

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

July 13, 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, Annamarie Bauer, Steven Booth, Brian Borosh, Maria Casciotta, Melissa Collevechio, Diane Kelly, Tom McIntyre, Ryan Moran, William Riker, Patricia Rosado, William Vitulli and Steve Zall.
- IV. **Community Members Present:** Lisa Massa

Other: Jamie Doyle, Public Financial Management
Mike Stramara, PA School District Liquid Asset Fund

V. APPROVAL OF AGENDA AND MINUTES

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to approve the agenda for July 13, 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 Andrew and carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to approve the minutes of the June 8, 2020 meeting. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

VI. ITEMS FOR DISCUSSION:

a. Refunding of Bonds

Ms. Jamie Doyle, Managing Director, PFM Financial Advisors, LLC, said the refunding opportunities coincide perfectly with the fact that we have set new all-time low interest rates in March. Due to COVID, interest rates went up but they are back down now. Page 1 of the handout indicates that PFM (Public Financial Management – Financial Advisors) is looking at refunding opportunities for four bond issues:
Series of 2013 with a principal outstanding of about 6.7 million dollars at an average existing interest rate of 1.990% with a final maturity date of 2027.
Series of 2014 with a principal outstanding of about 2.6 million dollars at an average existing rate of 1.920% with a final maturity date of 2022. This will not produce savings but Ms. Doyle said they will keep an eye on it since it is close to maturity.

Series of AA of 2014 with a principal outstanding of about 6.5 million dollars at an average existing interest rate of 2.377% with a final maturity date of 2025.

Series of 2015 with a principal outstanding of about 4.4 million dollars at an average existing interest rate of 2.008% with a final maturity date of 2023.

The three bonds are producing about \$386,000 of net local effort savings at a 2.17% of refunded principal. Given the fact that the maturity rates are so short, PFM is proposing the dual track process where the results of a bank loan RFP process are simultaneously compared to the current bond market to select the option that maximizes net local effort savings.

Page 2 demonstrates the current market conditions.

Page 3 includes the district's summary of outstanding indebtedness. If the district does nothing, they continue paying the debt as is. The bottom of the page contains the PE %, which are the reimbursable rates. It also includes the local share still using 19/20 rates the new rates do not come out until August. This percentage may change.

Page 4 summarizes the 2020 refunding plan. Ms. Doyle said she is looking to structure some savings into this year but the most savings will be during the ending of the 2022 SY. The existing local effort totals \$131,763,565 if the district does nothing and if refunding works out. The district could end up with an overall local effort of \$141,376,148.

Page 5 is the remaining Series of 2013 bonds information. If the district did nothing the interest rates would remain at 1.990% with a total principal of \$6,795,000.00. All refunding opportunities are contingent upon the district making the September 1st payment.

Page 6 is the remaining Series AA of 2014 bonds information. If the district did nothing the interest rates would remain between 2.000-2.500% with a total principal of \$6,560,000.00. All refunding opportunities are contingent upon the district making the September 1st payment

Page 7 is the remaining Series of 2015 bonds information. If the district did nothing the interest rates would remain between 2.000-2.200% with a total principal of \$4,410,000.00. All refunding opportunities are contingent upon the district making the September 1st payment.

Page 8 shows how much money the district needs to pay off the Series of 2013, Series AA of 2014 and Series of 2015 bond principals.

Page 9 is how the new amortization schedule would look like notwithstanding the debt but replacing the old interest rates with new rates. There is a sensitivity of 10 basic point (0.10%). It may fluctuate up or down.

Page 10 contains the sample motion for consideration of when the Board would like the finance "team", Public Financial Management – Financial Advisors, Eckert Seamans Cherin and Mellott – Bond Counsel and the district's Solicitor, to proceed. If the Board votes at the July 20th meeting authorizing the team to proceed, they will begin on July 21st to distribute bank loan and RFP with a due date of August 11th. The team will be back at the August 17th with a Debt Resolution and a settlement date of September 21st or later for their consideration.

Ms. Bear asked if what Ms. Doyle presented include net fees or post fees. Ms. Doyle said they are net fees. Ms. Doyle said they budget fees and hope to come under what is estimated to be. The biggest components of the fees are determined through the competitive process whether is through the bank RFP loan or bond issue. Whichever turns out to be more competitive, would help determine a competitive process through the underwriter and bond insurance cost. Ms. Bear said the last underwriter was too expensive. Ms. Doyle said that is why it boils down to the true interest cost. Some underwriters have higher fees but a lower rate or some underwriters have a lower commission but higher fee. PFM recommends the lowest interest cost. Ms. Bear said she is a Financial Advisor and handles these types of sales; therefore, felt they were too expensive. She suggested that they ensure that the fees are built in. Ms. Doyle said that on page 9 it indicates what the district's and State's share would be. Ms. Bear said they will also have to see the bank fees in order to determine which is the best cost savings. Ms. Doyle said their fees are all over the place and it is why PFM is suggesting the dual track process. Banks were not an option after federal tax reforms but now they are back in full force. PFM does not want to leave any stone unturned. PFM wants to secure the best savings to the district. Ms. Bear asked if the maturity date will be extended to 2022, which is the latest maturity date if the district went the bank route or will it be a staggered maturity date. Ms. Doyle said three issues pay current principal and interest in September and interest only in March. Page 9 mirrors the repayment schedule with a bank loan or bond issue. Ms. Bear asked if we will keep the same maturity date of will they stagger the maturity of the loan. Ms. Doyle said the breakdown is stated on page 9.

b. Investment Strategies

Mr. Mike Stramara, VP-Relationship Manager, PSDLAF (Pa School District Liquid Asset Fund), presented the following information:

He said PSDLAF are the investment advisors for the district. The district and PSDLAF have a long-standing relationship in relations to helping the district get as much as a return they can get with their cash flows and assets to provide safety and liquidity. Mr. Stramara said Ms. Doyle hit mentioned that there is savings due to extremely low interest rate, which is great for reissuing bonds but not good on earning on the cash that the district has. Fortunately, the district is in a healthy cash situation.

Pages 1-3 include some commentary information that he will not go over tonight.

Page 4 states that the greatest challenge we are facing is COVID 19. This was not planned for; therefore, there is no textbook on this. A year ago there were concerns about the economic slowdown but then COVID hit. The equity side of things is doing well because the stock market has performed well. He will discuss tonight Where We Are, Where We May Go, and What Has Helped Us Get to Where We Are Today. The Federal Government has done an amazing job in trying to keep the market liquid. They have also helped banks but we do not know how much more they are going to do. Since COVID occurred in March, what has happened to GDP (Gross Domestic Product)? Numbers are greater than the banking crisis of 2008/2009 due to the housing market. Today we are dealing with people not working; therefore, they are not getting a paycheck. What will the long term affect be? Our economy lives on spending, earning, and borrowing. We have a big bump that we do not know how we will navigate.

Page 5 shows that there has been a significant drop in employment. Jobless claims have slowed down but it is higher than the all-time high. Millions of jobs are being loss every

week. What to do we do with the district's money? Banks and bonds earn barely nothing. A lot of money is going to the equity market, which is good because it shows confidence in our economy. Is this a reality or are we just not sure what to do since we have not been here before? Interest rates were messy and they were cut to 0%, which is similar to what they did in 2009/2010.

Page 6 – states that the Feds have provided a ton of liquidity in the market and tremendous amount of stimulus to individual taxpayers and companies. They continue to support the short-term markets. The fear that lies out there is if the does Feds go to a negative interest rate environment, this will probably be more detrimental than helpful.

Page 7 states that a year ago the rates were around 2% but now we are down to about .7%.

Page 8 states that due to the CORONA Virus there is uncertainty in the markets. Elections are coming up this has taken a back seat. There is also the issue of corporal earnings, oil prices, etc. Mr. Stramara said his firm will keep an eye on all the issues. GDP is expected to be negative for the year. We were shooting for 2% and but now we are looking at negative 7%. The numbers chart in the bottom shows you that there has been a deep and slow recovery to impact GDP. The Feds can provide liquidity but not revenue, which cannot reduce the number of defaults. Equity markets are not supported. Some sectors will fare better than others.

Page 9 shows a graph about the market.

Page 10 indicates that school districts are restricted to what they are legally permitted and not permitted to own. Safety of our funds should always be on the top of the list because we are dealing with taxpayers' money. Access is also important; therefore, liquidity is important. Lastly, Yield is important, which deals with risk vs. return.

Page 11 has information to help us understand what the district can and cannot do. The permissible investments in PA are outlined in the Public School Code of 1949, 24 P.S. 4-440.1 and Act 72 of 1971, which created an environment where we can deposit millions in a bank as long as they comply with the Act. Act 10 of 2016 expanded the permission of investments. Security and Collateralization is through Federal Insurance, Pooled Collateral, specifically pledged securities, and FHLB Letter of Credit.

Page 12 has a charge of Permissible Investment Landscape. Section 440.1 permits investments per the school code, which is what existed prior to Act 10. Permissible items were Direct Obligations of the US Government, Obligations of U.S. Agencies and Instrumentalities (short term), Banking Products, Local Government Investment Pools, and Municipal Debt. The district can own Municipal Debt but for a short term. This will not help with an operating cash flow and interest rates are tax exempt; therefore, lower. Some markets make sense but supplies are very challenging. Originally Repurchase Agreements, Shares of an Investment Co. and Pooled FDIC Insured CD ReDeposit Program were part of Section 440.1 but in Act 10 of 2016 they changed. According to Act 10 of 2016, the school district can now buy Debt Obligation of any Federal Agency, Instrumentality, GSE, Bankers Acceptances and High Grade Commercial Paper and high-grade Commercial paper and Negotiable CDS are also allowed in excess of \$250,000. The CDS carry high credit ratings. The district cannot buy gold, platinum, bonds, etc. We need to work within the guidelines that are set forth for the Commonwealth of PA.

Page 13 includes the Four Components of Strategy, which are Risk and Return, Cash Flow Profile, Diversification and The Yield Curve. Cash flow are the weekly receipts and expenditures.

Page 14 includes the School District Operating Cash Flow, which include Revenue (Taxes and State Aid) and Expenditures (Payroll, Debt Service, PSERS) and Healthcare, Payable, etc. Page 14 also includes School District Capital Project Cash Flow which include Bond Issuance, Draw Schedule and Spending Requirements.

Page 15 includes a graph of the district's Fiscal Year Performances from the last two school years. The district earned about 1 million dollars. Last year, the district ended the fiscal year in with an interest of less than half of a percent. Now it is 0.25%.

Mr. Dymond asked how has PSERS faired so far. Mr. Stramara said as far as he knows it is okay. The equity market helps PSERS quite a bit. Fortunately for school districts, PDE kept the funding leveled this fiscal year. The district received the same amount that they received last year. We were hoping the amount went up 1 million dollars, which should have been distributed to the schools but the level funding is phenomenal. He said his question is where will they get the money to do level funding since they have financial issues. He said he has not heard any news that there was an impact on PSERS. He does not have anything negative to report at this time. He said Mr. McIntyre may have more information on this topic.

Page 16 includes the rates from July 13, 2019, which was at 2.6%, March 13, 2020, which was at .25% and today, July 13, 2020 it is at approximately 2%. Mrs. Bear asked what is the district currently invested in. Mr. Stramara said the districts investments include FDIC CDS and collateralized CDS. Mrs. Bear asked if the maturity dates are short or long. Mr. Stramara said the CDS have short-term maturity dates. The FDIC's rates are still a mid to low 1%. Unfortunately, due to the size of our district, the FDIC are a quarter of a million dollar a piece, which is not too significant. Mrs. Bear asked what are the normal terms that are used for the CDS. Mr. Stramara said his firms has been keeping them around a two-year maximum or shorter. Mrs. Bear asked if the district is allowed to use an online bank rate because some of them have a higher rate. Mr. Stramara said absolutely as long as their deposit is secured. If the district gives the bank more than a quarter million dollars, the bank needs to provide collateral against the excess that was deposited. Mrs. Bear asked if the banks are willing to do that transaction or will they just take the maximum of \$250,000.00. Mr. Stramara said they normally do not but the district can deposit in multiple banks if the rate is good. A lot of times banks offer online rates for individuals and not a corporate entity. He said his job is to reach out to as many banks and have them collateralize the deposit and give the district that best rate. Unfortunately, some banks may not pay for that collateral. Mrs. Bear said she has seen brick and mortar banks have two separate entities. Mr. Stramara said he has heard of some that do and he has called them but sometimes it is challenging. He said his job is to help the district find the best rates. Mrs. Bear asked if the district can deposit into a brick and mortar bank and an online bank. Mr. Stramara said only if both have the same FDIC number then the district can have it at both. Banks do not want big school money right now because they have so much cash. Mrs. Bear asked if there are certain institutions that do not want district money. Mr. Stramara said that is correct due to the gravity of the liability. He said he could not come in person at this time but can in the future if they need him to. Mr. Andrews thanked Mrs. Bear and Mr. Stramara for the information because he learned a lot from this presentation.

c. Food Delivery update

Ms. Melissa Collevechio said they have served over 4,800 meals since July 1st. Adult distribution is going well even though it is slightly lower than what they expected but the feedback is positive. The average daily reimbursement for a student meal is \$2.97. The projected reimbursement for July is \$317,000.00. The total projected expenses for July is \$266,000 with a profit of \$51,000. They currently have 34 employees working the summer meal program. They anticipate having staffing issues in August due to some staff members taking vacation time but they will work through this issue. Mrs. Bear said she is glad this is happening especially with the delivery of lunches. Mrs. Bear asked if adults are going to the pickup bus stops as opposed to the schools. Ms. Collevechio said they adults are happy with the program and about 50 are taking advantage of it. Mr. Schlameuss asked how many are grabbing lunch in total. Ms. Collevechio said about 70 adults are receiving lunch. Mrs. Bear said this is a lot of people. Many individuals did not realize that it was for adults, too so they are finding out now. Mr. Andrews asked if any adult has been turned down. Ms. Collevechio said no one has been turned down. Mr. Schlameuss said this program will help with the fact the senior centers are closed. Mrs. Bear asked if the district can deliver to the senior centers. Mr. Schlameuss said they are closed. He asked if the district can deliver to Shirley Futch Plaza or other housing areas. Ms. Collevechio said she is not familiar with this facility but can look into it. Mr. Schlameuss said he will send her the information. Mrs. Bear thanked Ms. Collevechio and said she looks forward to working with her during this school year.

d. FortiGate Firewall Bid Results

Mr. Brian Borosh said the district put out a bid for a fire wall because the current Fortinet Firewall is over five-years old. Four vendors bid and Integra One was the lowest bidder at \$228,254.00. Mrs. Bear asked if the other vendors offer the same services as Integra One. Mr. Borosh said that they do. Mrs. Bear asked if it's Mr. Borosh's opinion that the district use Integra One. Mr. Borosh said that the district has worked with Integra One and SHI in the past and they are both qualified to do the work but Integra One is the lowest bidder. Mrs. Bear asked how long is the contract for. Mr. Borosh said the contract is for two appliance firewall boxes and five-year maintenance. Mrs. Bear asked if the product is being financed or paid for. Mr. Borosh said the expense will be covered by the Cares Act; therefore, it is fully funded by the Federal Government. Mr. Andrews asked if we waited a month in order for him to read everything, will that change the quote. Mrs. Bear said there is not much in the quote. This was discussed in detail already and now Mr. Borosh is bring the Committee the cost. Mr. Andrews said the cost is \$50,000 a year. Mrs. Bear said the cost will come out of the grant not our budget. Mr. Dymond said he thought the grant money was being used for something else. Mrs. Bear asked Mr. Borosh to reiterate where the money is coming from. Mr. Borosh said the expense will be incurred by the Cares Act. Mr. Andrews said he agrees with the expense as long as it is not coming out of the General Budget, since money is tight right now. Mr. Borosh said he is available to speak to Mr. Andrews anytime to answer any of his questions. Mr. Andrews said his concern is with the General Budget since we will need funds to implement many preparations due to COVID19, such as Google Classroom. Mrs. Bear said we will need a new firewall for the Google Classroom. Mr. Andrews said they will need to buy cameras, mics, etc. This will be a big expense that has to be incurred in order to help the students that cannot come to school. Mrs. Bear said we will need to make sure that our current bandwidth supports any type of online learning with our current system; otherwise, our plans are useless without it. Mrs. Bear asked if we need this product in order to support all internet within our school district. Mr. Borosh said the current network we have is a bottle deck; therefore, we cannot use any additional bandwidth until we update this appliance. Mrs. Bear asked if we have to

do learning from school, we will need it. Mr. Borosh said that is correct. Mrs. Bear asked if the Committee members are in agreement to move this forward in order to get ready for the start of school. She said we can recommend this item to be placed on the agenda and then Mr. Andrews has time before the Board meeting in order to get his questions answered. Mr. Andrews said he is fine with placing this item on the agenda. He said he just wants to make sure that we have everything in place for the students to begin school.

e. Lyman & Ash Invoice - \$17,377.50

Ms. Bear said she read through everything and asked if anyone has any questions. The total bill is high. Mr. Andrews said the bill is for three months; therefore, it is equal to what we pay for other law firms. He does not know why we only have to review Lyman and Ash invoices. We seem to be picking and choosing who is on the agenda. If we place Lyman & Ash on the Finance Committee agenda then we should be placing all of the other law firms, too. Mr. McIntyre said that the reason Lyman & Ash is placed on the agenda is because the Committee asked for the bills to come through the Finance Committee in order to approve them but he has no problem with stopping this procedure. Mr. Andrews said he believes it is unfair that we are picking on one law firm. It would be fair if all law firms would be placed on the agenda. He said he is not criticizing Mr. McIntyre but just making a statement. Mrs. Bear asked if we can make a decision tonight to place all law firm bills on the agenda if they are over a certain amount. Mr. Schlameuss said another option is to have all bills excluded from the agenda. Mrs. Bear suggested discussing this item at Executive Session. They can decide whether to get copies of all invoices from all of the law firms. Mr. Andrews said he does not see what the difference will be if they get copies of invoices at Executive Session or on the agenda. Mr. Schlameuss suggested that they get copies in their Board Book but not place them on the public site. Mrs. Bear said she agrees. Mr. Andrews said he just thought it was wrong to just put Lyman & Ash invoices on the agenda and not the other law firms. Mrs. Bear said this topic can be discussed at Executive Session. Mr. Dymond said the dollar amount of the invoices is a reflection of the struggle to find documents to move forward. This has been a problem since day one. Lyman & Ash had a hard time getting items they need. There are a few documents from the architect. There is no verification. If the district had a better filing system, the process would have been easier. We would have litigated and be over and done with.

f. DocVerify Software

Ms. Ann Bauer said she is the Child Accounting Coordinator and she supervises the Registration Department. She said she is here tonight to present on a software that provides dual editing. During COVID 19, she was tasked with bringing registration online. She revamped all paper forms that were not user friendly into the adobe software. Parents fill out documents and submit them via email. At the moment, they are not notarizing the necessary documents. The Act 26 form requires notarization. We also notarize any affidavits such for as for homeless, home school, and these types of situations. Pennsylvania passed SBA 41, which opened access for public schools to notarize through a remote process. Pennsylvania also provided all LEAs an approved notary vendor. After reviewing the list and soliciting bids, it was determined that the only one that offered remote online notary services for school districts was docverify. She said she provided the Committee with supporting documentation. Currently we have three staff members with notary licenses. She said she is looking to have two of the notaries be able to provide remote online notary. The annual cost is \$10,080 for 12 months. She arrived at this figure by taking into consideration the average per month. The notary application fee is \$200 (\$100 for each). She said she is requesting the Board's approval for this purchase. She said she completed form 611 and indicated that it would come from her department's

budget; however, she learned that this purchase will qualify as a Cares Act expense. Mr. Schlameuss asked how can we insure that this will only be used for enrollment. Ms. Bauer said the licenses are for the two employee in her department that are notaries. Mrs. Bear asked if they will notarize for anyone else. Ms. Bauer said the process is that the notary sends the parents the documents that need to be notarized and verifies all documentation. The system then creates a log and keeps it electronically. The system is very secure to ensure that the parent's rights are being protected and no information will be shared. Ms. Bauer said they will not be sharing these licenses with anyone in the district. Ms. Bear asked if this program will be used for registration only. Ms. Bauer said absolutely. Mr. Andrews asked if there are other companies that do this type of service. He said he has completed this process with other companies. He asked if this company is the best one out there. Ms. Bauer said she reached out to 12 notary companies and all of them that are PA acceptable only provide for real estate or mortgage bookers. They do not support school districts. Docverify is the only one that deals with education institutions. Mr. Dymond said the cost is about \$10,000 but will they also charge \$2 dollar per form after that. Ms. Bauer said the \$2-dollar extra security feature is optional. She said she does not feel that it is necessary or required by PA Notary. She said her office was not going to use this feature. Mr. Dymond asked if the average registration is 152 a month; therefore, it is about 600 a year. Ms. Bauer this is the amount for transactions of documents. Each credit equals a documents; therefore, 152 is a result of 12 months for about 4 documents. Ms. Bear asked if they register 152 students per month. Ms. Bauer said it an average. She said she downloaded registrations for one year and divided it by 12. Mrs. Bear asked if she is going to have people available to register in person. Ms. Bauer said they have options for in-person registration if the family does not have technology. Not one family has indicated to them that they cannot complete registration online. Ms. Bear asked if they can complete a registration on their phone. Ms. Bauer said they can use their phones, ipads computers, etc. If a family needs to come to the office, they can register the old fashion way. Ms. Bear asked if the only people doing the notary are the two notaries in the office and not the company. Ms. Bauer said that she is correct and this is only for the Registration Department. She said every parent will have at least one notary transaction to complete per student, the Act 26 form. There may be other documents such as an affidavit. Ms. Bear asked what are we doing right now. Ms. Bauer said they are not notarizing; therefore, it is a concern. PA will not allow zoom notarizing. Ms. Bear asked if the district has to go through this service. Ms. Bauer said, yes, they are accredited through the State of PA; therefore, they are secure. PA feels Zoom is not. Mr. Dymond asked if Adobe can be used for signing documents. Ms. Bauer said Adobe can be used for signatures but not for online notary. Adobe does not have a notary function nor is it secure. Ms. Bear asked if the district will have to go back and notarize all documents that were not originally notarized. Ms. Bauer she believes that because they were forced into this situation the State will allow them to have that grace period to move back into service. Mr. Dymond asked if this contract is for one year. Ms. Bauer said that is correct. Ms. Bear said if the State goes back to normal next year, they will go back to in-person notarizing. Ms. Bauer said that is correct. Online has cut the time allotted for registration in half because often parents forget a document and have to return but now they are home with the documents and produce them immediately. Mr. Dymond and Mr. Schlameuss said they are concerned with the possibility of fraud occurring. Ms. Bauer said the company is secure. Mr. Dymond said individuals often have many addressed and documents that can contribute to fraud. Ms. Bauer said she does not feel that this is a problem because if she sees a questionable document it can be looked into. Also, our policies allow us to further investigate if we see a concern. Mrs. Bear asked what type of training do the notaries have to go through. Ms. Bauer said Docverify does training but she does not know the extent of it. She knows they

provide 24/7 support and are user friendly. She said she, as their Supervisor, is also available to support the two notaries who she believes are capable and bright. Mr. Andrew said Ms. Bauer did a great job with the presentation because she answered all of his questions. Mr. Schlameuss said he was concerned about this process but sees the value of it for this particular year and circumstances.

g. Current Projects within the District

Mr. Tom McIntyre said he provided the Committee with the usual update of all of the projects in the district. The North Roof Project began again. Resica Elementary's Roof is almost done. The Flooring Project at Resica and J. T. Lambert Schools are continuing. Mr. Andrews said he didn't see the list of projects. Mrs. Bear said the projects listed are for the roofs, flooring and cameras.

h. Year End budget transfers and assignment of Fund Balance – Discussion

Mr. Tom McIntyre said he will place on the Regular Board meeting agenda a yearly motion, which states that a Board approval is needed for him to perform his year-end budget transfers and accruals throughout the year to prepare the year end budget. Mr. Andrews said he does not see any backup documents on what he is speaking on. Mr. McIntyre said there are no documents to present because it is what is normally done through budget transfers. Mr. Andrews said he has a problem with not seeing any documents as backup. Mr. McIntyre said he has no documents to present since it is just a motion that the Board will need to approve in order for him to prepare the year-end process. Mrs. Bear said Mr. McIntyre is making us aware that he will be placing this motion on the agenda in order to comply with the State Law. Mr. McIntyre said it is not a dollar amount but adjustments that will need to be made in order for him to complete the final year-end preparations.

VII. RECOMMENDATIONS BY THE PROPERTY & FACILITIES COMMITTEE:

- a. Application for Payment #2 Cope Commercial Flooring – Resica Elementary Flooring replacement \$65,700.00
- b. Application for Payment #2 Lehigh Valley Flooring – JT Lambert Flooring replacement \$291,925.80
- c. Application for Payment #2 Guyette Communications Industries – JT Lambert Camera Installation \$43,191.00
- d. Application for Payment #4 CRCS, Inc. – HS South Camera Installation \$1,500.00
- e. Application for Payment #7 Jottan, Inc. – HS North/Lehman Roof Replacement \$684,263.62
- f. Application for Payment #10 C&D Waterproofing – Resica Roof Replacement \$35,737.95 (Contingent the District receives a copy of the certificate of occupancy by the Board Meeting)
- g. D'HUY ENGINEERING INVOICES
 - i. Invoice #51236 \$12,000.18 - High School North Roof Replacement
 - ii. Invoice #51237 \$3,700.46 - Resica Elementary/Middle Smithfield Elementary Water Filtration
 - iii. Invoice #51238 \$8,180.03 - High School North Sanitary Liner Replacement
 - iv. Invoice #51239 \$5,887.40 - J.T. Lambert/Resica Elementary Flooring Replacement
 - v. Invoice #51240 \$4,175.70 - High School South Pool Grouting

- h. HS North/Lehman Door/Window replacement
 - i. Recommended the proposal from A.G. Mauro Company in the amount of \$59,185.00 for the replacement of the Door and windows at HS North and Lehman Intermediate school.
- i. HS North Boiler Repairs
 - i. Recommended the proposal from H.T. Lyons in the amount of \$7,730.00 to make repairs to the Boiler at HS North.
- j. C&D Waterproofing – Resica Roof Replacement Change order #1 – Decrease of \$28,556.00 for unused project allowances.

Mr. Larry Dymond said that he agrees with items a-g as listed above but not with h and i because these projects have not started. Mr. McIntyre said that he was given the list of items from the Facilities Department as a result of the Property/Facilities Committee meeting. Ms. Lisa VanWhy said that she does not have the information in front of her. Mrs. Bear said the items say that they are for the replacement of windows at H.S. North and Lehman Intermediate. Ms. VanWhy said they are approving for the window project and boiler repairs to begin the project. This is not an invoice. Mrs. Bear said we are approving the cost not the payment.

Mr. Dymond asked if they are not approving h and i. Mr. Schlameuss said they are not approving invoices but the Property/Facilities Committee approved the proposals in order for them to start the work. Mr. Dymond said Mrs. Bear said they were approving the payment of the invoice. Ms. Bear said she misspoke. Mr. Andrews said if the inspections of the projects are not done, then, bills will not be paid. Ms. VanWhy said these are not bills just proposals.

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 that the Board of School Directors of the East Stroudsburg Area School District (the “School District”) does hereby authorize the Administration to work with PFM Financial Advisors LLC as Financial Advisor, Eckert Seamans Cherin & Mellott, LLC as Bond Counsel and the Solicitor in conjunction with the issuance of General Obligation Bonds or Note, Series of 2020, via the dual track process between a bank loan and a bond issue, the proceeds of which will be used towards the current refunding of the District’s Series of 2013 Bonds, Series of 2014 Bonds, Series AA of 2014 Bonds, and Series of 2015 Bonds at a minimum net savings target of 2.00%. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

2.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to approve the proposal from IntegraOne in the amount of \$228,254.00 for two Fortinet FortiGate Firewalls. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to have a discussion at Executive Session regarding all legal bills to determine if they will be provided to the Board and not for public view. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

4.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the proposal from docverify for remote online Notary capabilities for the Student Registration Office as presented. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

5.

RECOMMENDATION BY THE COMMITTEE:

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

6.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the payment of invoice #3196 from Lyman and Ash in the amount of \$17,377.50 for Special Construction Counsel. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

X. **NEXT MEETING** – August 10, 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: 7:20 P.M.**

Respectfully submitted,

Patricia L. Rosado
Board Secretary