

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

**June 8, 2020
VIA Zoom
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, Larry Dymond and Rich Schlameuss.
- III. **School Personnel Present:** Brian Baddick, Brian Borosh, Diane Kelly, Tom McIntyre, Ryan Moran, William Riker, Patricia Rosado, Paul Schmid and Steve Zall.
- IV. **Other:** Rob Thompson, EHD Insurance
- V. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the agenda for June 6, 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, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to approve the minutes of the May 11, 2020 meeting. Motion was seconded by George Andrews and carried unanimously, 4-0.

VI. ITEMS FOR DISCUSSION:

a. Insurance Renewals

Mr. Rob Thompson, EHD, said he provided the Board information about the policies and providers. Everything has changed since they last met. They previously talked about the potential increases and now he has the actual renewal rates from the carrier. CM Regent is the endorsed carrier from PSBA. The district has been insured by PSBA for about eight years. The difference between last year and this year on the property line of the insurance is that we are insuring 12 million dollars more year than last year due to an appraisal that is done each year. The district's overall building value was increased by 12 million dollars. There is also a rate increase, which is in affect all across Pennsylvania. The next area that incurred an increase is the automobile coverage due to covering 26 more vehicles this year as compared to last year. The reason may be due to buses being purchased and no buses being returned. If the district does not have 26 extra vehicles, this price can be adjusted. Also, the student athletic rate went up, which is driven by claims. Another area that increased was the workers' compensation insurance due to payroll increases. Three years ago, the district made the decision to self-insure. Workers' compensation liability has been reduced by 90%; therefore; expenses went down. Before it was, by far, the largest part of

the budget. The district now has a third party administrator to pay the claims. InServco Insurance Services, Inc. is the provider and has been for the past three years. Since their contract is up, they are offering a three-year contract with a small increase. The district has had a great relationship with them. The last time Mr. Thompson met with the committee, they spoke about approaching CM Regent to try to procure a multi-year contract with them. He said he approached them but a week later COVID-19 happened; therefore, CM Regent are not willing to offer us any rate guarantee except for what has been provided tonight. The district is looking at a 5% overall increase, which is less than what they talked about in March. Overall, insurance has increased up to about 15%. The 5% increase is fairly well with reference to the market place. If you would like more details on anything specifically, he can answer any questions. He said he provided Mr. McIntyre an extensive report. Mrs. Bear asked if the sports claims have increased across the State. Mr. Thompson said the district had some claims. The district buys the student athletic insurance as a litigation prevention device. Students should be covered by parents' insurance. Some parents may have out of pocket costs, so the insurance will pay their out of pocket expenses; therefore, the district does not have to incur this expense. The district has had some claims but they only see the total expense and not necessary the full details due to the HIPPA law. Mrs. Bear asked if it helps with the insurance costs that we have Athletic Trainers; otherwise this expense may increase. Mr. Thompson said she is correct. Mr. Dymond asked what deadline does the district have in order to give the insurance company the accurate count of the vehicles. Mr. Thompson said the new policy begins on July 1st, but whenever the district gives this information to them, the policy can be adjusted. If any adjustments or deductions need to be made, they can be done at any time. Mr. McIntyre said some buses were identified that they were purchased last year but not accounted for at that time. He said the district will be double checking all inventory. Mrs. Bear said she is surprised that the value of our property went up so much. She said she knew that there may be some change due to the reassessment but did not know that it affected the district that much. Mr. Thompson said the increase is not due to the reassessment but due to the appraisal that the insurance company performed to make sure they are covered properly. The appraisal resulted in a 2% increase.

b. Workers' Compensation Third Party Admin Contract

Mr. Rob Thompson said the Third Party Administrator (TPA) is an outside company that the district hires to administer the paperwork and payments for workers' compensation. In order to be self-insured the district needs to manage this area in-house or hire a third party, which the district did in 2017 when they became self-insured. TPA handles all paperwork, payments and keeps all data for a fee. The contract that InServco Insurance Services, Inc. has provided is the same that we had before with the exception of a slight price increase. The price increase in the first year is \$380, the second year \$395 and the third year \$405. At the end of the of three years it costs the district just under \$14,000 a year for this service. Mrs. Bear asked if the district incurs \$14,000 in total for the three years. Mr. Thompson said this is an approximate amount per year. The first year it will cost \$13,110.00, the second year is \$13,505.00 and the third year is \$13,910.00. In order for the district to be self-insured, we have to have this plan in place in order to stay in compliance with the State. The Board and Administrators did a great job in managing the program. The Safety Team has been supportive with all of the efforts and changes. Six years ago, the workers' compensation claims were about 1.3 million dollars. In 2018-19 they were \$84,000. This is a huge difference. All savings is going back into the district's budget. We have effectively removed the cost of what we would be charged if the district was not self-insured. Mr. Schlameuss asked if the district carries gap insurance or are we fully self-insured for all claims. Mr. Thompson said the district has excess insurance

through Safety National Insurance. For any claims above \$400,000 or \$500,000, the excess insurance will pay the overage amount. Mr. Andrews asked who put his plan together. Mr. Thompson said that the plan was put together three years ago with Mr. Bader, Mr. McIntyre and himself. After looking at the losses that the district experienced along with the Safety Committee, they thought it would benefit the district to be self-insured. None of this would be possible without the support of the Board and Administration. He said he uses our district as an example when he presents the self-insured model to other district. Mrs. Bear asked if all districts are self-insured. Mr. Thompson said they are not and it depends on the size of the district. Large districts would benefit from being self-insure. The Return to Work Program, which was put into effect five years ago has helped tremendously. If an employee is injured on the job, they have the ability to bring them back to work in another capacity. Studies shown claimants get better at work than staying at home. The district follows up with employees and remain in constant contact with them, which helps to reduce claims. The fee of \$14,000 is beneficial to the district as oppose to hiring someone at the district to do this job. Mr. Thompson said it is important to understand that particularly with the COVID-19 situation there is so much uncertainly; therefore, it is critical that we try to find savings wherever we can. Not just savings but ways to make things more efficient. Workers' compensation claims come with medical care and costs. If we can drive it down from 1.3 million to 84,000, there is savings and but indirect costs, too. What we are looking to do is save hard dollars but maximize the efficiency of the district as it relates to workers' compensation. There is a lot to do to make it better and efficient and it has been done through the self-insured program.

c. Food Service Delivery Status

Mr. Paul Schmid said that he recommends, at this point, that the district continue the program through July and August. He said there was a slight decrease with the distribution of meals of about 7% since school ended. The decrease can be as high as 32% in order for it to be cost neutral to the district. Mr. Schmid said he predicts lunch distribution will probably decline by 10-15% less but it will still be cost positive to the district for the lunch program that has been set up since March. Per Mr. Schlameuss request, he looked into providing adult meals. The good news is that the district applied for a grant for \$75,000 and received \$20,000 for only Pike County. The bad news is for any person using the grant, they would have to fill out an application and submit proof of their income, which is a paperwork nightmare. Sincere there is cost positive in our program, we can plug an estimate for the senior population of \$1.10 per meal for 22 days would be \$24,000. Overall, in meeting with others regarding meal assessments of Monroe County, they seem to be leveling off and serving the same amount of individuals prior to the pandemic. It seems that the need for food is starting to level down. Two districts, Pocono Mountain and Stroudsburg have leveled and numbers are going down. Pleasant Valley gave their food program to the local food pantry to handle. Mr. Schmid said he feels that the district can stay within 10-15% reduction for the pick up and go meals once the district advertises them. If there is not a big need at the pickup spots, then he plans to offer them on some of the bus stops. He said he factored in some scenarios for serving 1,000 meals a day for each day in July and August. Mr. Schlameuss asked if they are factoring in the programs at Dansbury Park. Mr. Schmid said the YMCA program picks up 60 meals a day. It will probably go up 90 meals a day. Dansbury Park will also be picking up about 50 meals a day and it may go up to about 100 meals at the park. The other program in Stroudsburg that ran last year, will not be operating this year. Mr. Schlameuss said the bottom line is that he anticipates our cost to be neutral even with feeding the seniors through August. Mr. Schmid said he provided his calculations through June and estimates being \$72,000

positive. His calculations in July show about \$44,199 positive. Unless numbers really plummet, the district should weather favorably through August. Another item to consider is that labor cost is not fixed so it may be adjusted. We are looking at the needs in the buses through July and August. It's important to continue through July and August. The USDA extended the lunch program through August 31. They are lobbying to run it through June of 2021, which would benefit the district since all students will be eating for free. The USDA has given the district a waiver where we do not have to offer veggie components. The Food Services Department will be audited in July and August. This should not be a problem due to no previous findings. Mrs. Bear asked if the district has been granted free lunch for next year. Mr. Schmid said the National Organization is petitioning for this to occur, but the district has not heard any update. Mrs. Bear said if they approve free lunch all year, the collection cost will go down. Mr. Schmid said; unfortunately, the district does not qualify for the Coordinated Efforts Program (CEP), where all children eat at no cost because we need to be at a 75% or more poverty level. The district's poverty level is at 56%; therefore, it is not high enough to qualify for this program. Mr. Schmid said he will be back in July with the figures for August.

d. Fortinet FortiSIEM RFQ

Mr. Borosh said the vendor is Fortinet and the program is FortiSIEM (Security Information and Level Management). He said he and his team have had a lot of discussion about cyberattacks on school districts, hospitals, etc. Some attacks were not detected until it was too late. He came about this product, which takes data from basically anything on the network and it brings it into this data and correlates and analyzes it quickly. It will protect the district and alert us quickly of any cyberattack. Mr. Borosh said he sent out for an RFP back in May, which was due in the beginning of June. Six vendors submitted a 3- and 5-year options. All services charge a maintenance fee. He prefers the five-year contract from Integra, which submitted the lowest bid in the amount of \$95,936. The cost of a data breach of anything that occurs would exceed this amount for just one occurrence. Mr. Thompson said some districts have had data breaches in Monroe County that cost in excess of \$100,000 to \$200,000 for the cleanup, equipment replacement, notification, legal fees, etc. He feels that anything the district can do to make themselves more safe is important and beneficial. Mr. Thompson said the district has cyber liability insurance. The district has an insurance, which is subject to a deductible. It's better to have more protection. Mrs. Bear asked if the district adds this protection will they get a discount. Mr. Thompson said they will not but when he presents the district to an insurance carrier indicating that the district has this insurance, the insurance company may offer a lower insurance cost. The district has cyber liability insurance for 1 million dollars, which costs a little less than \$7,000 a year. It's not a big chunk of money, but he will let the insurance carrier know about this new coverage. Mr. Borosh asked Mr. Thompson if from his standpoint, is he seeing a large increase in institutional cyberattacks in the last several years. Mr. Thompson said he has been seeing weekly attacks. The attackers are realizing that the large companies are getting protection, so they are moving into smaller easier preys such as the schools, hospitals, etc.

e. Adobe Creative Cloud Suite Agreement

Mr. Borosh said currently we have a three-year agreement with Gov. Connections and it will be expiring on June 30, 2020. This will be the district's second three-year agreement with Gov. Connections. Gov. Connections has now provided a one-year agreement. The software is tied into curriculum, tech education, web design, secretaries, professional staff, etc. The current agreement includes a savings of about 3,000 from what the district has been paying for the last three years. It is similar to the Microsoft agreement where the

district is part of through a consortium. Although Gov. Connections is not the vendor, they are the vehicle to obtain the software. Mr. Andrews asked if School Board can be added to the agreement. Mr. Borosh said although it is restrictive, he will look into it. Mr. Andrews said all Board members use Adobe and PDF files for school district work. Mr. Borosh said there is another application from Google called KAMI, which does similar functions but not at this higher level. The majority of the reason we are getting this is because it is used in some secondary classrooms. Mrs. Bear asked if the total cost is \$19,680. Mr. Borosh said “yes”, and it is about \$3,000 less than what we have been paying in each of the three years. Mrs. Bear said since this is a one-year agreement, the price may go up next year. Mr. Borosh said she is correct. They changed the licensing model so they took the best guess on what they will need. Students will only get the access in the classroom. He said he looked at the current schedule and staff; therefore, picked a 4,000 seat limit. Once we go through this year, we can revise the number of seats with what the district will need. Mrs. Bear asked if all staff will be in it regardless or will he log them in as needed. Mr. Borosh said they will log into their google account to access the software. This will create a notice that a license is in use. Mrs. Bear asked if they can pull the account if they do not need it. Mr. Borosh said they can be shared by multiple users at different times such as students when their schedule changes. Mrs. Bear asked if a student’s schedule does not change, will they have access to use the license year round. Mr. Borosh said licenses can be brought over as needed.

f. Technical & E-Rate Consultants

Mr. Borosh said the district’s wide area network is about 15 years old. He said he has been at the district for the past three contracts. The Colonial IU 20 redid their network this past summer by sending out an RFP. They casted a wide network and saw some savings. The district jumped aboard on part of the RFP. With numbers that were provided to us by the IU, there was a cost savings to the district. Then COVID-19 happened and we did not have time to fully vet this service. The Board previously approved a one-year renewal proposal with PenTeleData for our wide area network. When we got some pricing through the IU’s RFP, a vendor gave the district some pricing as well. Mr. Borosh said in trying to see what to do in the future, they circled back on this project. They looked at several K-12 Technical Consultants as well as E-Rate consultants. In the first year, the E-Rate Consultant will file all forms with concerns to the RFP. He said he has been filing E-Rate paperwork for the district but now with a new network design, he does not feel comfortable working on it during the first year. He does not want to risk losing any money. The E-Rate Consultant is an Attorney, who has a lot of experience in this area. Mr. Borosh said he was on the RFP IU 20 Committee; therefore, had some experience in working with Ms. Debra Kriete, Esq. She is better suited for this job than other consultants they reviewed. The technical piece will be handled by K-12 Tech Solutions. They came highly recommended by the Delaware County IU, who just redesigned their WAN. He said he spoke to other companies, head starts, municipalities, etc. and they are happy with their service. Due to additional amount devices we have, we are going to need to increase the capacity now and future demands. My goal is to see some cost savings. Regardless of what we do we can continue with PenTeleData. There are other offers to build fibers for the district. Mr. Schlameuss asked if Mr. Borosh is talking about building fibers or to ensure that there is enough coverage. Mr. Borosh said he is speaking about the interconnecting fiber to all the sites. Right now they are using PenTeleData but believes they can do better. The district would like to own the fiber and then have PenTeleData manage it. Owning the fiber may render another cost savings to the district. Mr. Schlameuss asked if the fiber would be dedicated to us if we own it. Mr. Borosh said it would. Mrs. Bear asked if we currently share the fiber. Mr. Borosh said we do. He said it

is currently designed that all traffic goes through H.S. South to PenTeleData and then to the schools. Interruption would occur if there is an outage or accidents. He said the district would like to continue to provide the data so that if a pole comes down and interrupts H.S. South, all others will continue to work. Mrs. Bear asked if this will help with cyberattacks, too. Mr. Borosh said it may help if we have more control. We can lease the fiber but we will need to pay a maintenance cost. The company, not the district, would come out and fix the issue. Mrs. Bear asked if we own the fiber, would our employees need to fix the problem. Mr. Borosh said not if a tree branch comes down and knocks it out, PenTeleData is responsible to fix it. Mrs. Bear asked what is this proposal for. Mr. Borosh said the Ms. Kriete will work with consultants and her fee is \$7,500. This is what we will get from the K-12 Tech Solutions consultant. The consultant will perform an audit, issue a report, plan analysis, project plan, prepare an RFP, pre-bid meetings, etc. The consultant can report back to Mr. Borosh or to the Finance Committee. Mr. Dymond asked how long will the results of the analysis take. Mr. Borosh asked which analysis. Mr. Dymond said the wan assessment. Mr. Borosh said he is not sure, but will come up with a schedule of dates. The work will not start until July 1, 2020 after the end of this year's contract. He said he will provide the Committee with a schedule and updates. The analysis may begin during the summer and wrap up in January or February because that is when you need to file the E-rate Program paperwork. Mrs. Bear said should we approve these contracts now. Mr. Borosh said the contracts should be approved now in order to inform the individuals so they can prepare to begin the work.

g. Substitute Rates

Mr. Zall said he would like to make a recommendation to the Finance Committee members because in speaking with Mr. Schmid, he was informed that there has never been an increase in hourly rate for substitute cafeteria workers. The current rate is \$8.00 and they would like the Committee to consider raising it to \$9.50 in order to secure interested candidates to substitute and be able to maintain them. Often the substitute comes in and sees the work schedule and they do not want to return. He said other districts pay more than our district as follows: Bangor - \$9.50, Nazareth \$8.75, North Hampton - \$10.53, North Hampton \$10.53, Pleasant Valley \$10.53 and Saucon Valley \$9.80. Mrs. Bear asked what is the difference between an aide and worker. Mr. Zall said aides work with the students and the worker work in the back of the kitchen doing the food preparation. Mrs. Bear asked if the aides' sub rates are suitable. Mr. Zall said the aides' position falls under the support staff contract and they are supervised by the principal. The worker is supervised by Mr. Schmid. Mrs. Bear asked if we have a hard time finding aides to substitute. Mr. Zall said he has not heard any issues with obtaining substitute aides. The cafeteria aides work in the cafeteria for about 3 hours to 3.5 hours a day. They cover what they need to do during the lunch periods. The cafeteria worker works a 4- to 8-hours shift. They do the food preparation, cleaning, work on the food service line and the register, if necessary. Mr. Andrews asked if our district is competitive with the substitute rates that are on the rest of the list. He asked will Mr. Zall be back here asking for an increase for another group? Mr. Zall said the rest of the rates are pretty competitive and the district has increased some rates over the years such as for the bus drivers and mechanics. He said that he is bringing this issue up at this time since normally the Board approves the substitute rates in June. Mrs. Bear said some positions on the substitute have the rate of the minimum wage. Mr. Zall said the other area of concern may be the front desk receptionist. This may be an area to look at in greater detail but he does not have more information at this time. Mrs. Bear said the front desk receptionist may have increased responsibilities when we go back to school due to specific guidelines that will need to be met. Mr. Zall said he does not have the details of what responsibilities will need to be met; therefore,

may have to look at this issue in the near future. He cannot make a recommendation at this time.

h. Frontline Technologies – Time and Attendance Software

Mr. McIntyre said Frontline Technologies is the software for our time clocks and time and attendance. This is the software that keeps track of all accruals. It contacts all subs and keeps all records. The annual renewal includes a 4.85% increase in the amount of \$42,308.89. Mr. McIntyre asked Frontline Technologies if they can provide a better price through a multiple-year contract. They came back with the following three-year contract: 2020/2021- 2.5% increase totaling \$41,359.85; 2021/2022 – 4.0% increase totaling \$43,014.24 and 2022/2023 – 4% increase totaling \$44,734.81. When the district chose this company, they were the least expensive by half the amount of the other vendors. The time and attendance portion costs \$21,000. Other companies' cost that submitted their information through an RFP provided a total cost of about \$44,000 a year. Mr. Andrews asked if this program works with our computer system. Mr. McIntyre said when the data is obtained, it is downloaded into the payroll system. Mr. Dymond asked if the software can be bought outright. Mr. McIntyre said we cannot buy it outright. He said the district can go out for an RFP again but due to the tight timeline, we will not get the results back in time by June 30th. When the district sent out for an RFP in the past Frontline Technologies was the lowest and there are few companies out there that service school districts. There is another company that is starting to service school districts but they are not working with Pennsylvania yet. If the Board would like him to go out for an RFP, he can but if another company is chosen, the time clocks would need to be replaced as well as the software and training would need to be provided. Mr. Andrews said it would be too expensive to replace at this time. Mr. Dymond said he finds that software programs are too expensive in the district. We can probably buy books and that are cheaper. Mr. McIntyre said we can go back to the past where everyone punches a time card but it would entail more manual labor to be done. Mr. Schlameuss said this would require hiring more individuals, which would cost the district more in salaries and benefits. Mr. Dymond said since many companies use a time clock program, the pricing of the software should be less but it never is. Mrs. Bear asked the committee member if they would like to go with the one-year or three-year contract. Mr. Andrews and Mr. Schlameuss suggested that the district choose the three-year contract. Mr. Andrews suggested after the three-years are over, the district can then go out for an RFP to see if there is another company that can provide the services at a lower expense.

i. Athletic, Custodial, Medical, and Tech Ed Bids

Mr. McIntyre said that he provided the Committee the annual bids that were completed. He said this year, they did the bids per building that is why there are many more pages. This will help the district and the Board members decipher who ordered what. He worked closely with the Custodial and Athletics Department to ensure all items were correct in order to avoid any surplus. The process was similar to the paper bid that was recently done. Mrs. Bear asked why is Athletics buying softball balls and tennis balls since they did not play this season. We should have last year's inventory on hand. Mr. McIntyre said they did not order a lot of balls. Mrs. Bear said this should be looked into to ensure we are not just ordering extra. Mr. Schlameuss asked if \$50.00 is reasonable for a basketball. Mrs. Bear said it is. She asked what is the price for a softball. Mr. McIntyre said they cost \$62 a case and they ordered eight dozen. Mrs. Bear said this is a lot to buy since they did not use any this spring. Mrs. Bear asked if tennis is a spring sport. Mr. McIntyre said he believes it is a fall sport. Mrs. Bear asked what are spring sports. Mr. McIntyre said softball, baseball, track and field are spring sports. Mrs. Bear said before the committee

can confirm the list, the district needs to make sure the inventory is checked so that we do not buy what is not needed. Mr. McIntyre said he will reach out to the Athletic Directors to have them double check the list.

j. Depositories

Mr. McIntyre said per the School Code, the Board must approve the banks where the district deposits their money. There are three banks that the district uses. He said he provided the Committee with a list of what accounts are used. ESSA Bank and Trust in East Stroudsburg handles the majority of the general fund accounts, day to day operations, payroll, tax collection, workers' compensation, scholarships, etc. Pennsylvania School District Liquid Asset Fund handle all asset funds that are run by all school districts. They handle our investments, which include our savings account with higher interest rates. They also handle a small portion of the general funds. The Pennsylvania Local Government Investment Trust handles the State subsidies deposits for the general fund, cafeteria fund and capital reserve. Mrs. Bear asked if ESSA Bank has low fees compared to other local banks. Mr. McIntyre said ESSA charges the district almost nothing and has the best interest rates. When the district previously switched banks from PNC Bank about five years ago, it was because they were not providing any interests and they drastically increased their fees. The district sent out for an RFP for banking and ESSA basically provided zero fees. Their customer service is immediate and they help to resolve issues, when/if they arise. They work long hours and hold a close relationship with district at a very low cost.

k. Homestead/Farmstead

Mr. McIntyre said that he provided a resolution to the Committee for the Homestead and Farmstead exclusion that by State law has to be passed by the School Board acknowledging the gaming funds from the State of Pennsylvania. The gambling tax funds to the district total \$4,337,838.36, which is our share of the tax reduction allocation. Last year there was remaining property tax reduction funds in the amount of \$1,110.85. The Philadelphia tax credit reimbursement funds totaled \$7,954.6. Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$4,346,903.81 to split among all taxpayers. Mr. McIntyre said that the number of approved homesteads with the school district for Monroe County is 7,116 and for Pike County is 2,794 for a total of 9,910. The number of approved farmsteads within the school district in Monroe County is 4 and in Pike County is zero for a total of 4. Adding these numbers, the aggregate number of approved homesteads and approved farmstead is 9,914. After all calculations, the maximum real estate tax reduction amount applicable to each approved homestead and farmstead is a maximum of \$441.57. The homestead reduction equals 30.720 mills in Monroe County and 123.566 mills in Pike County. The Farmstead exclusion is \$14,374 in Monroe County and \$3,570 in Pike County. In summary, taxpayers will see a maximum of \$441.57 deduction on their tax bill due to gambling laws that were passed in 2006. Mrs. Bear asked if the district will be receiving the funds even if we were not opened due to COVID-19. Mr. McIntyre said the State found the money this year and gave it to the district when they approved their budget. Next year may be different.

l. 2020-2021 Final Budget

Mr. McIntyre said at the May 18th meeting he brought presentation with a projected deficit of \$5,973,678. At the end of April, the Board directed administration to cover the deficit through the fund balance. There have been some budget changes from May 18th. The total revenues increased by \$1,541,582. Our State Basic Ed Subsidy came in \$202 less than anticipated. The Federal Subsidies were also less as follows: Title I had a reduction of

\$193,900, title II had a reduction of \$2,751 and Title IV had a reduction of \$692.00. Due to Care Act Funding (elementary and secondary emergency relief) there was an increase of \$1,739,127. These funds come with stipulations because they have to be used in a particular way, such as any expense that has to do with COVID-19. The District Investments changes increased by \$748,607 due to a reduction in expenses from the IU 20 costs in a total amount of \$24,522, Insurance increased by \$23,129 and Other increase totaling \$750,000 due to unknown expenses related to COVID-19/Cares Act. Mrs. Bear asked will the Care Act cover the contract that is on this agenda, which will help secure the internet. Mr. McIntyre said this expense will be paid by the PCCD Grant in the amount of \$5,000 and the Care Act may be used also. Mrs. Byrne will look into the possibility as well as other technology items to hopefully save the district money in the future. The district's anticipated revenues total \$160,104,923, anticipated investments totaled \$165,285,625 with a total deficit of \$5,180,702. This amount is much lower than the amount that is in the Future Budget Expenditures section of the Fund Balance that the district hopes to use. Hopefully, the State will provide more funding so that the district does not have to use all of this amount from the Fund Balance. He hopes revenues increase as well. The Tax Rates in Monroe County is 30.72 mills and in Pike County it is 123.66 mills. Mr. Dymond asked if anyone spoke to Mrs. Byrnes regarding looking into grants for the water system at Resica Elementary School. Dr. Riker said he spoke to Ms. Byrne and she will look into it. Mrs. Bear said she believes interest rates will be going up since the market is starting to go up. Mr. McIntyre said he hopes so too. Mrs. Bear asked what is the district investing in. Mr. McIntyre said since they are limited in what they can invest, the money is tied into Bonds and CDs. Mrs. Bear said saving rates should be going up since people are starting to go back to work. Mr. McIntyre said hopefully people will start going out, which will help the economy. Mr. Dymond asked how will the district acquire treasuries. Mr. McIntyre said he would have to talk to Pennsylvania School District Liquid Asset Fund, since they handle this type of funds. He said he can arrange to have one of their representatives come to speak to the Finance Committee members to explain what they do with the district's investments. Mr. Schlameuss said this would be interesting to know. Mr. McIntyre said he will schedule them to come in July or August. Mrs. Bear asked if the funds will remain in the fund balance if they are not used. Mr. McIntyre said only what is needed will be taken out of the Fund Balance. Mrs. Bear said she hopes that the district will not have to draw from the Fund Balance. Mr. McIntyre said he will be handling the budget very meticulously, so not to spend what is not needed in order to keep the deficit as small as possible.

m. Current Projects within the District

Mr. McIntyre said he added new projects on the current report and removed any finished projects. He will update the report as invoices/projects are approved. Mrs. Bear asked if a decision was made whether to replace the entire gym floor or part of the floor at Lehman Intermediate School. Mr. McIntyre said as indicated on the agenda below, the Properly/Facilities Committee recommended that the entire floor be replaced by being paid through insurance and the rest by the district. Mr. Andrews said although it was a costly expense, it made more sense to replace the entire floor.

VII. RECOMMENDATIONS BY THE PROPERTY & FACILITIES COMMITTEE:

- a. Application for Payment #1 Cope Commercial Flooring – Resica Elementary Flooring replacement \$119,970.00
- b. Application for Payment #1 Lehigh Valley Flooring – JT Lambert Flooring replacement \$50,575.50

- c. Application for Payment #1 Guyette Communications Industries – JT Lambert Camera Installation \$44,564.40
- d. D’HUY ENGINEERING INVOICES
 - i. Invoice #51087 \$890.00 – JT Lambert Security Camera Installation
 - ii. Invoice #51085 \$1,950.01 – Resica & Middle Smithfield Elementary Water Filtration
 - iii. Invoice #51088 \$11,569.50 - JT Lambert/Resica Flooring Replacement
 - iv. Invoice #51086 \$3,685.02 – HS North Sanitary Liner Replacement
- e. Kleinfelder Invoice #20201002 \$2,500.00 – HS North Tennis Courts Investigation
Mrs. Bear asked what are they investigating. Mr. Andrews said they are investigating the surface.
- f. Lehman Intermediate Gym Floor
 - i. Recommended the proposal from Miller Sports Construction in the amount of \$144,250.00 for the replacement of the Lehman Gym floor with the alternate of the Power Vent Air Flow \$9,240.00.

VIII. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

IX. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

1.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to recommend that the Board consider for approval the 2020-21 insurance providers and premiums as presented in the total amount of \$740,328.00. Motion was seconded by George Andrews and carried unanimously, 4-0.

2.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the proposal from. InServco to serve as the District’s TPA for its Self-insured Workers’ Compensation program for a three (3) year term at a cost of \$13,110 for 2020-21, \$13,505 for 2021-22, and \$13,910 for 2022-23 in accordance with their proposal dated May 1, 2017. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to recommend that the Board consider for approval the extension of food delivery by the Food Services and Transportation departments until August 31, 2020. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

4.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to recommend that the Board consider for approval the proposal from IntegraOne in the amount of \$95,936, for the Fortinet FortiSIEM. Motion was seconded by George Andrews and carried unanimously, 4-0.

5.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to recommend that the Board consider for approval a one-year agreement with GovConnection, Inc. for the use of Adobe Creative Cloud Suite as per the Lancaster Lebanon IU #13 contract in the amount of \$19,680.00. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

6.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to recommend that the Board consider for approval the proposal from Debra Kriete, Esq. in the amount of \$7,500.00 for the redesign of the district's Wide Area Network and E-Rate funding. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

7.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the increase of the Support Staff Substitute rate for Cafeteria Worker from \$8.00 per hour to \$9.50 per hour. Motion was seconded by Rich Schlameuss and carried unanimously, 4-0.

8.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the proposal from Frontline Technologies to provide Absence Management and Time and Attendance Software for a three (3) year term at a cost of \$41,359.85 for 2020-21, \$43,014.24 for 2021-22, and \$44,734.81 for 2022-23. Motion was seconded by Rich Schlameuss and carried unanimously, 4-0.

9.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the award of bids for Athletic, Custodial, Medical, and Tech Ed supplies to the lowest responsible bidders as presented, pending review of all items. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

10.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to recommend that the Board consider for approval the appointment of the following depositories for the accounts listed for the 2020-2021 fiscal year. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

1. ESSA Bank and Trust, East Stroudsburg, PA – General Fund, Payroll, Tax Collections, Tax Escrow, Workers' Comp Escrow, Scholarship Accounts, Special Activity Accounts (North and South), Student Activity Accounts (North and South), Cafeteria Fund, Concession Fund, and PayPal
2. Pennsylvania School District Liquid Asset Fund, Lancaster, Pa – General Fund.
3. Pennsylvania Local Government Investment Trust, Harrisburg, Pa – General Fund, Cafeteria Fund, and Capital Reserve.

11.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to recommend that the Board consider for approval the formal resolution for the 2020 Homestead and Farmstead Exclusion. This will result in a maximum tax reduction of \$441.57 for each approved homestead and farmstead within the School District for the 2020 tax year. Motion was seconded by George Andrews and carried unanimously, 4-0.

12.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to recommend that the Board consider for approval the adoption of the General Fund Budget for the 2020-21 fiscal year in the amount of \$165,285,625 in the amounts and categories provided. Motion was seconded by Rich Schlameuss and carried unanimously, 4-0.

13.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the Recommendations by the Property & Facilities Committee as indicated on this agenda. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

X. **NEXT MEETING** – July 13, 2020 at 5:30 pm

RECOMMENDATION BY THE COMMITTEE:

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

XI. **ADJOURNMENT: 7:32 P.M.**

Respectfully submitted,

Patricia L. Rosado
Board Secretary