide a \$2,000 branding package for year 1 (4 banners per school)
6. Banners for each school from UA to place on fields and courts

EastBay

1. 40% off on stock UA Team apparel & accessories
2. 40% off on Uniforms
3. 35% off on Stock UA Team Footwear (found in catalog)
4. 25% off Retail Footwear
5. 35% off on team store items
6. 5% rebate on all Non-UA items (hard goods, helmets, t-shirts, etc.)
7. All Team Store sales count toward total spend (In UA for contract minimums & 5% back for all non-UA products)

Mr. Anthony Bozzuto of Eastbay Team Sales said they would like to work with clubs, PTOs/PTAs, faculty and Administration to help with all activities and events through fundraising.

Mr. Schlameuss asked what the average expense is during the course of the year on uniforms. If it is about \$11,000, they need to go out for bids. Mr. McIntyre said that the purchase of uniforms are on a five-year cycle and cost about \$11,000. The uniforms for the Football team will need to be purchase next year. He ran the proposals by Mr. Brown, Solicitor, and he is okay with moving forward with them because they can be procured separately per season. Mr. Andrews asked if they are purchased by sport. Mr. Schlameuss said it should be treated as a district purchase. Mr. McIntyre said they are purchase the uniforms during different times of the year.

Mr. Schlameuss asked if they have other products aside from Under Armour. Mrs. Denis Rogers said EastBay has all brands. For the past four years, Under Armour has been the industry standard. She asked about other brands such as Nike, Adidas, etc. but Under Armour was the best when it came to rebates. Mr. VanGorder said they cannot get three more quotes because they are exclusive in that they have talked to Under Armour to bring the best deal to the district.

Mr. Bozzuto said they could streamline the catalogs to include our logos. Mr. Andrews asked if the order form could be placed on the district website. Mr. VanGorder said they could look at options. Mr. Bozzuto said they could place a link on the district website to make it easier for students/parents/staff to place orders. The Athletic Department will benefit from this partnership by becoming the recipients of digital score boards, cameras, banners, flags, back drops etc. as well as generate revenue. Mr. Andrews asked if this would be just for sport teams. Mr. VanGorder said this contract would benefit all clubs and sports. Mr. Bozzuto said all sales generated by the district would contribute to the \$100,000 of sales needed in order to receive the 15% rebate. Mr. Gullstrand asked how this contract would affect the booster clubs. Will they be obligated under this contract? Mr. Bozzuto said they work with different types of budgets. Mr. VanGorder said they would not push any product. Mr. Chuck Dailey said clubs can purchase from other companies but it will not help with the total amount of sales that is needed. Mr. VanGorder said no one is bound by the Eastbay contract, but hopes they will try them. Mr. Gullstrand said he wants to make sure that not everyone has to buy just Under Armour. Mr. Bozzuto said only Under Armour uniforms have to be purchased. Mr. Gullstrand asked what constitutes a uniform. Mr. Bozzuto said it is just the apparel. Mrs. Rogers said uniforms are the socks, bottoms and the tops. She said they are not looking to do something that they are not already doing. They would like to get uniforms for the coaches and volunteers. Mr. Dailey said the cameras would help by allowing them to share the video with everyone. With football, it is mandatory to share the film/video. Mr. Gullstrand asked if the district would need to pay a fee for airing the games. Mr. VanGorder said they would not need to pay a fee. The district can sell subscriptions and ads.

b. JM Hill Security Camera RFQ Results

Mr. Brian Borosh said he sent out a Request for Quotes (RFQ) for the J. M. Hill Elementary School for Security Cameras and Related Equipment. The RFQ was sent to approximately 20 vendors and four quotes were obtained. IntegraOne was the lowest bidder at \$86,120 for the purchase of Meraki Cameras for J. M. Hill Elementary School. Mr. Schlameuss asked if this is the last building that needs camera replacement. Mr. Borosh said two more buildings need camera replacements, East Stroudsburg Elementary School and J. T. Lambert Intermediate School. J. T. Lambert has the old camera system and a temporary fix was done but now the cameras need to be replaced. Cameras at East Stroudsburg Elementary were added temporarily until the whole system can be replaced. If the purchase is approved at the September 16 Board meeting, cameras can be in place by the end of the month since cables have already been installed at J. M. Hill Elementary School. Mr. Dymond asked if the cabling and mounting are done in-house. Mr. Borosh said it is. The cameras at J. T. Lambert Intermediate School will be replaced during the summer of 2020. Mr. Schlameuss said all buildings would most likely be completed by the 1920/1921 school year. Mr. Borosh said that is correct and Chief Mill can attest that the cameras are working and are being used.

c. Camera Project Status

Brian Borosh provided a spreadsheet for the Camera Installations and Replacements. Smithfield Elementary, TLC and South Bus Garage, Bushkill Elementary, H.S. North/Lehman, H.S. South and the Administration Center have been completed. Middle Smithfield Elementary, J. M. Hill Elementary, East Stroudsburg Elementary and J. T. Lambert Intermediate are being worked on.

d. Procurement Manual – Discussion

Mr. Tom McIntyre said he brought the Procurement Manual back to the committee to see if any committee members have any comments or feedback. Mr. Schlameuss suggestions were as follows:

Page 5 should align with Page 7 with reference to quotes and limits for purchasing.

Page 8 – Payment of Bills. It is his understanding that all checks should be held. Mr. McIntyre said payment of certain bills are sent out. It is up to the Board if they want them to be held.

Page 8 – Small Purchase – b. should say Competitive Quotes must be obtained...and a reason should be provided.

Page 9 – Changes to Competitive Proposals should be made uniformed, include IFB, and cost analysis should include a quick matrix. The cost on a should be the same as on e \$250,000.

Page 12 – The purchase order delivery method should include the position title of the recipient not the name.

Mr. McIntyre said he will make the changes and bring the manual back to the committee to see if they would like to forward it to the Board for approval.

e. Capital Projects Payment Tracking – Discussion

Mr. Tom McIntyre said he provided a chart, which includes the Current Capital Projects. Per the Committee's request, D'Huy Engineering invoices were added under a separate table.

Property/Facilities Committee members have also requested a copy of this chart. Mr. McIntyre asked if he should be making a chart for each committee. Mr. Schlameuss suggested that Mr. McIntyre give the same chart to the Property/Facilities Committee members that he gives to the Finance Committee members.

f. Audit Update

Mr. Tom McIntyre said the Local Auditors will be at the district beginning Monday, October 16. He believes the audit will include more details and be more difficult than in prior years. He will keep the Board updated. The Forensic Auditors were at the district for Phase 1 of their audit and will apprise the Board of their findings. The Forensic Auditors will return to check internal controls. As of now, no fraud was found. One suggestion, they made was to attach all invoices to the check for the signer to have access to all details. This process will change the date for check signing since one day will be needed to attach all invoices and backup documentation. Checks were being signed every Friday but now they will be signed on Mondays. Mr. Schlameuss asked if they could view the information online as opposed to on paper. Mr. McIntyre said the system is built that they need to scan and upload all documents but the Auditors suggested physical copies. Mr. Andrews said the issue maybe with the description that is placed on the invoice. It is better but not detailed. Mr. McIntyre said the problem is the limited space that is available to write all the details of the expense. The final report will need the Board's direction. Mr. Dymond asked if the district has negotiated discounts with companies. Mr. McIntyre said this has not been done with normal purchasing. If we pay certain bills within 30 days, the district receives a discount. Mr. Dymond said some online purchasing provide a 2% discount. The district should look into this. Mr. McIntyre said he is trying to educate the employees on where to purchase certain items that may be less expensive with certain vendors. The district looks at all catalogs and vendors for discounts. Passwords have been set up to assist employees with their purchases. Mr. Andrews suggested sharing this information with Department Chairs. Mr. McIntyre said the district is trying their best to save where they can.

g. 2019/2020 IU 20 Special Ed Contract

Mr. McIntyre said the IU 20 sent their annual special education contract for students that require specific services. The contract is about \$500,000 less than last year due to the district hiring the psychologists. However, the contract is about \$100,000 more than the previous year. Mr. Baddick said that ACCESS funds absorbed 50% of three psychologist positions. Mr. McIntyre said the district hired 7 psychologists at 1.5% being billed through ACCESS. Mr. Baddick said that the growing needs are for emotional support and autistic support at the elementary level. The district is adding IU support at the elementary level but we do not specialize in it yet because it entails many resources we do not currently have. Next year, the district hopes, to begin pulling back emotional support classes. Currently, we have two emotional support classes at Middle Smithfield Elementary. We also have classes outside of the district in order to build our own so that we can lower the IU 20 costs. Mr. Dymond asked if the district pays the IU 20 on a monthly basis. Mr. McIntyre said we do. Mr. Dymond asked if anyone is making sure that the bills are accurate. Mr. McIntyre said they review the documents prior to payment. Mr. Baddick said this year's bill for \$3.6 million dollars is a guestimate. At the end of the year, it is reviewed and the district may get some funds back.

h. 2019/2020 IU 20 IDEA Pass Thru Agreement

Mr. McIntyre said the IDEA Pass Thru Agreement needs to be approved in order for the IU to be able to administer through the district State funds that they receive. This agreement is approved on a yearly basis. Mr. Schlameuss asked if this money is just for the students with special needs or is there any money for the gifted program. Mr. Baddick said the district does not get any federal funding for the gifted program. The Pupil Services Department use resources from within and out of the district for the gifted program, such as the IF program through ESU. They collaborate with the Curriculum Department to challenge students. They work within the classrooms. It is not a pullout program. It is enrichment within the classroom. Dr. Riker said all

teachers can work with gifted students. Special Ed require specific mandates. Mr. Dymond suggested contacting the politicians to see if there is any money for the gifted program.

- i. Recommendations by the Property & Facilities Committee:
 - i. CRCS Inc. Application #1 for HS South Camera Project - \$181,221.75
 - ii. Guyette Communications Application #4 for North Campus Camera Project - \$22,466.70
 - iii. Guyette Communications Application #5 for North Campus Camera Project - \$24,674.40
 - iv. C&D Waterproofing Corp. Application #4 for Resica Roof Replacement - \$176,615.10
 - v. Jottan, Inc. Application #3 for HS North/Lehman Roof Replacement - \$251,595.00
 - vi. Trane Pay Application #4 for HS North/Lehman ATC Upgrade - \$447,537.89
 - vii. Trane HS North/Lehman Controls Project - \$49,587.00
 - viii. Trane 5-Year Service Agreement – Year 3 – Invoices for all 10 schools
 1. Middle Smithfield – \$3,207.00
 2. Smithfield - \$3,207.00
 3. East Stroudsburg - \$4,074.00
 4. Bushkill - \$4,276.00
 5. J.M. Hill - \$6,179.00
 6. Resica - \$5,335.00
 7. J.T. Lambert – 9,686.00
 8. Lehman/High School North - \$14,344.00
 9. High School South - \$7,739.00

Mr. Andrews said that the Property/Facilities Committee did not move forward item vii. Trane for H.S.North/Lehman Controls in the amount of \$49,587.00 because they requested more information. Dr. Riker said his understanding is that they are looking to do this job in-house. He will continue to work with Scott and Curtis to see how much it would cost to buy the valves and install them by the district. Mr. Schlameuss said if this project needs to go out to bid, then that should be done. Mr. Dymond asked if the district has the list of the 18 locations that need to be done. Dr. Riker said they have the list. He said he needs direction on whether the Committee would like him to move in the direction of ordering the valves. He does not have the cost. He believes it cannot wait until next month. They need to order the valves now because it will take several weeks for them to arrive. Mr. Schlameuss asked if the district staff investigated that the valves that need to be replaced or fixed. Dr. Riker said that according to Trane, they need to be fixed. Mr. Dymond said that it depends on the type of valve. It needs to be on or off to inspect. Mr. Gullstrand said they should look to see what parts are needed and where it is leaking. Mr. Schlameuss suggested that if the district can complete this job, they should move forward. Mr. Dymond said he would support paying the employees overtime in order to complete this work. Mr. McIntyre asked if the Finance Committee is going to forward all other Property/Facilities Committee items on the Board agenda. Mr. Schlameuss said that the Finance Committee will no longer forward on the agenda items from the Property/Facilities. The Committee will receive items for informational purposes only. The Property/Facilities Committee will move their items directly to the agenda.

- j. Lyman & Ash – Invoice #3157 - \$3,937.50
Mr. Tom McIntyre said that the most recent invoice from Lyman & Ash totals \$3,937.50, which will require Board approval in order to process the payment. Mr. Andrew asked when they would come to the district. Mr. Dymond said that in October they would provide an update to the Board members. They had a meeting with the insurance agent, the Architectural Studio and their attorney. It appears that the attorney will represent all parties that were involved. Mr. Andrews said the D'Huy Engineering have been monitoring the project and will have all information to report to the Board. Mr. Dymond said Attorney Sweeney of Lyman and Ash indicated that the group is talking about a settlement and an amount needs to be discussed. Mr.

McIntyre said this would be a hard number to quantify. Mr. Gullstrand said it would depend on what records the district has.

- k. Mr. Schlameuss asked the Committee members what their recommendations are regarding the Under Armour agreement. Mr. Gullstrand said the agreement should be forwarded to the Board for discussion purposes and for public participation. Mr. Andrews said the agreement should come before the public in order for them to be informed. Mr. Schlameuss suggested that the Athletic Department get in touch with clubs, booster groups, student groups, PTO/PTA, etc. in order to inform them of all details of the agreements.
- l. Mr. Dymond asked if they should pay the Trane Pay Application #4 for HS North/Lehman ATC Upgrade invoice in the amount of \$447,537.89 since they did not get all the information that was requested. They never received the man-hours that it took to complete the project and materials that were used. Mr. Schlameuss said they do not necessarily get this information. Mr. Andrews said they bid the project and the district accepted it; therefore, payment needs to be made.

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 Jason Gullstrand and carried unanimously, 4-0.

1. The proposal from IntegraOne in the amount of \$86,120 for the purchase of 68 Cisco Meraki cameras pursuant to COSTARS-3 IT Contract # HW 003-085 & SW #006-040.
2. The proposal from Eastbay Team Sales as presented.
3. The Colonial IU 20 Special Education Contract in the amount of approximately \$3,686,131.00.
4. The Colonial IU 20 IDEA Pass Thru Agreement in the amount of \$1,053,806.25.
5. The payment of invoice #3157 from Lyman and Ash in the amount of \$3,937.50 for Special Construction Counsel.

VIII. NEXT MEETING – October 14, 2019 at 5:30 pm

RECOMMENDATION BY THE COMMITTEE:

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

IX. ADJOURNMENT: 7:46 p.m.

Respectfully submitted,

Patricia L. Rosado
Board Secretary