

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

November 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 members Present: Keith Karkut and Lisa VanWhy

III. **School Personnel Present:** Brian Baddick, Brian Borosh, Tom McIntyre, Fred Mill, Ryan Moran, William Riker, Patricia Rosado and Bill Vitulli.

Community Members Present: None

IV. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to approve the agenda, with an addition of the MCTI Capital Expense Update, for November 11, 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 George Andrews and carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to approve the minutes of the October 14, 2019 meeting. Motion was seconded by Jason Gullstrand and carried unanimously, 4-0.

- a. Dr. Riker was asked to give an update about the MCTI Comprehensive Model. Dr. Riker said he included in his Board briefs an explanation with regards to the MCTI Comprehensive Model. Senator Scavello had indicated that he would secure 4 million dollars for MCTI but now the State funding is approximately 2 million dollars with an additional 1 million dollars that can be obtained through a grant. At the MCTI meeting, Mr. Virga presented a spreadsheet showing the tentative costs starting with 2020-2021 SY through 2023-2024 SY. The costs were developed utilizing a 2% increase for each year and maintaining the current ADM% for each school district. If no comprehensive school is built, the increase for the ESASD would be about \$120,000 from the 2021-2024 SYs. Without additional funding from the state and building a comprehensive school, the increase would be around 1 million dollars plus MCTI would retain each districts' Voc-Ed subsidy for the last 2 years. If the State provides approximately 2 million dollars per year and 3 million dollars in the first year, the district increase would be \$1 million per year. Mr. Andrews said he thought the district is already letting MCTI keep the money we

receive. Dr. Riker said that MCTI has been able to keep money for the Fund Balance. Mr. McIntyre said the money is to go towards MCTI's capital projects. The subsidy that the district receives is in addition to these funds. Mr. Andrews asked how much our district would need to pay. Dr. Riker said our district would pay about 1.5 million dollars for all districts. Mr. Andrews said; therefore, our share would be about \$700,000. Dr. Riker said all school districts would need to agree in order for this plan to go forward. He said he just wanted to give the Board an idea on how much it will cost. Currently special education services are not included in these figures. The amount would probably be about 30% higher. Depending on the student needs, they would probably have to hire additional staff. The Board will need to make this decision. Mr. Schlameuss said it would probably be about 2.9 million dollar total with all of the expenses. Mrs. VanWhy said these figures do not include additional students from those attending MCTI now. Although it will eliminate some transportation costs, it may not be enough to cover expenses. There is a grant that will match funds that the district can apply for. Mr. Schlameuss said the grant is very competitive; therefore, not everyone gets approved. Mrs. VanWhy said that nothing can be done until a decision is made. Mr. Andrews said that Senator Scavello did not deliver what he said he would do. The district has other expenses that they are obligated to comply with. Dr. Riker said not all districts were in favor of this expense. No final decision has been made. Mrs. VanWhy said that the MCTI roof needs to be done and will be completed in about 2-3 phases. A decision whether to have a Comprehensive Model needs to be made soon. Mr. Dymond said he received an email that more funds may be available for vocational education. Mrs. VanWhy said that nothing is certain. Mr. Karkut said that Rep. Madden said there is guaranteed money available. Dr. Riker said the only money that was confirmed was from Senator Scavello in the amount of 2 million dollars.

b. Lyman & Ash Invoice #3167 - \$2,580.00

Mr. Tom McIntyre said the Lyman & Ash invoice came in after the Property/Facilities Committee meeting; therefore, placed on this agenda in order to forward to the Board for approval.

c. National Cooperative Purchasing Alliance (NCPA) Purchasing Cooperative

Mr. Tom McIntyre said that Mr. Borosh gave him a contract for National Cooperative Purchasing Alliance (NCPA). The district would like to join NCPA to expand the pool of vendors. Mr. Schlameuss asked if this is a joint venture or would the district be piggybacking on the cooperative. Mr. McIntyre said it would be a joint venture. Mr. Dymond asked what is the fee to participate. Mr. McIntyre said he did not see a fee on the contract. Mr. Andrews asked if participating in the cooperative purchasing would afford the district good deals. Mr. McIntyre said it depends on the item. This would be just another option for the district to have. Mr. Karkut and Mr. Andrews said if there is no fee involved why not participate. Mr. Schlameuss asked if the Board needs to approve the district's participation. Mr. McIntyre said the district's participation requires Board approval.

d. ESE Camera Project

Mr. George Andrews said the following two items were reviewed by the Property/Facilities Committee and forwarded to the Board for approval. Mr. McIntyre said that he placed this item on the agenda because the procurement manual states that any purchase over the threshold needs to go to the Finance Committee. Dr. Riker said that East Stroudsburg Elementary is the 9th School that will be completed. If approved, it will be done by the end of December. J. T. Lambert Intermediate is the last school that would need to be finalized.

- i. Camera Hardware Procurement – IntegraOne - \$113,844.00
 - ii. Camera Installation Procurement – Guyette Communication Industries - \$17,799.00
- e. Tyler Technologies – Hosting Financial Data Contract
Mr. Tom McIntyre said that the district hosts all data on the district server. Now they would like to have a third party host it for security purposes because the district can be hacked. There will be no increase in price after the first year. In 2019-20, the cost would be \$182,944.00 then years 2020-21 – 2022-23, it would cost \$149,604.00 each year. Mr. Andrews asked if a detailed quote was provided. Mr. McIntyre said the contract will be broken down with the grand total. Mr. Schlameuss said that Form 611 should be provided with the contract. Can staff work from home? Can the staff member use their own internet? Mr. Borosh said it can be set up that way. Many districts reported that they got hacked. Our district currently has Cyber Insurance but this company provides software, a huge data center and a team of security experts that the district does not have. Mr. Schlameuss asked how will this system be accessed. Mr. Borosh said it can be accessed through the district. Mr. Dymond asked if the district backs up all information. Mr. Borosh said the entire district gets all information backed up. If the district were to get hacked, they would recover all items. The issue is what happens with the information the hackers obtained. Mr. McIntyre said although the district will be up and running, they would have to sort through many issues. Mr. Schlameuss said if the Board is being asked to approve this item, the district will need to provide them with the contract and Form 611. Mr. Dymond asked why the district cannot use another vendor. Mr. Borosh said they can but switching to someone else would not be easy. Mr. Schlameuss said this contract will be with Tyler. Mr. Borosh said it is an addition in the current contract. Mr. Andrews said the contract will have an added cost. Mr. McIntyre said the district has been paying for the last three years about \$142,000.
- f. Northampton/Monroe/Pike County Joint Purchasing Board Fuel Bid
Mr. Tom McIntyre said the district partners with the IU 20 for the NMPCJPB-Fuel Oil Bid. The bid opening will be on December 11, 2019 at 10:00 a.m. The district needs Board approval in order to participate. Mr. Dymond asked if the district is making sure that there is diesel in tanks in case there is a power outage. Mr. McIntyre said they are. He said he spoke to Josh Grice regarding all details of the tanks and boilers. Mr. Schlameuss suggested that this conversation be had at the Property/Facilities Committee meeting.
- g. Baseball Batting Cage – Knight Athletics - \$23,650.00
Mr. Schlameuss said that this item does not have Form 611. Who is requesting the Baseball Batting Cage? Mr. McIntyre said this item came from the Property/Facilities Committee meeting. It was on the agenda last month but since it was not a COSTAR item, it was sent out to bid. The Athletics Department now received a less expensive quote from Knight Athletics.
- h. Capital Projects Payment Tracking
Mr. Tom McIntyre said he updated the Capital Projects Payment list. If anyone has any questions he can address them.
- i. New Millage Rate for 2020-21 Budget – Discussion
Mr. Tom McIntyre brought detailed information regarding the estimated millage after the Monroe County reassessment. All numbers are preliminary. He took the information from the 2019 certification notice dated 11/9/18. Current Assessment Base is \$445,736,350.00.

The Proposed Base Assessment for 2020-2021 is \$2,716,448,306.00, which was provided by the assessor's office on 7/26/19. The increase is \$2,270,711,956.00, which is 509.4%. The mills on Property Tax at 100% for 2019-2020 is 176.81 (\$78,810,644.04). The potential mills for 2020-2021 is 29.0124 (\$78,810,684.83), which is a millage reduction of 147.7976. All the calculations were made using the 3.2% Act 1 index. With appeals, all figures could go up or down. The Board will need to decide if they want to raise taxes above the index or cut programs. Mr. Andrews said they can have this discussion with all Board members at the December Board meeting. Mr. McIntyre said if the Board chooses to go above the index, which is 3.7% this year, he would need to prepare a preliminary budget. Mr. Dymond asked how much money the calculations indicates we will have. Mr. McIntyre said the district potentially will have about 78 million dollars, which is about the same as last year. If the district raises taxes not above the index, they will receive approximately 1 million dollars extra. The decision will need to be made in December.

V. Recommendations by the Property & Facilities Committee

- a. High School South Stage Replacement Invoice – Division 09 - \$32,500.00
- b. Three Year District wide indoor air quality Agreement – LaBella Associates - \$40,500.00
- c. Three Year District wide Generator Service Agreement – Critical Systems - \$27,345.00
- d. East Stroudsburg Elementary Camera Pricing – IntegraOne - \$113,844.00
- e. East Stroudsburg Elementary Camera cabling & installation – Guyette Communications Industry - \$17,799.00
- f. North Bus Garage Generator Engine Replacement Invoice- Engines Inc. - \$15,650.00
- g. Baseball Batting Cage Proposal – Knight Athletics - \$23,650.00
- h. Payment of D'Huy Engineering Invoices
 - i. Invoice #50134 for HS North Roof Replacement - \$25,000.20
 - ii. Invoice #50137 for Trane Controls Oversight - \$1,312.75
 - iii. Invoice #50135 for HS North Roof Replacement - \$425.00
 - iv. Invoice #50136 for Resica Roof Replacement - \$2,337.00
 - v. Invoice #50138 for HS North/Lehman Water Heater Replacement - \$840.00
- i. CRCs Inc. Application #3 for South Campus Surveillance Camera Installation - \$54,095.22
- j. Jottan Inc. Application #5 for HS North Roof Replacement - \$286,863.89
- k. C&D Waterproofing Application #6 for Resica Roof Replacement - \$26,318.25
- l. Trane Application #6 for HS North/Lehman ATC Controls - \$169,296.19

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 payment of invoice #3167 from Lyman and Ash in the amount of \$2,580.00 for Special Construction Counsel.
- 2. The District to participate in the National Cooperative Purchasing Alliance (NCPA) at no charge to the District.

3. The contract with Tyler Technologies as presented, for annual maintenance, support, and hosting of the District's financial software and data.
4. The vendor(s) for fuel oil for the 2020-2021 school year as to be recommended by the Northampton/Monroe/Pike County Joint Purchasing Board.

VIII. **NEXT MEETING – TBD**

RECOMMENDATION BY THE COMMITTEE:

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

IX. **ADJOURNMENT: 6:32 p.m.**

Respectfully submitted,

Patricia L. Rosado
Board Secretary