

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
November 9, 2020
Administration Center Board Room & 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:** Diane Kelly, Anthony Calderone, Tom McIntyre, William Riker, Patricia Rosado, and William Vitulli.
- IV. **Community Members Present:** None

I. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to approve the agenda for November 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 Richard Schlameuss to approve the minutes of the October 12, 2020 meeting. Motion was seconded by George Andrews and carried unanimously, 4-0.

V. **ITEMS FOR DISCUSSION:**

- a. Printing for ESACA workbooks for K-5 Students – Working Dog Press - \$12,794.00
Mrs. Bear asked if the district is able to print the workbooks due to Copyright Law. Dr. Vitulli said the district has the rights to do so. Mrs. Bear said she was asking so that the district does not get any Copyright infringement notices for doing something that we are not supposed to do. Mr. Schlameuss said that the number of pages that are being copied are numerous. Mrs. Bear said the district is getting 479,170 copies on twenty-pound paper. Mr. Andrews said we are getting 4,160 book sets and asked if this amount would be for this year and next year. Dr. Vitulli said the workbooks are for the 2nd half of this school year for 1,000 plus children. Mr. Andrews asked if each student gets a couple of books. Mrs. Bear asked if the booklets will be mailed out to the students. Dr. Vitulli said the students will have access to pick-up points around the school district. Mrs. Bear said when students have hybrid classes, they do not get paperwork but does ESACA get paperwork. Dr. Vitulli said the program is a combination of on and offline work; therefore, the workbooks supplement the online work. Mr. Dymond asked if the expense to print these workbooks is covered through a grant. Dr. Vitulli said the expense is being paid through a

grant like he indicated on form 611. Mrs. Bear asked if the district will need to buy more copies for the 2nd half of the semester. Dr. Vitulli said this expense is for the entire 2nd semester. Mrs. Bear said the workbooks will be used from January to June. Dr. Vitulli said normally these books cost about \$200 for a pack of four; therefore, this will be a great savings to the district. Mrs. Bear said the total for the printing is \$11,998.00 plus the shipping fee of \$398, which totals \$12,396.00. Is there a possibility that the copies can be picked up? Dr. Vitulli said he can check if they can be picked up.

b. 150 E-Dynamics Courses for ESACA – Edgenuity Inc. - \$14,100.00

Mrs. Bear asked what is the difference between this workbook compared to the above mentioned workbook. Dr. Vitulli said that E-Dynamic courses are a new set of courses being provided to cyber students. The original budget was for 100 courses but the district now has 150 new career-oriented courses i.e. restaurant services. Mrs. Bear asked if the courses are only being offered to ESACA students. What about the brick & mortar students that are in school stuck in study halls because their classes got canceled due to not having a teacher to teach the class? Why aren't these courses being offered to them? Dr. Vitulli said they can be offered if the Board would like to purchase more. Mrs. Bear asked if these course were only ordered for the ESACA students. Dr. Vitulli said they are being ordered for the ESCA students to take during the 2nd semester. Mrs. Bear said these courses should be also offered to brick and mortar students in order to help them have the classes they wanted but did not get such as her sons and some of his friends. Mr. Andrews asked what grades are these for. Dr. Vitulli said these courses are for 9-12 graders. Mrs. Bear said due to COVID, we had to switch teachers; therefore, the brick and mortar students did not get all of the classes they wanted. Mr. Dymond said anything the district can do to provide the students to help them decide on a career path, should be afforded to all students. Mrs. Bear said even if we go back to normal, why can we not have virtual courses that can help students choose a career. Dr. Riker said virtual courses are the new normal now. Dr. Vitulli said his original order was already exhausted and he wanted to provide a pilot program but didn't expect the amount of interest they got. Mrs. Bear said we should make it fair and equitable to ESACA and brick and mortar students. Mr. Dymond asked how much would it cost to get more books. Mrs. Bear said the district would need to get more e-subscriptions. Mr. Schlameuss said they are \$94 per unit. 150 divided 14,100 = \$94. Dr. Riker said the district can offer any student who is sitting in a study hall a course listing to see if they are interested in joining any particular course during the 2nd semester. Mrs. Bear asked if it would need to be the entire 2nd semester and not the marking period. A letter can be sent out informing students of the choice. Mr. Dymond said guidance counselors should be notified. Mr. Schlameuss said the Administrators will take care of all of the particulars. Dr. Vitulli said we will need to hire a person to monitor the student's new schedule as a Schedule B position. Mrs. Bear asked why can the students not just log into the course. Dr. Vitulli said they can but a teacher will be needed to monitor the course and apply the grade. Mrs. Bear said the Schedule B position can be discussed when it is needed.

c. Auditorium Lights & Switches – Center Stage Lighting & Rigging - \$10,452.00

d. Application of Payment #8 Trane – North HS/Lehman ATC upgrade - \$283,863.79

e. Replacement of Ice Machine at North HS – Commercial Refrigeration - \$6,218.00

Mrs. Bear said it was brought to her attention that the above mentioned items c. d. and e. were not discussed at the Property/Facilities Committee meeting. Mr. McIntyre said he placed the three items on the agenda, because he received them after the Property/Facilities Committee met. He apologized if they are not in agreement, but he did not want to hold up the payments. If the Finance Committee would like him to forward the items to the

Property/Facilities Committee, he can for them to place on the agenda for their next meeting. Mr. Andrews said these three items should have been given to the Property/Facilities Committee. Mr. McIntyre said the three items were not received in time for the Property/Facilities Committee meeting. Mr. Andrews said these items should then be forwarded to the Property/Facilities Committee for their next meeting. Mr. Schlameuss said Mr. McIntyre said he just got them. Mr. Andrews asked what is the purpose of their committee if we do not forward the appropriate items to them. Mrs. Bear asked if these project were approved. Mr. Andrews said the Property/Facilities Committee did not receive it prior to now. Mrs. Bear said what she is asking is if the projects were already approved and are these payments that are being submitted. Mr. Schlameuss said he believes letter d. would be one item that was approved and they are submitting it for payment now. Mr. Andrews said the application for payment should not be approved since the Property/Facilities Committee does not know if everything was done. Mr. McIntyre said the Josh Grice said this is the last payment. Mrs. Bear said it is up to Mr. Dymond and Mr. Andrews to determine if they want the Finance Committee to approve it or move it to the Property/Facilities Committee meeting. Mrs. Bear said another option is if the Property/Facilities Committee members want to forward the items to Monday's agenda and decide over email if they want to take action on it on Monday. Mr. McIntyre said he received from the North Campus the ice machine information on Friday. Mr. Schlameuss asked if North has an ice machine. Mrs. Bear said they do but it is broken. Mr. Dymond asked if this is the original machine they had from the beginning of when the school opened. Mr. McIntyre said he is not sure. All he knows is that the lowest bid was chosen. The Finance Committee can wait on this item if they wish. Mr. Dymond said in the past, several vendors have told individuals that their machine needs replacing but it may be just a part that needs to be fixed. Mr. McIntyre said he can speak to North to see if they want to get a second opinion. Mr. Dymond said if this is the original machine, it most likely needs replacing and \$6,000 is a good price for it. Mrs. Bear asked if the auditorium lights and switches project is part of the five-year plan. Mr. McIntyre said it is not. H.S. South is saying the switches are failing. Dr. Riker said Mr. McIntyre would like to get some direction from the Finance Committee that if he receives items such as these, should he give them to the Property/Facilities Committee or can he place it on the Finance Committee agenda. Mrs. Bear said they should go to the Property/Facilities Committee for review and discussion. Dr. Riker said he would like to clarify that these items were not omitted from the Property/Facilities Committee meeting agenda, they just came in after the committee met. This procedure may delay items one month. Mr. Andrews said the light switches need to be discussed. Dr. Riker said the district is not going to pick and choose which items should go to the Property/Facilities or the Finance Committee. Mrs. Bear said the payment should be forwarded. Mr. Andrews said all of these items should be sent to the Property/Facilities Committee meeting. Mrs. Bear said these items will be voted upon later on the agenda.

f. Annual Financial Report

Mr. Tom McIntyre said the Annual Financial Report (AFR) was sent to the Department of Education. The Board members were given the entire report. It is due on October 31st with a 30-day grace period but the Board asked him to submit it by the due date. Due to the auditors coming in late, they had to prepare the AFR within two weeks. He said his staff worked hard to get a four-week job done in two weeks. He thanked his staff. He went over the report as follows:

Page 13 - Statement of Revenue and Expenditures. Mr. McIntyre said as you can see, the General Fund is the main operating fund. The total revenue is \$158,651,750. The total Expenditures are \$158,322,633. Mr. McIntyre said there is an excess (deficiency) of Revenues in the amount of \$329,117 due to the sale of buses, computer recycling and proceeds from the bond financing. The total other financial sources total \$2,454,336.

Page 14 – Capital Reserve. The total revenue from local sources is \$312,243 in just interest. The total expenses are \$7,669,455 with an Excess (Deficiency) of Revenues in the amount of (7,357,212). This amount was all of the facilities operations that have been upgraded. Last year, the roof was the main project.

Page 16 - Fund balance. The net change in fund balance is \$2,783,453. The beginning fund balance on June 30, 2019 was \$49,144,941 in the general fund.

Page 17 – Capital Reserve. The net change in fund balance was an operating loss of (\$7,357.212). In the beginning of the year it was \$20,735,337. The End of Year Fund Balance is \$13,378,125. Mr. Andrews asked if the district has approximately thirteen million dollars to work on projects. Mr. McIntyre said that is correct.

Mr. McIntyre said he gave a summary of the report but can go into more details if they wish. He said he can give the Board members at the next meeting more details on how there was a 2.7 million-dollar surplus in the General Fund. Mrs. Bear asked if it was due to our public transfer they made. Mr. McIntyre said there was several items that contributed to the surplus such as less overtime, class coverage, contract drivers, etc. due to COVID. He said he hopes to gather this information and present it at the next meeting.

Mr. Dymond asked if the total is about \$53 or 55 million dollars. Mr. McIntyre said on page 18 it shows all governmental funds. He said the net change in the fund balances between the general fund and capital reserve fund is negative (\$4,565,900). The beginning Fund Balance was \$67,356,492 but now it is \$62,790,502. Mr. Dymond asked if this is comparable to last year. Mr. McIntyre said it is. Ms. Bear said this is good despite everything that has happened. Mr. McIntyre our delinquent taxes were much better than expected. Our auditor allowed us to place the taxes collected in September, in last year's budget because we knew what the money was for. The extra million dollars from the State was also in the report. Mrs. Bear asked if the money that the Board agreed to move into the general fund was not needed. Mr. McIntyre said that would be for this school year not last year. Mrs. Bear said she hopes we will not need to do move that money. Mr. Dymond asked how much grant money was received. Mr. McIntyre asked if he is asking about grant money for COVID. Mr. Dymond asked what is the total for all grants. Mr. McIntyre said the money for the pandemic is about 3.1 million dollars. Mrs. Bear asked if that total is for last year and this year. Mr. McIntyre said it is for both years and some may be applied into a third year. Mr. Dymond said the total grants is probably five or six million dollar. Mr. McIntyre said that is correct if we include the Title I funds. Mrs. Bear said the new refrigerators were bought through grant money. Mr. McIntyre said the new refrigerators were brought through a grant that was part of the Food Services Department. Mrs. Bear said we also covered funds for food delivery. Mrs. Bear said our funds are better than in other districts. Mr. McIntyre said our district is a lot better off than other districts. Mrs. Bear thanked Mr. McIntyre and the Board members for the financial position that we are in. Mr. Andrews asked if the district will be replacing the school buses this year. Dr. Riker said the district owns them. Mr. McIntyre said the district owns them; therefore, it is up to the Administration to decide when they plan to recycle them. Mr. Andrews asked

who will look into this issue. Mr. Schlameuss said this item should be reviewed by the Property/Facilities Committee. Mr. McIntyre said this should begin to be looked at in order to create a plan for the recycling of the buses to determine how much money will be needed. This expense will come out of the Capital Fund. Mr. Schlameuss said one way or another we will pay for this expense by the increase of staff to repair the buses or by buying new vehicles and selling old ones. Mr. Andrews said they need to determine if they will buy propane or electric buses. Mr. Schlameuss said this is a discussion for the Property/Facilities Committee. Mr. Dymond said he spoke to Mr. McIntyre about speaking to Ms. Rohrer about getting major vendors so we can bring the names back to the Board. Ms. Rohrer told him that the buses we have are worth nothing so we will have to buy some. Mr. Dymond said new vendors should be gathered. Dr. Riker said two years ago at the Property/Facilities Committee meeting, he made a recommendation that the committee look at the tipping point of when we turn the buses in and get the most money for it or run them until they cannot run anymore. There should be a line item in the budget because we do not have money budgeted for this expense. An amount should be decided upon. Mrs. Bear asked if the last buses were purchased through a grant. Dr. Riker said there was a grant for the propane not the buses. Mr. McIntyre said the grant was for 1.5 million dollars. Dr. Riker said this matter should be considered whether you want to budget and how much. He said it would be about \$100,000 a bus. Mrs. Bear said we need to look at how many we need to replace. Dr. Riker said money needs to be budgeted first. Mr. Dymond suggest replacing $\frac{1}{4}$ of the fleet each year and place that amount into the budget. Mr. Andrews said he thought the buses could last about 7-8 years. Mr. Schlameuss said they can but what will be the value at the end of those years. Mrs. Bear said it is like buying a new car. Once you drive it out of the lot, it loses worth. Mr. Schlameuss said it depends on the mileage that is placed on them. Mr. Dymond said in four years you do have some value; otherwise, they will need more repairs. Mrs. Bear said we are at that point. Mr. Schlameuss said we passed that point. Mr. McIntyre said we need to see the life of a propane buses and if we want to continue. Mr. Schlameuss asked what is the lee time between breakdown, consumption of oil, etc. Having this information will help us determine the life the district can keep them. The labor and service that we have to put into them will assist in making this decision. Mr. Schlameuss said he would make the recommendation that the Property/Facilities Committee request miles between breakdown for first year of a vehicle, consumption of oil, etc. compared to newest fleet. Mr. Dymond said nothing was communicated to the Board when the propane buses were bought. The engines are gas hogs. Mr. Schlameuss said they can be, but how much will it cost to keep them going. This data should be at hand. How do we get this information? Dr. Riker said if the Property/Facilities Committee is interested in this information, the district will start to gather it. Mrs. Bear suggested that the Property/Facilities get this item on their next agenda. Mr. Dymond said there have been several issues with the buses. Mr. McIntyre said Blue Bird has been fantastic with crediting our account for repairs and reimbursed the district for the labor cost. A bus does not go down for a long period of time.

g. Current Projects within the District

Mr. Tom McIntyre said the report includes the normal projects that are on it every month. He said he highlighted the additions. Some projects are starting to wrap up. Mrs. Bear asked if we are done with the roof replacement. Is this the final payment? Mr. McIntyre said there are still some punch list items that need to be done. Mrs. Bear asked if the ATC project upgrade up North is done. Mr. McIntyre said the final payment, according to the Finance Committee, is going to the Property/Facilities Committee. Mrs. Bear asked if the flooring for Resica Elementary and J. T. Lambert Intermediate is done. Mr. McIntyre said

it is. Mr. Schlameuss said there is a decrease amount for this project. Mr. McIntyre said there is. Dr. Riker said the reason is because they did not use all of their retainer. Mr. McIntyre said this does not mean that there will be any cash back. Mr. Schlameuss said the district does not have to make any more payments for this project. Mr. McIntyre said this is a second decrease that has occurred. The first one was for the Resica Elementary and J. T. Lambert Intermediate project.

VI. RECOMMENDATIONS BY THE PROPERTY & FACILITIES COMMITTEE:

1. D'HUY ENGINEERING INVOICES
 - a. Invoice #51734 - \$30,000.43 - High School North Roof Replacement
 - b. Invoice #51735 - \$15,250.00 - Resica Elementary/Middle Smithfield Elementary Water Filtration
 - c. Invoice #51736 - \$14,589.65 - High School North Sanitary Liner Replacement
 - d. Invoice #51737 - \$2,938.50 - J.T. Lambert/Resica Elementary Flooring Replacement
 - e. Invoice #51738 - \$4,639.55 - Transportation Building Underground Storage Tank Removal Invoice #51652 - \$34,189.21- High School North Roof Replacement
2. Application for Payment #4 Cope Commercial Flooring – Resica Elementary Flooring Replacement - \$18,193.50
3. Change Order #1 Cope Commercial Flooring – Resica Flooring replacement – Decrease amount of \$26,170.00 Credit change order for unused project allowances
4. Otis Elevator Five-Year Service Contract
 - a. 7/1/21-6/30/22 - \$54,152.10
 - b. 7/1/22-6/30/23 - \$55,505.91
 - c. 7/1/23-6/30/24 - \$56,893.55
 - d. 7/1/24-6/30/25 - \$58,315.89

VII. RECOMMENDATIONS BY THE EDUCATION P&R COMMITTEE

1. Brain Pop application for Science and Social Studies - \$8,007.48
Mrs. Bear said Brain Pop is being purchased for Science and Social Studies since they have limited resources right now. The application will be for 6 months of unlimited access for the second half of the school year. If they do not purchase it now, there will be a substantial increase. Dr. Vitulli said that is correct. It was previously free but now we have to purchase it. It is for use with the elementary level.
2. Middlebury ELL Program – serving EL Students - \$5,800.00
Mrs. Bear said this product is for our ELL students because they do not have it. Dr. Vitulli said they had a book series but it no longer exist. Now this is a virtual program. Mr. Andrews asked if the parents can also use it. Dr. Vitulli said there are possibilities for parents to use.
3. Mrs. Bear said the subscription list is not on the agenda but was handed to the Board members this evening. Dr. Vitulli said there is a tremendous amount of information in the handout. He said he put it together in one document with the help from various individuals. He said he is not familiar with every item; therefore, if he does not have the answers, he can get bring it back to the Board at the next meeting. Mrs. Bear said in the athletics section, they have Huddle for filming games. This is similar to the EastBay subscription, which records game. Why is the district paying twice for similar items. Dr. Riker said Huddle is used by universities to scout students. The other item is for parents to view games from the convenience of their own home. Huddle does not have public access. Mrs. Bear asked if both programs utilize the same camera. Mr. Schlameuss said they do. Dr. Riker said Huddle has

existed before the district had the cameras. Mr. McIntyre said Huddle is more of a file sharing company and the EastBay can file the recording and break it down by student athlete. Eastbay is not the same software as Huddle. Dr. Vitulli said some items need more review. Mrs. Bear asked what is compass learning? Dr. Vitulli said it is not unlike study island but it is for the elementary level. Dr. Riker said the Committee has been given a lot of information and he does not expect them to go through it all this evening. If anyone has questions, they can send them to Dr. Vitulli or him (Dr. Riker) and someone will get answers back to the Committee by next month's meeting or they may get an email response. Mrs. Bear said a lot of subscriptions expire this school year. Dr. Riker said they are annual subscriptions. Mrs. Bear said the district should ask how long each subscription is for and what is it used for. Mr. Andrews said if there are any overlaps, they should be reviewed. Mr. Dymond asked if Brain Pop overlaps with any other program. Dr. Vitulli said Brain Pop is not the same as any other on the list. Mr. Dymond said there are other career-oriented items on the list. Mrs. Bear said the other item that Mr. Dymond is looking at are for exams not the courses. Mrs. Bear said she sees science items that may overlap with Brain Pop. That is an \$11,574 overlap. Mr. Schlameuss it may be complimentary to Brain Pop. Mrs. Bear said all items need to be looked at because Brain Pop cost less than the others on the list. Mr. Schlameuss said it may cost less this year but not next year. Administration needs to review the list to see if there are any overlap of materials. Mrs. Bear said this list should be constantly reviewed. Mr. Andrews said the Committee asked for this to be done but it will help Administration. Dr. Vitulli said that some items need to be bought for curriculum. Mrs. Bear asked if the new curriculum items have been added on the list. Dr. Vitulli said they have not been added yet. Mrs. Bear said she was impressed by Ed Puzzle in Kami. This is used for Math and English. Mr. Schlameuss said parents have access to it as well.

PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

VIII. 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 quote from Working Dog Press in the amount of \$12,794.00 for the printing of workbooks for ESACA students K-5. Motion was seconded by Larry Dymond and carried unanimously, 4-0.

2.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the quote from Edgenuity Inc. in the amount of \$14,100.00 for 150 E-Dynamics Courses, to include the Brick & Mortar students. Motion was seconded by George Andrews and carried unanimously, 4-0

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the following items be brought to the Property/Facilities Committee. Motion was seconded by Rebecca Bear and carried unanimously, 4-0

1. Auditorium Lights & Switches – Center Stage Lighting & Rigging - \$10,452.00
2. Application of Payment #8 Trane – North HS/Lehman ATC upgrade - \$283,863.79

4.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to recommend that the Board consider for approval the quote from Commercial Refrigeration in the amount of \$6,218.00 for the replacement and installation of a new ice machine. Motion was seconded by Rebecca Bear and carried unanimously, 4-0

5.

RECOMMENDATION BY THE COMMITTEE:

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

1. D'HUY ENGINEERING INVOICES

- a. Invoice #51734 - \$30,000.43 - High School North Roof Replacement
 - b. Invoice #51735 - \$15,250.00 - Resica Elementary/Middle Smithfield Elementary Water Filtration
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 - b. 7/1/22-6/30/23 - \$55,505.91
 - c. 7/1/23-6/30/24 - \$56,893.55
 - d. 7/1/24-6/30/25 - \$58,315.89

6.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the following recommendations by the Education Programs & Resources Committee. Motion was seconded by George Andrews and carried unanimously, 4-0

1. Brain Pop application for Science and Social Studies - \$8,007.48
2. Middlebury ELL Program – serving EL Students - \$5,800.00

IX. **NEXT MEETING – TBA**

RECOMMENDATION BY THE COMMITTEE:

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

X. **ADJOURNMENT: 6:33 P.M.**

Respectfully submitted,
Patricia L. Rosado
Board Secretary