

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

February 10, 2020

Carl T. Secor Administration Building – Board Conference Room

5:30 P.M.

Minutes

I. **The Chairman**, Rebecca Bear, 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, Rebecca Bear, and Larry Dymond. Rich Schlameuss was absent.

Board Non-Committee members Present: Wayne Rohner

III. **School Personnel Present:** Diane Kelly, Tom McIntyre, Fred Mill, Patricia Rosado, Renee Stevens and Susan Vitulli.

Other: Christopher Brown, Solicitor

IV. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the agenda for February 10, 2020 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, 3-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the minutes of the January 13, 2020 meeting. Motion was seconded by Larry Dymond and carried unanimously, 3-0.

V. **ITEMS FOR DISCUSSION:**

a. Senior Citizen Rebate – Discussion

Mr. Chris Brown said that there is no Statute, Rule or Regulations that require the school district to issue Senior Citizen Tax Rebates. The State issues their own according to the Constitution. The district piggybacks on what the State does except for the amounts that is refunded. Before 2016, the district required certain paperwork in order to see if a Senior Citizen qualified for the rebate. In 2016, the district changed the method and followed the State's format. If the individual received a rebate from the State, then the district would also comply as long as they had proof that they received the rebate from the State. The deadline was changed to June 30th but now it is from July through December. The problem that the district learned was that the State qualifies everyone. The district is very diligent in reviewing all paperwork but the State is not. The Policy says that we do what the State does. Mr. Andrews asked if we can change the policy. Mr. Brown said we can change it back but it will cost more work for the district to follow the procedures that it previously had in place. The district gets complaints from Rep. Brown's office regarding senior rebates

regarding deadlines and refunds. The problem is that they have until June 30th for the State; therefore, they have plenty of time to provide information to the district. Due to the complaints, Rep. Brown would like the district to move the date of the deadline and the district will not. Ms. Bear asked what is the next step. Mr. Brown said it's up to the Board to decide on the best resolution. Ms. Bear said if we get rid of the rebate, the Senior Citizens will complain. Mr. Dymond said the district does not get enough funding to give out the rebates. Ms. Bear said our district gives the highest rebates. Mr. Brown said that is correct and Pocono Mountain School District does not give a Senior Rebate. Pleasant Valley School District's and Stroudsburg School District's highest rebate equals \$500. Ms. Bear asked if the rebate is income based. Mr. Brown said it is. Ms. Bear suggested lowering the amount of the rebates. Mr. Brown said they need to keep the tiers just like the State has. Mr. Andrews said the district gave out \$477,000 in Senior Rebates last year. Mr. McIntyre said the rebate went to 608 individuals. Mr. Andrews asked why does the district give the rebates. Mr. Brown said that the 1982 Board made the decision by adopting a resolution to give Senior Rebates. Mr. Dymond said what is the most income they can have. Mr. McIntyre said there are 5 tiers. The tiers are:

Household Income -	Rebate Available
\$0 – \$8,000	\$1,500
\$8,001 – \$15,000	\$1,150
\$15,001 – \$18,000	\$700
\$18,001 – \$35,000	\$575
Over \$35,000	\$0

Mr. McIntyre said the Board can consider 3 options – Do not give any more rebates, make adjustments to the resolution or stay as is. The amount of the tiers can be adjusted. Mr. Brown said that in 2016, the Board increased the rebate to \$1,500 as the highest amount of rebate. Mr. McIntyre said he brought this to the committee for informational purposes in order for the Board to start thinking of what can be done. Another option is changing the date of the deadline perhaps to November 1st. Ms. Bear said how will the Senior be notified of the change in date. Ms. Sue Vitulli said that around March, the Seniors receive paperwork about this year's rebate; therefore, it can contain the new deadline date in a cover letter and can also be placed on the website. Mr. Dymond asked when does a decision need to be made. Mr. McIntyre said a decision should be made by April or May. Ms. Vitulli said the deadline to submit paperwork is July 1st. Mr. McIntyre said they can have this discussion during Executive Session if it is allowed. If it is not allowed, Ms. Bear can discuss this issue with the Board during her Finance Committee meeting report.

b. FY 2019 Actual Revenues and Expenditures Review – Discussion

Mr. McIntyre presented to the Committee members a spreadsheet with the 2018/2019 SY Actual Revenues and Expenditures as they were detailed in the audit. He provided an explanation of why each item was over or under budget. Ms. Bear said that the Charter school payments were higher and asked if he believes the amount will continue to rise. Mr. McIntyre said if the district costs go up then they will most likely increase. Mr. Andrews said if the price per student goes up then so will the price for Charter Schools. Mr. McIntyre said that is correct. Ms. Bear asked if the cost will increase if the new art school is opened in our area. Mr. McIntyre it might just be a transition of the students that attend the art school in Lehigh Valley. He hopes the district's blended program alleviates this problem. Mr. Andrews asked why wouldn't the district know the cost for Charter Schools. Mr. McIntyre said they never know what students go to Charter Schools or return to the district. Mr. Andrews asked who would have the information in this area. Mr. McIntyre said he believes Eric Forsyth or Annamarie Bauer may have more accurate student

information. Mr. Dymond asked why is there retro payments in the budget. Mr. McIntyre said the expense was due to the contract settlements for the Support and the Professional staff. Mr. Dymond asked why has there been a large spending for snow plowing since we have not had much bad weather. He suggested looking into this matter. Mr. Andrews asked what is the expense for the Blended School. Mr. McIntyre said that the expense was to hire the staff and it was paid through the RTL Grant. Ms. Bear asked what is the additional expense for the IU 20. Mr. McIntyre said that aside from the IU 20 budget that is approved, there are additional expenses for student services. Mr. Dymond asked about the Act 93 position that was added. Mr. McIntyre said this was requested by Mr. Forsyth for a Child Accounting Coordinator. Mr. Andrews said they lost some custodian positions. Mr. Dymond said six custodians resigned but only 4 were hired. Mr. Andrews asked why is the Board account over. Mr. McIntyre said the expense for auditors and Lyman and Ash are under the Board account and not in the original budget. Mr. Andrews said they should not be in the Board's budget because it makes it look like the Board is spending all that money. Ms. Bear said there is another account in the budget that says for legal services. What is this for? Mr. McIntyre said they are for services relating to labor, special education, etc. Ms. Bear asked how are the principals' budget determined. Mr. McIntyre said they are based on the amount of the students and requests they may have. Ms. Bear said North receives 75,000 less than South because of the population and it's not fair. Ms. Bear asked what are they buying from their budget. Mr. McIntyre said supplies. Ms. Bear said teachers buy their own supplies. Ms. Stevens said teachers get supplies but may want to buy other items such as decorations for their classroom. Ms. Bear asked why do some buildings go over their budget. Why is this allowed? Mr. McIntyre said he will be implementing a budget freeze this year. Ms. Bear asked why is the MCTI budget higher than what was budgeted. Mr. McIntyre said that MCTI requested to keep the access funds and the district did not budget for this expense. Ms. Bear asked if principals can roll over funds from the previous year. Mr. McIntyre said they cannot. In May or June, budget transfers are made in order to bring negative accounts into the positive. Mr. Andrews asked if they are cutting back on big ticket items and does the district ask what they are. Mr. McIntyre said they receive a list of items. Ms. Bear said that insurance premiums seem to have increase, and utility expenses are down. Ms. Bear asked why have propane expenses increased. Mr. McIntyre said propane was paid through a grant and it was just passed; therefore, the district will get reimbursed approximately \$300,000 for last year's and this year's expenses.

c. 2020-2021 Budget update – Discussion

Mr. McIntyre provided the Board members with a revised 2020-2021 budget update. Mr. Dymond asked that the Lyman and Ash invoices be moved into the Legal account and out of the Board's account. Mr. McIntyre said he revised the documents by providing the numbers by department and student enrollment. He had the departments and buildings reduce their budget to this year's numbers in order to reduce the 5.9 million dollar deficit. Ms. Bear asked if each building will order items after they conduct an inventory of their supplies. Mr. McIntyre said this year they plan to do that. The handout included information on the Payroll budget (salaries and benefits) and building budgets. It also included enrollment, assessment and millage history, investments, expenses and revenue. Finally, the handout includes all items that were deducted from the first draft of the 2020-2021 budget presentation. Mr. McIntyre said one item that he would like to bring their attention to is the Athletic Trainers from East Stroudsburg University. It was originally placed in the Athletics Budget but it has been cut now. Another item that was deducted was the Athletic Laundry. Mr. McIntyre said he gave the Committee this information in order for them to review and provide him with any feedback or suggestions they may have. The deficit is now 1.7 million dollars compare to the 5 million dollars that he presented in the

first budget draft. Ms. Bear said that two areas that can help increase the revenues in the budget are the collection of the food services delinquent accounts and back taxes.

d. NAPA Auto Parts – Discussion

Mr. McIntyre said he would like to discuss if the Board would like the district to once again start purchasing from Napa Auto Parts. The reason the district stopped purchasing from them is because they kept applying late fees because they did not receive a check within 30 days since the district has to wait to send out the checks after approval at the Regular School Board meeting. Ms. Bear said if they want our business they need to compromise with us; otherwise, we can go to another shop. Mr. McIntyre asked if the Committee's consensus is to not shop at Napa. Mr. Dymond said he was the one that mentioned that other places charge more than Napa. Ms. Bear said Napa should not be charging the district fees. Mr. Andrews asked how does the district work with Walmart, Price Chopper, etc. without charging fees. Mr. McIntyre said the district has procurement cards. Mr. Dymond suggested having two procurement cards for the mechanics. Mr. McIntyre said the district will do some more research on this issue.

e. Employee Assistance Program – Discussion

Mr. McIntyre said that in 2018, the district had 14 individuals who utilized the Employee Assistance Program. As of January 23, 2020, 14 more individuals are using the program. The district had a meeting with the company and they said the district is using only 1% and the average is 6%. Since the meeting, the district placed the program on the website and send out a monthly newsletter. Mr. Bear asked what does the program offer. Mr. McIntyre said they offer any type of emotional help that the employees and their dependents need. The information is kept confidential. They also offer legal services. Mr. Andrews asked how much does the program cost. Mr. McIntyre said it costs \$20,000 a year. Ms. Bear asked what type of legal help do they offer. Mr. McIntyre said assistance with wills and things of that nature.

f. Current Projects within the District

Mr. McIntyre said since the previous project update, there has been only one invoice added to the document. It was added on 12/31/19 for the Resica Roof Project. Ms. Bear asked if the Camera Project has been completed. Mr. McIntyre said the North and South camera project have been completed. The Resica Roof Project is almost done. Lehman roof is still being worked on. Ms. Bear asked what about the ATC upgrade. Mr. McIntyre said it is completed. Ms. Bear asked about the water replacement. Mr. McIntyre said it is almost done. Mr. Dymond said that J.B. Mechanical needs to handle all the problems because if they don't, legal action will be taken.

g. Resurface of Javelin Runway HS South – Worldwide Flooring & Construction - \$23,200.00 – Discussion requested by P&F committee

Mr. McIntyre said that the Property/Facilities Committee asked that the resurfacing of the Javelin Runway for H.S. South be discussed at the Finance Committee because more investigation needs to be done due to the lowest price that came in is \$21,000. The company is not a CoStar vendor so it may need to go out for bids. Mr. Andrews said the question is regarding the grant for \$5,000. Will this be considered as part of the price? Mr. McIntyre said it wouldn't be considered if it is coming from the vendor. If it's not then the district will need to pay \$21,000; therefore, it will need to go to bid. Ms. Bear asked if the total is \$23,200, would the vendor decrease it by \$5,000. Mr. McIntyre said he will need to verify. He said if he receives the clarification in time for the Board meeting, he will place it on the agenda.

- h. Food Service Equipment Purchase through Grant awarded 1/28/2020
 - a. Freezer @ MSE - \$35,795.00
 - b. Oven @ ESE - \$7,122.11
 - c. Steamer @ Smithfield - \$17,151.32
 - d. Steamer @ Bushkill - \$17,151.32
 - e. Serving Line @ JM Hill - \$11,396.79

Mr. McIntyre said that the district is waiting clarification from PDE regarding the grant for the Food Service Equipment because they are not sure if they need to get quotes and/or go through the bidding process. Mr. Schmid believes he does not have to follow the same procedures as with the other grants. The district should get some clarification by tomorrow. If all needed information is obtained, this item will appear on Monday's agenda. The Committee members said they did not hear about the district receiving this grant until they saw it in the newspaper. Mr. McIntyre said that is the same way he found out.

- i. My School Bucks – Discussion

Mr. McIntyre said that My School Bucks is an APP program that the Food Services Department is using in order for parents to pay for student lunches. They charge a fee but checks can also be used. Mr. McIntyre said he would like to expand the use of it to all schools for school events, field trips, fundraising, etc. My School Bucks will charge a 3.95% fee. Using this APP may alleviate receiving checks with insufficient funds. Parents will still have the option of using cash and checks. He said he will like to test it with a couple of schools. Ms. Bear said this may be easy for some individuals to use. Mr. McIntyre said they can also set up text reminders. Ms. Bear asked if this will cost any issues with school bucks. Mr. McIntyre said no issues have occurred with Food Services. Ms. Bear asked how will this program work. Mr. McIntyre said it would take the information that is in the lunch program and populate it automatically to be used elsewhere. They will pilot the program at J. M. Hill Elementary.

VI. RECOMMENDATIONS BY THE PROPERTY & FACILITIES COMMITTEE:

- a. C&D Waterproofing Application #8 for Resica Roof Replacement - \$32,230.50
- b. Lyman & Ash Invoices
 - 1. Invoice #3175 - \$2,512.50
 - 2. Invoice #3178 - \$6,440.00
- c. Payment of D'Huy Engineering Invoices
 - 1. Invoice #50479 for Smithfield Parking Lot Improvements - \$1,894.06
 - 2. Invoice #50549 for Trane Controls Oversight - \$787.65
 - 3. Invoice #50547 for HS North Roof Replacement - \$3,067.25
 - 4. Invoice #50548 for Resica Elementary School Roof Replacement - \$2,337.00
 - 5. Invoice #50550 for Resica & Middle Smithfield Water Filtration - \$3,450.00
 - 6. Invoice #50551 for HS North Sanitary Liner Replacement - \$525.00
 - 7. Invoice #50552 for Smithfield Elementary Parking lot improvements - \$210.01

Ms. Bear asked about the water filtration for Resica and Middle Smithfield Elementary. Mr. McIntyre said they will investigate to see if they need to replace the tank.

VII. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

- A. Mr. Wayne Rohner asked if the Board approved the 2019 actual budget. Mr. McIntyre said the Board did not approve this. The information is to show that the district moved funds to cover any negative balance, which must be done.

Mr. Rohner asked if the IU cost increased due to solicitor's fee. Mr. McIntyre said no it was not due to solicitor's fee. He asked why is there retro payments. Mr. McIntyre said they are for the Chapter 504 plan, which is for the special needs students. Ms. Renee Stevens said the 504 plan are for students with medical conditions.

Mr. Rohner asked why is there two people in the budget for Chief Financial Officer. Mr. McIntyre said the budget began on July 1st and that is when he began as Chief Financial Officer but Mr. Bader did not leave until September.

Mr. Rohner said that the snow plowing expenses need to be reviewed. Mr. McIntyre said the 2019 expenses were for last year. Ms. Bear said this year's snow plowing expenses need to be reviewed.

Mr. Rohner asked what is being done about the resurfacing of the javelin runway request. Ms. Bear said the district will be checking to see if the item needs to go out to bid. Mr. Andrews said they also need to find out about the grant. Mr. McIntyre said it will all depend on if there is a third party company involved.

VIII. 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.

1. The proposal from Worldwide Flooring & Construction in the amount of \$18,000.00 for the resurfacing of the Javelin runway, pending further inquiry.
2. The following items through the Agriculture Appropriations Act Food Service Equipment Grant, pending state approval.
 - a. Middle Smithfield Elementary- The proposal from Chapman Refrigeration LLC in the amount of \$35,795.00 for the purchase of a commercial grade 14x20x7.7' walk-in freezer.
 - b. East Stroudsburg Elementary - The proposal from WebstaurantStore in the amount of \$6,232.11 for the purchase of a Vulcan VC55GD Natural Gas Double Deck Full Size Convection Oven.
 - c. Smithfield Elementary - The proposal from KaTom Restaurant Supply, Inc. in the amount of \$16,451.32 for the purchase of a Steamer Pressureless 440-480/3.
 - d. Bushkill Elementary - The proposal from KaTom Restaurant Supply, Inc. in the amount of \$16,451.32 for the purchase of a Steamer Pressureless 440-480/3.

- e. J.M. Hill Elementary - The proposal from Galley, Inc. in the amount of \$11,396.79 for the purchase of a Hot & Cold Serving line.

IX. **NEXT MEETING** – March 9, 2020 at 5:30 pm

RECOMMENDATION BY THE COMMITTEE:

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

X. **ADJOURNMENT: 7:43 P.M.**

Respectfully submitted,

Patricia L. Rosado
Board Secretary