

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

**March 9, 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 5:35 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
  
- II. **Board Committee Members Present:** George Andrews, Rebecca Bear, Larry Dymond and Rich Schlameuss.  
  
**Board Non-Committee Members Present:** Wayne Rohner
  
- III. **School Personnel Present:** Brian Baddick, Brian Borosh, Diane Kelly, Tom McIntyre, Fred Mill, Patricia Rosado, Renee Stevens and Susan Vitulli.
  
- IV. **Public Participation:** Jenny Bogart, Kate Briegel, and Keith Karkut  
  
**Other:** Rob Thompson - EHD
  
- V. **APPROVAL OF AGENDA AND MINUTES**

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Rich Schlameuss to approve the agenda for March 9, 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 George Andrews and carried unanimously, 4-0.

**RECOMMENDATION BY THE COMMITTEE:** Motion was made by Rich Schlameuss to approve the minutes of the February 10, 2020 meeting. Motion was seconded by George Andrews and carried unanimously, 4-0.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to add the discussion of the DECA trip to Tennessee. Motion was seconded by Rich Schlameuss and carried unanimously, 4-0.

VI. **ITEMS FOR DISCUSSION:**

a. Insurance renewals – Discussion

Mr. Rob Thompson, from EHD, said that on July 1<sup>st</sup> the district will need to renew their insurance. Currently, the district uses PSBA's endorsed program. In the past, the district has gone out to bid. The only problem with going out to bid is that the same companies respond each time. There have been four carriers who have expressed an interest. The challenge is that the East Stroudsburg School District has a tremendous amount in property

insurance due to being in a rural area with limited water to put out a fire. The district has approached the same four companies year after year. These companies submit the same quote and are not competitive. In his opinion, if they continue to approach these companies, they stop giving a quote or not give their best effort. His recommendation is to obtain a quote for 3-4 years instead of 1 year. Mr. Thompson said he would like to know what the Board would like him to do. He said he estimates that there will be 10% increase in the price from last year due to the catastrophic issues that is consistent across all insurances and not necessarily reflective on this district. Ms. Bear asked what firm does the district use now. Mr. Thompson said the district's insurance carrier is CM Regent Insurance. Last year, the district had Liberty Mutual which charged more than CM Regent Insurance. He asked if the Board would like him to solicit bids or would they like to stay with the same insurance company. Ms. Bear asked if there are any new carriers out there. Mr. Thompson said they are the same as last year. Ms. Bear asked if the district stays with the same company, will they lower their price. Mr. Thompson said he does not think they will. Ms. Bear suggested asking the company if they will offer a savings if we lock in a 2, 3 or 4-year contract with them. Mr. Thompson said he can communicate this offer to them to see what they say. Mr. Andrews asked if the district will need to go to bid for an insurance carrier like other items that go out to bids. Ms. Bear suggested that the district go to bid and ask for a three-year contract which can bring in a better rate. The insurance companies need to do better by us. Mr. Thompson said he can reach out to the companies and see what they propose. Mr. Dymond asked if we propose a three-year contract, will they add for inflation. Mr. Schlameuss asked if the district is allowed to go to the vendor without a bid. Mr. McIntyre said the district does not have to go to bid since it's a Professional Service. Mr. Dymond asked when does the current insurance expire. Mr. McIntyre said it expires on June 30, 2020. Mr. Dymond asked if the district budgeted for a 10 percent increase. Mr. McIntyre said he came pretty close to a 10 percent increase. Mr. Thompson said he provided Tom a preliminary budget around the Thanksgiving Holiday in order to predict what the cost will be. Mr. Thompson said he will be back in May with results. Mr. Dymond asked if the district can get a discount due to all the security upgrades that have been made. Mr. Thompson said that other than well water needs to be made accessible to the schools. Mr. Dymond said that there are water towers and underground storage pumps by some elementary schools. Ms. Bear asked if the companies come out to inspect the property or do they assume due to the location of the schools. Mr. Thompson said they inspect twice a year. Ms. Bear asked if the companies placing the bid come out to inspect. Mr. Thompson said they do. Mr. Schlameuss asked what type of water access do the insurance companies look for. Mr. Thompson said they look for city water.

- b. Mr. Schlameuss suggested that they let the individuals who are here to speak about DECA be moved up on the agenda.

Mr. Karkut said he is here with Kate Briegel, student, and Jenny Bogart, DECA Advisor, to speak about funds for the DECA National competition. The advisor, Jenny Bogart prepared a packet for the Board explaining why \$5,000 is needed. This year 3 students qualified at States for Nationals by placing in their event. Jennifer Doll and Shannon Tanczos placed first in "International Business Plan". Liang Ren placed 4<sup>th</sup> in "Principals of Hospitality and Tourism". TreVaughn Ellis, PA President in their Chapter, along with Kate Briegel, will be running the PA meetings at DECA ICDC event. The Nationals Competition will be held in Nashville, TN from April 28, 2020 through May 3, 2020. The \$5,000, which they are asking for, will cover the airfare, registration fee and room cost. Students will pay for their own food and entertainment. Mr. Karkut said the students' parents paid for both, the Regional and States competitions and are tapped out. The district

always provides the funds for all sport events/competitions. Ms. Bogart said that at a Policy Committee, the Superintendent said they would pay for National competitions. Ms. Briegel said she is the current Vice President of their Chapter and this will assist her with the training she needs to take over as President next year. Ms. Bear asked if this is the first year that students are going to Nationals. Miss Briegel said it is not. Ms. Bogart said that 80 students went to States. Mr. Karkut said that the students are doubling up in the rooms to save on costs. He thanked the Board for placing them on the agenda and for their consideration. Ms. Bear said this item will be placed on the Board agenda.

c. Senior Citizen Rebate – Discussion

Ms. Bear asked what information did they find out about other School Districts with reference to the Senior Citizen Rebate Program. Ms. Sue Vitulli said Delaware Valley does not have the Senior Rebate. Other school districts have a rebate program at different rates and have the same issues that our district does, i.e. number of claims, incomplete information, receiving late applications, etc. Ms. Vitulli said this week she had to have a senior citizen escorted out because they were missing paperwork and were not happy with her for not accepting the application. Ms. Bear suggested that the district request their tax transcript as a scare tactic. Ms. Vitulli said that Mr. Brown is looking to revise the resolution to include household income and lower the amounts that the district distributes in order to model what the State gives. Ms. Vitulli said the State's highest amount is \$650. The district's highest is \$1,500. Ms. Bear said she would like to place this item on the agenda to include the change in language and rebate amounts. Ms. Vitulli said she would also like to change the schedule of when she assists the senior citizens with their rebates from three times a week to one time a week from 10:00 a.m. to 12:00 p.m. She would like to also change the cutoff date from December 31<sup>st</sup> to November 15<sup>th</sup>. Mr. McIntyre said this schedule will allow her more time to work on the workmen compensation incidents. Mr. Andrews asked if the senior citizens will receive a notice of the changes. Ms. Vitulli said she will send it out with the application. Mr. Schlameuss asked if the district will follow approval as the State does. Ms. Vitulli said the district will. Mr. McIntyre said the State guidelines do not have legal ramifications on the district. Mr. Andrews asked why is the district giving more than the State. Mr. McIntyre said that the Board in 1982 changed the proposal and increased the amounts. Ms. Bear said that Mr. McIntyre should work with Mr. Brown to rewrite the resolution to reflect the changes. Mr. McIntyre suggested verifying residences. Ms. Vitulli said if all details are on the resolution, they can deny the application. Mr. Schlameuss said if the district requires more documents, then less people might file. Mr. Karkut said that the resolution was previously changes because senior citizens were losing their homes due to previous tax increases. Ms. Vitulli said she has 700 senior citizens on her list and she knows who deserves it. Mr. Schlameuss suggested making the resolution easier and less combative.

d. HP SAN & Server RFP results and Financing

Mr. Borosh said he is requesting to upgrade our SAN and Servers in our District Data Centers. The current lease expires in June on the equipment that will be four years old. In June of 2016 the district replaced 80 servers. Now the district did an RFP and spoke to several vendors. Eight of them submitted bids. HP Enterprise submitted the lowest bid. This is a budgeted leasing expense. It is less expensive to lease than to buy. It has a negative interest rate. Ms. Bear asked what does the district pay now. Mr. Borosh said the district will pay \$100,000 through June. Mr. Andrews asked what was the previous total price. Mr. Borosh said it was \$654,493.00. The current price totals \$538,898.00. Mr. Andrews asked if we own the equipment. Mr. Borosh said we do not but have a \$1 buy out option. Mr. Andrews asked if Mr. Borosh recommends buying the equipment. Mr. Borosh

said he would not recommend buying since the equipment is not in as good condition from when they first got it. Ms. Bear asked if the technology is used often. Mr. Borosh said technology is not used as much since the clouds and Gmail are used. Mr. Schlameuss asked how many physical stations are there. Mr. Borosh said there are four at North and four at South. Ms. Bear asked how much was cut from the previous purchase. Mr. Borosh said a lot was cut back. Mr. Dymond asked how many servers did the district have eight years ago. Mr. Borosh said there were eight at each location and now there are five. Now the district is going down to four. As technology changes less space is needed. The district had 12 racks of equipment and now they have two and they are more efficient. Mr. Dymond asked if they can go down further from eight to six. Mr. Borosh said we have already gone down from ten to eight. Mr. McIntyre said we need to be cautious because the equipment provides all of the backup. Mr. Borosh said the storage is the same but the servers are decreased by two. Mr. Andrews asked if the cost per unit is the same. Mr. Borosh said it is. Mr. Dymond asked if they can obtain quotes from all of the vendors. Mr. Borosh said he has the information but it may be hard to interpret. Mr. Dymond said he wants to see it anyway. Mr. Schlameuss said not everyone wants a copy of it; therefore, Mr. Dymond can make an appointment to see the document. Mr. Karkut asked if the server in the closet is included in this bid. Mr. Borosh said it is. Mr. Karkut asked if the equipment has fire protection. Mr. Borosh said he does not believe it has fire protection. Mr. Andrews said we should get the quote to include fire protection.

e. 2020-2021 Budget – Discussion

Mr. McIntyre said he spoke to the schools that are over on this year's budget. They are also working on next year's budget. They are going over all items to see what is necessary. Mr. Andrews asked if the Board will see a list of all items. Ms. Bear asked why are the schools over their budget. Mr. McIntyre said they are ordering extra supplies and furniture among other items. Ms. Bear asked if they are allowed to purchase these extra items. Mr. McIntyre said they are allowed if it was budgeted. Ms. Bear asked what is done about warning the schools not to go over their budget. They need to understand that they cannot spend district funds. Mr. McIntyre said he already spoke to them and let them know if it is not budgeted they cannot purchase it. He said he will put a freeze in the budget so that they do not overspend. Mr. Schlameuss suggested that there be some procedures in place to handle spending. Ms. Bear suggested that during each marking period each budget be reviewed to see how much they have. Mr. Schlameuss said a quick printout of each budget will demonstrate what they have. Mr. Andrews asked if they are speaking about the principals' budget. Mr. McIntyre said his plan was to review all budgets on a monthly basis. Ms. Bear said there should be more accountability by every department. Mr. Dymond asked who handles all of the transfers. Mr. McIntyre said the person in charge of their particular budget makes the transfers, it then goes to the immediate supervisor and then the Business Office. Mr. Dymond asked if anyone can transfer or take from someone else's account. Mr. McIntyre said a person is responsible for their own budget and only has access that their own budget and no one else's budget. The Business Office has access to all budgets.

Mr. McIntyre said he would like direction from the Board on next year's budget. Should he continue to cut or take from the fund balance. Mr. Andrews asked what is the current total in the fund balance. Mr. McIntyre said currently the fund balance is \$61,000 and it was \$67,000. Mr. Andrews said the money was transferred into the Capital Budget. Not all items that are being paid through the Capital Fund are Capital Projects. Mr. McIntyre said they are all capital projects such as the doors that were done. Mr. Andrews said that they are going to have to budget for all items and determine if they are going to come out of the

Fund Balance or a loan. Mr. Schlameuss said if there's money in the Fund Balance the district should spend it. Mr. McIntyre asked if they want to use Fund Balance money to place in the Capital Reserve and not the General Fund. Projects are getting done and the Fund Balance is going down. Mr. Schlameuss asked if Mr. McIntyre reviewed the money that was allotted for PSERS since extra money was placed in the account due to fear of not having enough. Mr. McIntyre said they still have \$100,000 a year but it can probably be decreased a bit. Currently, the options to reduce the deficit for next year's budget are:

1. Raise taxes
2. Transfer the deficit amount from the Fund Balance
3. Continue to cut but payroll is going up about \$3.4 million.
4. Look to decrease funds in budget for PSERS

Ms. Bear said MCTI funds will not be coming back to the district. Mr. McIntyre said that the Athletic Department removed the Athletic Trainers from their budget. If added back in, it would add \$100,000 to the budget. Ms. Bear said the Athletic Trainers should be added back in. More grants should be looked at. Mr. Dymond said Ms. Byrne is confident that she will have  $\frac{3}{4}$  of a million dollars in grants. We need to look at ways to cut down on insurance claims. Mr. McIntyre said this is not an issue. Our claims are not high and are better than they were five years ago. The district has to pay a deductible. Mr. Schlameuss said we will need to direct the district on what items need to be cut because we cannot raise taxes. Mr. McIntyre said they are going to review all items and get together with the curriculum groups, too. Ms. Vitulli said that they will have a savings of about \$250,000 through the change in the Senior Rebate Program. Ms. Bear said the \$250,000 can pay for the regrouting of the pool. Mr. McIntyre said he would like to provide a preliminary budget in April and a final budget in May.

f. MCTI Excess Funds – Discussion

Mr. McIntyre said he will need a motion for MCTI to retain the 2018/19 excess revenue in the amount of \$894,328 as a result of the financial audit. The district's share is \$199,467.

g. Hamilton & Musser, PC – Forensic Audit Invoice - \$19,675.00 – Discussion

Mr. McIntyre said he will also need a motion to pay the final bill from Hamilton & Musser for the Forensic Audit in the amount of \$19,675.00.

h. Current Projects within the District

Mr. McIntyre said he provided the Committee members with a copy of the Current Capital Projects as of 3/4/2020. The only addition were three bills from D'Huy Engineering.

i. Permission to go out to bid for Trash and Recycling - Current Contract expires June 30<sup>th</sup>

Mr. McIntyre said he would like to go out for bid for trash and recycling. Currently the contract with Waste Management expires in June 30, 2020. Ms. Bear suggested that the district look for a contract that is for a longer period of time in order to try to get a cheaper rate. Mr. McIntyre said, per the ordinance, they will search for companies that dump the trash and recycling in Monroe County.

j. Classroom Furniture - Emotional Support Classrooms

Mr. Baddick said that his department previously bought fidgets to distribute to several students throughout the district. They would now like to purchase furniture for the emotional support classrooms to provide functional spaces. This plan includes multiple learning zones and flexible seating in order to comply with Act 18 of 2019 since we are Trauma Informed. Five classroom will be transformed, two at Middle Smithfield

Elementary School, two Bushkill Elementary School and one at East Stroudsburg Elementary School. This furniture will replace the current furniture that is 10 years old or older and will be more therapeutic and sensory generated to provide a safer environment. Currently, there is 3.4 million dollars in the ACCESS Funds. The funds are designated for the Special Education Program. If the money is not used, the district will lose the funds. Mr. Matt Krauss oversees the billing of the ACCESS funds and has shifted a lot of the Special Education support to the ACCESS funds. Mr. Andrews asked what does it cost the district to keep the ACCESS Funds. Is this money from the State or do we have to spend in order to get? Mr. McIntyre said that the district turns in receipt for medical services that were provided for the students and a percentage goes in the ACCESS Funds. Mr. Schlameuss said we always had to provide these services but now the district is getting funds back. Mr. Andrews asked what percentage is the district getting back. Mr. McIntyre said it depends on the program that is being provided. Mr. Baddick said it can apply to the personnel being used, iPads, books, etc. Mr. Andrews asked what is the cost to the district. Mr. McIntyre said everything is reimbursed. Mr. Dymond said the district is providing the services and then the funds are reimbursed. Mr. McIntyre said that the purchase of the furniture is being paid 100% by from the ACCESS Funds. Mr. Baddick said that not all districts have billing for Medical Access. All of the money goes back to the students. Mr. Dymond asked if more classrooms will need to be done. Mr. Baddick said they have learning support classrooms that will need to be done. Mr. Dymond said there is not sensory room at J. T. Lambert due to no space. H.S. South and H. S. North are done and Lehman is being worked on. Ms. Bear asked if we have a sensory room in the Blended Cyber School. Mr. Baddick said they have flex seating. Mr. Dymond asked if the Chrome books for the Blended Cyber School came from ACCESS Funds. Mr. Baddick said they did not but Chrome books were purchased for paraprofessionals and student aides in order for them to do their billing paperwork. Mr. McIntyre said the furniture will be purchased with a Costar Contract; therefore, no bids are needed.

k. Payment in Lieu of Taxes – National Recreation Area, Pike County

Mr. McIntyre said that the Board will need to approve the paperwork for the district to receive the payment in lieu of taxes in the amount of \$11,669.92.

l. Permission to go out to bid for Propane for Propane fueled buses – Current contract expires June 30<sup>th</sup>

Mr. McIntyre said that three years ago they contracted with a vendor for propane for the propane fueled buses. This contract is coming to an end on June 30<sup>th</sup>. Should the district go out to bid or extend the current contract? Mr. Schlameuss said the district should go out to bid. Mr. Dymond asked if they are going to add propane for other items that require it. Mr. McIntyre said he will reach out to companies for all propane use. Mr. Dymond said it may require separate contracts.

**VII. RECOMMENDATIONS BY THE PROPERTY & FACILITIES COMMITTEE:**

a. LYMAN & ASH INVOICE #3181 \$11,995.00

b. F. D'HUY ENGINEERING INVOICES

i. Invoice #50660 \$2,748.37 - High School North Roof Replacement

ii. Invoice #50661 \$1,402.20 - Resica Elementary School Roof Replacement

iii. Invoice #50662 \$525.10 - Trane North Campus Controls Oversight

iv. Invoice #50663 \$928.15 - Resica Elementary/Middle Smithfield Elementary Water Filtration

v. Invoice #50664 \$4,375.00 - High School North Sanitary Liner Replacement

- vi. Invoice #50665 \$420.00 - Smithfield Elementary Parking Lot Improvements
- c. NORTH WRESTLING ROOM PROPOSALS
  - i. Resilite Sports Products \$11,074.10 Wall Padding
  - ii. Resilite Sports Products \$9,524.84 mats
  - iii. Maintenance will move forward with in-house refurbishments with estimated cost of \$3,000.00. All items will be paid out of the Capital Reserve Fund.
- d. SMITHFIELD P.A. SYSTEM REPLACEMENT \$23,590.00 Paid out of Capital Reserve
- e. Prepare Bids for JM HILL HANDWASH SINK(S)
- f. HIGH SCHOOL NORTH GYMNASIUM FLOOR DISCUSSION & PROPOSALS
  - i. Permission to proceed seeking pricing for replacement of the HSN Gym Floor.
- g. Prepare Bids for HIGH SCHOOL SOUTH SWIMMING POOL REPAIRS

Mr. Karkut asked what is the status of Lyman and Ash's investigation. Mr. Andrews said the Board is trying to recover funds. Mr. Dymond said that the problem they are experiencing is that it has been a struggle to come up with drawings, contracts and vendors' names. With reference to the North roof, they have thousands of pictures indicating that it was not properly installed. Mr. Karkut said the North Roof project will not be completed until the summer time. Mr. Dymond said Lyman & Ash will probably be investigating for another year. There are other items to look at like the sink holes. D'Huy Engineering will be getting someone to do the samples. They are also trying to find out who installed the East Stroudsburg Elementary sprinklers. Mr. Karkut said the State should have these documents. Mr. Dymond said they are somewhere in the district and the administrators are not providing it to the Board. The photo and videos that were obtain will help when they go to court to recover funds.

**VIII. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION**

Mr. Karkut asked why is the Smithfield PA System being replaced now 15 years after the new area was constructed. Mr. Andrews said the system is not interfacing with the current system. Mr. McIntyre said he believes the system is on a replacement cycle. It would pose a safety issue if it is not done.

Ms. Bear said discussion needs to be done on where the money for the DECA students will be coming from. The motion should read not to exceed \$5,000.

**IX. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION**

1.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by George Andrews to recommend that the Board consider for approval the following items, which were recommended by the Property/Facilities Committee meeting. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

- 1. LYMAN & ASH INVOICE #3181 \$11,995.00
- 2. D'HUY ENGINEERING INVOICES
  - Invoice #50660 \$2,748.37 - High School North Roof Replacement
  - Invoice #50661 \$1,402.20 - Resica Elementary School Roof Replacement
  - Invoice #50662 \$525.10 - Trane North Campus Controls Oversight
  - Invoice #50663 \$928.15 - Resica Elementary/Middle Smithfield Elementary Water Filtration
  - Invoice #50664 \$4,375.00 - High School North Sanitary Liner Replacement

- Invoice #50665 \$420.00 - Smithfield Elementary Parking Lot Improvements
- 3. NORTH WRESTLING ROOM PROPOSALS
  - Resilite Sports Products \$11,074.10 Wall Padding
  - Resilite Sports Products \$9,524.84 mats
  - Maintenance will move forward with in-house refurbishments with estimated cost of \$3,000.00. All items will be paid out of the Capital Reserve Fund.
- 4. SMITHFIELD P.A. SYSTEM REPLACEMENT \$23,590.00 Paid out of Capital Reserve
- 5. Prepare Bids for JM HILL HANDWASH SINK(S)
- 6. HIGH SCHOOL NORTH GYMNASIUM FLOOR DISCUSSION & PROPOSALS
  - Permission to proceed seeking pricing for replacement of the HSN Gym Floor.
- 7. Prepare Bids for HIGH SCHOOL SOUTH SWIMMING POOL REPAIRS

2.

**RECOMMENDATION BY THE COMMITTEE:**

Motion was made by Rich Schlameuss to recommend that the Board consider for approval the following items. Motion was seconded by George Andrews and carried unanimously, 4-0.

- 1. The Master Lease Agreement with HPE Financial Services in the amount of \$538,898.64 for an HPE dHCI Nimble SAN and HPE Servers with related equipment, software, and licenses for a four (4) year term beginning June 1, 2020 with annual payments of \$127,525.00.
- 2. The request of the MCTI Joint Operating Committee to retain its 2018-19 excess revenue in the amount of \$894,328.00.
- 3. The payment of invoice #1163729-IN from Hamilton & Musser, PC in the amount of \$19,675.00 for Forensic Auditing Services.
- 4. To approve seeking bids for trash hauling and recycling.
- 5. An agreement with Lakeshore to provide classroom furniture for five classrooms in the amount of \$92,096.80.
- 6. To ratify and affirm 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.
- 7. Seeking bids for Propane for the District's bus fleet.
- 8. The ESASD DECA Club's travel to the International Career Development Conference in the amount not to exceed \$5,000.00.

X. **NEXT MEETING** – April 14, 2020 at 5:30 pm

**RECOMMENDATION BY THE COMMITTEE:**

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

XI. **ADJOURNMENT: 7:46 P.M.**

Respectfully submitted,

Patricia L. Rosado  
Board Secretary