

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
July 12, 2022
Administration Center Board Room and Via Zoom
5:30 PM
Minutes**

- I. **The Chairperson**, 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 (via Zoom), Wayne Rohner and Richard Schlameuss.

School Personnel Present: Brian Baddick, Brian Borosh, Diane Kelly, Craig Neiman, William Riker, Patricia Rosado, William Vitulli, Timothy Vrabel and Steve Zall.

- III. **Community Member Present:** Larry Dymond and Jacob Morris.
- IV. **Approval of Agenda and Minutes**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Wayne Rohner to approve the agenda for July 12, 2022 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 Richard Schlameuss.

Motion was made by Rebecca Bear to add to the agenda the State Budget update. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

The agenda including the addition was carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the minutes of the June 13, 2022 meeting. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

V. **Items for Discussion:**

- a. State Budget Update

Mr. Craig Neiman said I handed out to the Committee members a sheet of paper. I apologize Mrs. Bear for not getting this to you ahead of time. I am sure that the Committee is all aware that the State budget finally passed at the end of last week. It was a very good budget in terms of education funding. I want to provide an update as to how that compares to the budget that the Board approved back in June that was submitted to PDE. On the paper that I handed out, there is a blue section on the left that references in the first column

the Basic Education Funding and Special Education Funding. Those are the two areas that I want to talk about tonight. They are the largest line items that we received from the State. In 2021-22, combined between those two lines, the district received \$23.2 million. The amount that the Board approved for 2022-23 was \$25.4 million, which represented an increase of 9.3% or \$2.2 million. As you will recall from our budget conversations, there were some assumptions in there around the Governor's budget and how much of that the General Assembly would actually pass. We were working on a number of about 20% for Basic Education funding and 50% for Special Education Funding. Thankfully, the final numbers came in very stronger than our budget assumptions. Moving over to the column on the right that is kind of a tan or orange color, you can see that the budget that was passed at the end of last week, will bring in just under \$27 million for the East Stroudsburg Area School District between Basic Education and Special Education Funding. That is a 16% increase over the year before that represents \$3.7 million more than the district will be receiving in 2021-22. In terms of the change from what we budgeted, it is \$1.5 million more than what we submitted for our budget. That is a positive compared to the budget that was submitted to PDE of \$1.5 million. The vast majority of that comes from Basic Education. With Special Education, we were pretty close on our estimate. The vast majority of the \$1.5 million is coming out of the Basic Education Funding. That is all I had in terms of the State Budget update. There was some other good news around Safety and Security Grants. We are still working through what that means for the district as well as Ready to Learn dollars. I don't have a final update on this number for this at this moment. These are the big items from the State Budget. Mrs. Bear said this is very good news. Mr. Schlameuss said he believes there was a slight increase in PSERS as well. Mr. Neiman and Dr. Riker said that is correct. Dr. Riker said this brings the deficit down, I believe to \$4.8 million. Mr. Neiman said the budget was passed with a \$6.3 million deficit. Adding the \$1.5 million on budget revenues, it would bring that deficit down to \$4.8 million.

b. Electricity Consortium Purchasing Authorization

Mr. Neiman said we've been talking about electricity purchasing over the last several months. We heard from our current provider that we work with in terms of consortium purposes, Provident Energy. We also heard from Penn State Facility Engineering Institute last month. The recommended action this evening from administration and what we are looking for is the authorization to enter into consortium purchasing which I do feel is important because once all of these things come together it typically happens pretty quickly. It typically runs through my office so my goal this evening would be to come out with a recommendation from the full Board that authorizes administration to engage in consortium purchasing. We do not have dates lined up yet. At this point, most likely, it will be sometime in the fall. It would be good to have the authorization now. Again, the Administration is recommending that we stay with Provident Energy Consulting. They have served us well over the years in terms of that and we see no need to make a change at this point. Again I would like to see some sort of formal authorization from the Board either this month or next month so that we are ready to go when the time comes. Of course all of the pricing and all the results of that will be brought back to the Board for final approval after the bids are complete. Mrs. Bear asked when is our contract up with Provident. I know it is not this year but next year, correct? Mr. Neiman said it is up on June 30, 2023. Mrs. Bear said we are basically entering into the consortium currently

because they are our current provider. Mr. Schlameuss said her signal is breaking up. Mrs. Bear said what I am asking is are we renewing our contract past 2023. Mr. Neiman said we will determine that but what I am looking for is an authorization to participate in the Consortium Energy Purchasing to see what that looks like in terms of dollars. At this point, I don't know. It is advisable prior to entering into a consortium agreement, that I would have the Board's authorization to do that. Mr. Andrews asked do we have the cost for the kilowatt hours for each company. Mr. Schlameuss said we would not know that until the procurement goes out on the street. Mr. Andrews asked is that why we are saying we have to pick one now. Mrs. Bear said we have Provident Energy until 2023. Mr. Schlameuss said I personally believe that Penn State will serve us better. I work with Penn State for our procurement and they are easy to deal with. It is very simple. We give them years' worth of numbers and they run with it. It would be my recommendation to modify this motion to go with Penn State. We would have the same thing. The difference is that we have the natural gas component and we will continue to use the natural gas component of this with Provident because they are the only people on the block that work with the natural gas component. Penn State does not. The electronic procurement could go through either company. Mr. Andrews said it's the same price. Mr. Schlameuss said it is the same fee except that one is going through Penny State and the other through the Provident company. It would be my recommendation to modify this motion to say Penn State. It would be about the same but I find them very easy to deal with. They take care of the procurement and we do not have any issues after that. I do not know what added value we get from Provident that we would not get from Penn State. Mr. Neiman said my rationale for Provident is that they served us well for many years. I had a very smooth process with them in terms of natural gas. They support school districts extensively and Penn State is not very deep into supporting school districts. I heard they are supporting one school district at this point. I think that is an advantage for our consumption. It can assist the other local school districts, as well in terms of that volume would no longer be a part of their consortium. Whether that impacts them or not, I don't have an answer. That is my rationale for recommending Provident. Mr. Schlameuss said my rational for recommending Penn State is that they have more local townships and municipalities from our community that they deal with. They have a number of institutions in Monroe County. They are able to take our bills with their bills and with Met Ed in our area including Pike and they are able to bring those together. They are probably coming up with the same rate anywhere. I don't know if one rate is going to be better than another. Penn State, at least, has other added on benefits that I think may be more helpful to the district in the long run. Mr. Andrews asked is this a decision that we have to make tonight. Mr. Schlameuss said what we need to do is provide authorization to the administration to use one or the other so when the time comes, and that company calls and says we are getting ready to do the procurement so send us your information. We will then have it ready. Mr. Andrews asked do we have the information to make this decision. I don't feel I am ready to make this decision tonight. Mr. Schlameuss said we can line up the pros and cons of each company. This decision does not have to be made tonight. We can solve this in August if that makes you more comfortable. Mr. Andrews asked can each company can give us a list of their pros and cons. Mr. Schlameuss said we can do that from all of the material they submitted. Mr. Schlameuss asked do you want to table this George. Mr. Andrews said I would like to table this to take a look at it and to compare both companies. That is my suggestions. Mrs.

Bear said this is not my area of expertise, procurement of energy. It is something I am interested in doing. I think it is very important that we look at the consortium because it is important to get the best rate possible. I don't know which one will be better than the other. I know you, Rich, have worked with one in the past and the district also worked with Provident but it is up to the one that is going to do right by us in the best possible way. This is what is important to me. Mr. Andrews said the district uses Provident and at Mr. Schlameuss employment they use Penn State. I have not worked with any of them and would like to see the pros and cons. I would like to see the information first. Mrs. Bear asked Mr. Rohner what do you think. Mr. Rohner said I am prepared to support Mr. Schlameuss' motion. I am okay with Penn State. Mr. Schlameuss said to Mr. Andrews you and I can sit down and look over the information and come up with pros and cons. This way we do not create more work for Mr. Neiman. Mr. Schlameuss said we can then bring it back to the Committee. I am prepared to vote on this now. Mr. Andrews said if you and Mr. Rohner are both comfortable with Penn State then I am fine with it. Mrs. Bear said I want to make sure that Administration is also comfortable with this decision because Mr. Neiman is the one that would have to work with them. It is not always just about us, in this case. Mr. Schlameuss said what you cannot see is that there may not be as much comfort with this on their side with that decision. Dr. Riker said I believe it is a poor decision on your part. I say that because I did not hear any benefit in going with Penn State rather than Provident, who the district has worked with for 12 years without any hiccups whatsoever. What I heard in those presentations is there aren't a lot of people that do this so when you start to cast aside a company you have worked with without any problems for 12 years, you begin to narrow your scope of people who have the availability to do this type of consortium with. Personally, I am opposed to move in a different direction, because no one can articulate any benefit in doing so that will yield any better result for the district. It appears there is other reasons perhaps for the move that surely are not related to a benefit to the district. Mr. Schlameuss said let me be very clear that there is not slight hand or any other thing going on. I supposed my feelings are that because I have worked with Penn State, they are a governmental entity that we work with that makes the procurement very easy. I have not had any issues. Dr. Riker said and the district has done the same with Provident for 12 years. Mr. Schlameuss said I get that but the added value that Penn State group brings us is the ability to look at other energy needs and other opportunities for saving energy with doing an evaluation with our physical plants for savings in electricity and adding some type of cogeneration, solar or other opportunity, because they are the organization that would handle that. Dr. Riker said they said they do not offer that. Mr. Schlameuss said the gentlemen misspoke. Dr. Riker said I can only go on what he said. Mr. Neiman said the update that I received from Mr. Hartford in regards to energy audit services is that he spoke to his contacts in Penn Tap and Northampton Community College and they are currently booked up and they only do audits for manufacturers. Therefore, they are not interested in our district. Penn Tap is interested and they charge \$5,000, which is similar to what D'Huy Engineering brought to the table with their firm for an energy audit. We have been exploring that this can be done for free but I have yet to find anything that will be done for free in terms of an energy audit. Mr. Andrews said I would like to table this item so that we are all comfortable with voting on this. Dr. Riker said you can do that and I'm not trying to be difficult but I just don't know that anyone has articulated a clear benefit. I don't know how they differ. Mr. Andrews said

I don't know either and that is why I tabled this request in order to review everything. Dr. Riker said Penn State spoke highly of the services that we are receiving from Provident. Maybe it will be a flip of coin. We have someone who has been servicing the district for 12 years. Unless there is a significant, substantial or tangible benefit, then I will be for all that. We would all be for that obviously, if they save us more money. No one is going to argue that. We do not know that and that is the challenge of it all. Mrs. Bear said unfortunately, we don't know where energy prices are going, except up. We do not know what they are each going to get us. Mr. Schlameuss said I think it is really about volume that is going to be the bigger concern. It will be how many accounts does Provident go out to bid with as well as Penn State and what is the energy volume. That is one question to look at. The one with more accounts and energy consumption will have a better rate. Mr. Neiman said I was informed that they are all saving the same rate depending on the time of the bid. Mr. Andrews said I cannot be pro or con of either one and that is why I want to see the information. Mr. Neiman said are you asking for them to come back to present. Mr. Schlameuss said no. We will table this and Mr. Andrews and I will sit down and develop a pros and cons list and have a discussion about it. Mrs. Bear said you will compare apples to apples to get comfortable with your decision. Dr. Riker said Administration gets to make the recommendations and the Board makes the final decision and we will follow whatever the Board decides. Mr. Schlameuss asked when will they call you for the bids. Mr. Neiman said in September. Mrs. Bear said we have until August to make the decision. Mr. Neiman said his understanding was that Provident will be reaching out to him sometime during the early fall.

- c. AED Training Units & CPR Manikins/Training Kits - Allied 100 Quote, \$13,006.00
Mr. Neiman said this item is pretty straight forward based on the information on the 611 form. This AED Training Units will be purchased with the Dale & Francis Hughes Grant and the St. Luke's Grant. Mrs. Bear said that was going to be her question if this item was going to be purchased with grant money.

- d. Learning Support Flexible Seating for High School North - PEMCO Quote, \$25,216.03
Mrs. Bear asked what is flexible seating. Mr. Brian Baddick said flexible seating is a program that we have been working on for the past several years in the East Stroudsburg School District. It is part of the Sensory Integration Program. We have been doing this across the district in all ten buildings. Flexible seating is any seating that is non-traditional to a typical chair. It can be a soft seat like a beanbag. It can be a rocking stool, seat that vibrates, seat with bubbles on it or anything like that. Mr. Andrews said it is anything but the desk. Mr. Baddick said you are correct. Mr. Andrews was a part of the entourage when we were doing that sensory room tour. A State Representative came in when we were looking at that. This is not part of the sensory rooms but rather for the supplemental learning support rooms at H.S. North. We are expanding, adding, bringing in or replacing the equipment that we ordered through the years that are in need of some replacements and or upgrades. It will be part of this year's ACCESS Funds as it needs to be used. We are bringing in some seating for the supplemental learning support students that spend more time in a special education classroom as compared to someone who is considered to be in an itinerant level and spends less time in a special education classroom. This purchase will replace some of that needed furniture for those students that have, what we call, a sensory

diet. It helps them to be more focused. It keeps them on task. We are getting a really good response from the students in terms of their behavior and things like that. Like I said, the flexible seating will be purchased through the ACCESS Program and it is a budgeted item.

VI. Recommendations by the Property & Facilities Committee

- a. D'Huy Engineering Invoices
 - i. High School North and Smithfield Elementary Floor Replacement – Invoice #55323 \$1,384.20
 - ii. High School North Natatorium Roof Replacement – Invoice #55324 \$1,328.42
 - iii. High School South Turf Replacement – Invoice #55325 \$1,252.11
 - iv. High School North Natatorium HVAC Replacement – Invoice #55326 \$2,747.39
- b. Applications for Payment
 - i. High School North Flooring Replacement – H&P Construction – Application #2 \$590,949.12
 - ii. High School North and Lehman Intermediate Window Replacement – D&M Construction – Application #13 \$52,699.50
 - iii. Smithfield Elementary Floor – Cope Commercial – Application #3 \$16,650.00
 - iv. High School South Turf Replacement – Sprinturf – Application #1 \$78,919.92
 - v. High School North Natatorium HVAC Replacement – ASL Refrigeration – Application #3 \$58,500.00
- c. Current Project List

Mr. Andrews asked if the curtain replacement price that is listed on page 3 of the project list is doubled. Is the price a total of \$280,000 or since it is there twice, is the total amount \$560,000? Maybe Mr. Rohner can answer that question. Mr. Rohner asked what is your question. Mr. Andrews said my question is for the curtain replacement at North and South. The same amount is on the list twice. Is the total \$280,000 or \$560,000. Mr. Neiman said it looks like a printing error. I believe the total amount is \$280,000. Mr. Andrews asked so it is on there twice. Mr. Neiman said yes. Mrs. Diane Kelly said the item is in there so it can be coded for each school. Mr. Andrews asked so is the total \$280,000 or \$560,000. Mr. Kelly said the total is \$560,000. Mr. Andrews said I am not questioning the project. I just want to know what the total price is.
- d. Brodhead Creek Regional Authority Request to Relocate Existing Water Meter Pit at J.T. Lambert

Mrs. Bear said we received information about this item from Mr. Chris Brown.

VII. Recommendations by the Education Programs & Resources Committee

- a. High School Computer Science Program - CodeHS Quote, \$7,200
- b. High School North Kiln - Sheffield Pottery Quote, \$7,599
- c. ESACA/TLC Grade 6-12 Digital Libraries - Imagine Learning Quote, \$68,800
- d. ESACA/TLC Elementary Student Licenses - Imagine Learning Quote, \$54,500

Mrs. Bear asked are we going away from the other company that we used to use and are now using Imagine Learning. Dr. Vitulli said Imagine Learning is now the new name for Edgenuity. Items c and d are just an annual renewing for elementary and high school levels. The first item a. is again an annual coding software that we purchased for the Computer Science Programs in both high schools. Item b. is a replacement kiln for H.S. North that is 20 plus years old. This item is being replaced through the North funds.

Mr. Schlameuss asked if there is a timeline for the completion of the turf field. How is that going? Dr. Riker said we got a report at the Property/Facilities Committee from David Rifendifer of D'Huy Engineering. He said he is going to contact all the powers that be to get Sprinturf to move more quickly. I am not sure if it was a supply or manpower issue. As you can see there are two different companies involved. One removes the turf and the other comes to replace the turf. D'Huy is going to contact the owner to speak to their companies because they have a lot of replacement of turfs going on. We want to impress that they move on it to complete it. We were not able to acquire an actual date. D'Huy Engineering is committed to have this done on time. Mr. Andrews asked if it is not done on time, will we have to use the North field for both schools. Dr. Riker said I am not sure of the completion deadline at this time. Mr. Andrews said I would prefer to use North rather than the Stroudsburg Area School District. Dr. Riker said North is definitely a possibility. Mr. Schlameuss said we can also contact East Stroudsburg University. Dr. Riker said that is also a possibility. Mr. Schlameuss said he heard a rumor that Sprinturf went to work on the Stroudsburg Area School District field. Dr. Riker said I heard that, too, but Mr. Rifendifer of D'Huy Engineering could not confirm that Stroudsburg used the same company. I went to Stroudsburg and they had their turf down but it is not completed. There was no one there to ask if they are using the same company that we are. Mrs. Bear said we can probably check their Board meeting minutes to see who they are using since it is public knowledge. Dr. Riker said I heard they were working here for two half days and then at Stroudsburg two half days, too. We have not seen them for a week. D'Huy Engineering seemed pretty confident that our leverage for future opportunities, should they miss the mark on this project, is helpful to us to get this job done on time. Mr. Schlameuss said they should not take long once they come in to do the work.

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 George Andrews to table Electricity Consortium Purchasing Authorization. Motion was seconded by Richard Schlameuss 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 following items. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

- A. The quote from Allied 100 for AED Training Units & CPR Manikins/Training Kits in the amount of \$13,006.00. Purchase will be funded through Grants from Dale & Frances Hughes and St. Luke's University Hospital.
- B. The quote from PEMCO for Learning Support Flexible Seating for High School North in the amount of \$25,216.03. Purchase will be funded through the School Based ACCESS Program.
- C. The following recommendations by the Property Facilities Committee:
 - a. D'Huy Engineering Invoices
 - i. High School North and Smithfield Elementary Floor Replacement – Invoice #55323 \$1,384.20
 - ii. High School North Natatorium Roof Replacement – Invoice #55324 \$1,328.42
 - iii. High School South Turf Replacement – Invoice #55325 \$1,252.11
 - iv. High School North Natatorium HVAC Replacement – Invoice #55326 \$2,747.39
 - b. Applications for Payment
 - i. High School North Flooring Replacement – H&P Construction – Application #2 \$590,949.12
 - ii. High School North and Lehman Intermediate Window Replacement – D&M Construction – Application #13 \$52,699.50
 - iii. Smithfield Elementary Floor – Cope Commercial – Application #3 \$16,650.00
 - iv. High School South Turf Replacement – Sprinturf – Application #1 \$78,919.92
 - v. High School North Natatorium HVAC Replacement – ASL Refrigeration – Application #3 \$58,500.00
 - c. Brodhead Creek Regional Authority Request to Relocate Existing Water Meter Pit at J.T. Lambert
- D. The following recommendations by the Education Programs & Resources Committee:
 - a. High School Computer Science Program - CodeHS Quote, \$7,200
 - b. High School North Kiln - Sheffield Pottery Quote, \$7,599
 - c. ESACA/TLC Grade 6-12 Digital Libraries - Imagine Learning Quote, \$68,800
 - d. ESACA/TLC Elementary Student Licenses - Imagine Learning Quote, \$54,500

X. **Next Meeting - August 8, 2022 – Via Zoom and In-person.**

RECOMMENDATION BY THE COMMITTEE:

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

XI. **Adjournment: 6:07 p.m.**

Respectfully submitted,
Patricia L. Rosado
Board Secretary