

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
January 16, 2024
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 Attended Via Zoom:** George Andrews, Rebecca Bear, Wayne Rohner and Richard Schlameuss.

Non-Committee Board Member Attended Via Zoom: Ann Catrillo.

- III. School Personnel Attended Via Zoom:** Peter Bard, Brian Borosh, Eric Forsyth, Damaris Robins, Patricia Rosado and William Vitulli.

- IV. Community Members Attended Via Zoom:** Jacob Morris

Others Attended Via Zoom: Rachael Gouger, Zelenkofske Axelrod LLC
Jeff Weiss, Zelenkofske Axelrod LLC

- V. Approval of Agenda and Minutes**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Wayne Rohner to approve the agenda for January 16, 2024, 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.

Motion was made by Wayne Rohner to add to the agenda a Transportation Presentation, from Damaris Robins and Eric Forsyth, regarding buses. Motion was seconded by George Andrews and carried unanimously, 4-0.

The revised agenda was carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to approve the minutes from the December 12, 2023, Finance Committee meeting. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

- VI. Presentation of the 2022-2023 Audit by Zelenkofske Axelrod LLC**

Ms. Rachael Gouger said since I was in charge of the audit, I will be presenting tonight. I want to start by thanking Peter, Diane and everyone else in the Finance Office that really helped to

get the audit done. It was not simple this year, due to the system conversion that caused little setbacks. The construction in the summer in the Finance Office kind of delayed things a little bit, but everyone helped to get it done. I am going to go through a couple of important pages of the audit and make it simple and painless.

Pages 1,2 and 3 of the audit are the Financial Statements. This is your opinion. It's a clean opinion on all of your opinion units, government activities, business type and the major funds.

Pages 4 through 11, include the Management Discussion and Analysis. This is done by Management of the district. We do not audit this. We just make sure nothing conflicts with numbers in the Financial Statements. This is a good opportunity to read, to make sure or to help you better understand what happened in the district and it highlights numbers throughout the statements.

Pages 12 and 13 are the Government-wide Statements. It takes all of the activities of the district into two columns, governmental and business type. This is where you will see long-term debt, capital assets, net pension liability and other post-employment benefits. Page 13 shows the total negative net position of about \$80 million on the government wide. You have to remember your net pension liability, your debt and our OPEB really drives that number down.

The pages people mostly care about are pages 14 and 16. These are your fund level statements, which include the general fund, which is the district's main operating fund. Page 14 shows a fund balance of about \$51 million. Out of that \$2.9 million is left unassigned. The other \$48 million roughly, is committed or assigned for other purposes. You can see on page 14 a list of specifics of what is committed or assigned. Page 16 is your Statement of Revenues for your fund levels. It shows the general funds had an increase of about \$2.1 million from 2022. This is largely due to increase of Federal and State funding mostly related to COVID-19 grants that the district is still getting. Page 14 and 16 also show your other major fund, which is your Capital Project listed out separately. This had an increase of about \$2.8 million from last year, which is mostly attributed to a \$5 million transfer from the General Fund. The other columns are your non-major funds. This is your scholarship and special activities funds. These remain relatively the same compared to 2022.

Pages 18 and 19 include your Enterprise Fund Statement, which for the district is your Food Service or your Cafeteria fund. This shows a net position of about negative \$1.7 million, which is the increase from prior year of \$1.7 million. This is on full accruals, so you do have net pension liability and other post-employment benefits that drive this number down as well.

Pages 21 and 22 are your Fiduciary Fund Statements. This is your student activities and scholarship funds of the district.

Starting on page 23 is your Notes to the Financial Statements. This provides details of different accounting functions, as well as further explanations on certain things throughout the financials. I am just going to go over a few key points that most people care about.

Page 34 – Note 6 – discusses your Capital Assets of the school district equipment, buildings, site, improvements, and constructions in progress.

Starting on page 35 and a couple of more pages is Note 7. This is the long-term debt of the school district, which include various bonds and notes totaling around \$97 million. The district also leases computer equipment totaling \$2.3 million.

Page 41 – Note 10, discusses your pension plan, PSERS. It goes into a lot of different details about the plan benefits and different assumptions. Your total net pension liability is around \$204 million.

Page 46 – Along with the PSERS' pension, there is PSERS's other post-employment benefit plan, which is health care. That is a total OPEB Liability of around \$8.41 million. The district has another post-employment benefit health care plan, which is separate from the district. That has a net OPEB Liability of around \$23 million. This is note 12.

Another statement that a lot of people like to look at is your General Fund Budget to Actual Statement. This is found on page 56 – Revenues. This came in around \$250,000 under budget and expenditures were about \$12 million under budget. You had a few columns that were over budget but made up for it in a bunch of other categories.

Pages 58 to 62 are just some required schedules that we need to put in for your pension and OPEB Plans.

Page 65 – In addition to the Financial Statement Audit, we do a yellow book audit, which is a government auditing standard opinion. This is also a clean opinion for the district.

Page 67 is your single audit uniform guidance opinion. In addition to that, we test Federal Programs for compliance. You also go a clean opinion on that for this year.

This is basically the rundown of the major areas of the district.

Mr. Andrews said it looks like we lowered our debt by about \$20 million this year. Is that correct?

Ms. Gouger said I don't have that information in front of me. Mr. Bard said I believe it is around \$15 million to \$16 million and that is on schedule to retire the majority of our debt by the 2029-2030 fiscal year. This was a very good report.

Mr. Bard said this was a very good report. I want to thank Jeff and Rachael for working with us during the transition from our accounting software that I kept the Board in the

loop about through regarding the timing issues. We had some timing issues and getting some of the reports that they requested. They worked with us and were very good about it. I appreciate them working with us through this transition.

Mr. Andrews said it was even understandable by me.

Mrs. Bear said thank you Rachael and Jeff for your time and we look forward to seeing you next week when you present to the full Board.

VII. Presentation by Transportation in regard to busing.

Mrs. Bear said the next item is the item that we added to the agenda. We are going to hear from Damaris Robins who is going to present to us a bus proposal.

Mr. Eric Forsyth said, actually, Rebecca, I will be taking the lead on that with her present here this evening. She wasn't feeling well this evening, but she is with us. If there are any questions, I'm sure she'd be able to answer those off screen for us there at her will. I am going to go ahead and do a screen share here. If you can all see that please let me know. Mrs. Bear said we can see it. Mr. Forsyth said Ms. Robins and I are here this evening to discuss the Pupil Transportation fleet and the replacement cycle of it to the Finance Committee.

Page 1 - Just to begin with, if we look, just to give everyone a perspective of what the current fleet looks like, this is a quick pie chart that shows us the vast majority of our fleet. About 69% is our larger 72 passenger buses, which is your conventional traditional school bus. The rest of the fleet is made up of varying sizes of vehicles that are actually becoming harder to get. We have been working with some vendors to replace those, especially for our Specially Education students on an ongoing basis. We are focusing this evening on a portion of our 72 passenger fleet, which services the vast majority of students within our district.

Page 2 - We would also like to give you a picture of what the fleet looks like age-wise and where our current replacement cycle has paused. We will look at thirds of the fleet. We had previously, many years ago, been in a lease buyback arrangement, where every 36 months we would replace 1/3 of our operating fleet. We were doing that, at that time, with a diesel bus fleet. We were working with the Wolfington Body Company and what would happen in that lease was a buyback arrangement. We would go and purchase 1/3 of our fleet each year, knowing that we were paying for the price of those vehicles today with a guaranteed buyback value at the end. When we were done using the vehicle, we would return it to Wolfington Body Company. We would buy the next 1/3 of the fleet and we would in essence get credited the fair market buyback value of those vehicles at that time. That was a very good arrangement. We never had one vehicle in the fleet that was more than three years old. They were all well within warranty and it provide us with the current updates on all of the mandated safety equipment as well. As you can see here, we last replaced some of our bus fleet back in the year 2020. That means that those

vehicles are going into their fourth model year. That leaves a significant portion of our fleet that was purchased in 2018 and 2019 falling out of warranty at the present time.

Page 3 - This evening we are going to show you what the current cost of a school bus is, and some options that the Finance Committee can consider under the guidance of our Chief Financial Officer to fund a school vehicles replacement cycle. This is a current cost of what one of our 72 passenger school buses would run the district. You can see that 25 of them at a cost of \$181,122.00 each would bring us out to a total investment of about \$4.5 million just to purchase 25 of these. Why the number 25? We are looking at the current clean running buses that we have in our LP, liquid propane, fleet. We are currently able to secure those with a five-year warranty. During that warranty period our transportation staff, and our mechanics are able to make repairs to those under warranty and the Body Company refunds the district. That saves us time sending them out for warranty repairs that could be done inhouse. We do not pay for the parts, and we are reimbursed by the Body Company for doing that. By replacing 25 of our fleet, we would be able to get our fleet into a five-year replacement cycle by taking just 1/5 of the fleet this year. We would replicate a program similar to this in each of the succeeding years until we finally have five years on an ongoing cycle that are being purchased by the district. Now there is a discount that shows us that the net cost of purchasing 25 new vehicles to replace 1/5 of our fleet would cost us approximately \$3.7 million.

Page 4 – Cost Analysis – Let’s take a look at the breakdown here of the cost analysis of how that would work out over time and then, your Chief Financial Officer, Mr. Bard, would be able to take it from here. We just saw that the cost of the 25 new buses. If we were to purchase them, it would run us \$3.6 million. If we were to lease those, and these are just preliminary numbers that the district was able to obtain, at a current market rate for 60 months, we would be looking at an annual payment for those vehicles of \$853,000. That is for five years. That five-year cost would, of course, be about \$4.3 million over the entire five years. The annual cost in the school district’s operating budget to fund that would be \$853,000. There is one variable that is not taken into consideration here and I’ll speak about at the end of this quick cost analysis. Another option would be to lease these buses for 72 months. That was an option presented to the district. We are not recommending that, but we are being clear in disclosing it to you. While the annual cost would be a little bit less at \$764,000, that is only because the investment would be spread out over an additional period of time. An additional year raises the cost of each vehicle by about \$13,000 in all. It would still be owned by the district at the end of that period, in a 72-month lease, and either option. It would cost the district \$1 to own the vehicle so that they would have clear title to trade that vehicle back in. You can see that the total cost over the six years is about \$4.6 million in a six-year option. Taking a look at this variable we have trade in value in our current vehicles. In speaking with Ms. Robins, we could probably stand in our first year to trade more than 25. We are working to reduce the size of the fleet just due to routing efficiencies and so forth. We have a current estimate of \$7,800 to \$10,000 for each of the vehicles, depending on very specific things, the age of the vehicle, the mileage, and its condition. The 72 passenger vehicles and LP (liquid propane) vehicles are yielding about \$7,800 to \$10,000. If we go back just maybe 24 months, we were talking about numbers between \$15,000 and \$17,000 for trading the

vehicles in. What is the difference? At that time, we were at the end of the pandemic. We had a very falsely highly inflated used vehicle market across all different markets. Now, it is starting to correct. We also have a variable in the liquid propane vehicles that is they don't know their future market value yet. They are still working to determine that whereas the diesel vehicles at one point had a very solid marketable cost. We don't know where the Federal Regulations are going to go in the coming years with regards to the mandated use of clean fuels. These numbers could be higher, they could be lower. For the sake of conservative estimating, we looked at the \$7,800.00 value times the 25 trade-ins assuming that we could reduce the net operating cost in year one by approximately \$195,000. That would leave us with a net annual investment in year one of about \$658,800. If you are able to obtain the same numbers, the same interest rates and a lease, and if you are able to obtain the same net trade in values on vehicles. For each of the successive years, the district in a five-year replacement cycle would be adding a \$658,800 a year investment into its operating budget for Pupil Transportation for five years. That would mean that once you hit year 5, year 6 and thereafter, it would have an annual operating cost of about \$3.3 million to the district in order to maintain a five-year fleet, all under warranty. Of course, there are other options for outright purchasing and other mechanisms. Our Chief Financial Officer would be the best person to advise you there. We wanted to give you this cost breakdown to show you what it would entail as the program built itself out over the next five years. Damaris and I are online, too and can answer any questions that you might have about this.

Mr. Peter Bard said I would start by saying that the five-year or 60 month lease option is my preferred option for a couple of reasons. Number one is that the buses would stay under warranty for those five years. Secondly, I do want to point out the 6.4% leasing is if we went with the bus company. There is only one bus company right now that provides the liquid propane buses and that is Blue Bird Corporation. That is the company that we bought our buses in 2018. If we use their financing company, that is where we get the 6.46% interest. There are other alternatives for us to use and we would go out to market and use PFM to assist us in achieving or help achieve potentially better interest rates. There is potential for better interest rates on that. That number has not been fully flushed out. We would slow walk this number when I say slow walking, I mean the number would be slowly phased in over the course of five years until we got to the \$3.294 million. Then the number would be stable in your budget. When I say stable I mean it would slowly increase because the buses would increase. How this would work is at the yearend. If we got buses in 2024-25, the buses would reach their mature level in 2029. We would then buy those 25 buses at a dollar a piece or \$25. We would then own them and then we would subsequently trade them in at whatever the trade in market value is. The trade in market right now is very volatile right now because the liquid propane market has not stabilized or set itself at this point so that is the only variable at this time. At this point, the marketplace could be anywhere. If there are a lot of districts across the country switching to liquid propane to meet the clean air act standards, the propane market may be much higher. We just don't know but the thing that would make this plan work would be a commitment to doing it beyond year 5. My recommendation is to do that at this point. Mrs. Bear asked what is PFM going to charge us to do that. How does that work because I always see them sneaking in fees. Mr. Bard said that is what I don't

know. We have to weigh in the proposals. You would not necessarily go with PFM. We weigh the proposals to see what they would bring in compared to what the Blue Bird Company or what the vendor would bring in. We would then go with whatever the best interest rate is. It would just be similar to if we went out to bid and got different proposals from different companies and the Board selected. We would go with the best cost effective way to do it. If the best case scenario is 6.46%, then we would go with that. If PFM brought in a better interest rate plus the fees, then we would go with that. It would be simply looking at the best proposing and selecting the best one. Mrs. Bear asked will PFM charge a fee to go out and solicit, even if we choose not to use them. Mr. Bard said, no they don't charge us for the fees unless we do business with them. Mr. Schlameuss said the price of a bus this year will not be the price of the bus five years from now. Mr. Bard said correct. The price in the budget would go up incrementally as you go out and you buy them but hopefully the cost would be offset by the trade in values when you trade those 25 or whatever buses that would be. Mr. Forsyth said to your point, Mr. Schlameuss, everything here is of course presented in today's dollars. Mr. Schlameuss said I imagine that we will get more for the propane buses because they are a low emissions fuel vehicles; therefore, they kind of qualify already under the Federal Law. I think that they will have a better resell value on those. Mr. Forsyth said just know that we did go very low ball on those from the worst estimate that we've received. They can be shopped out certainly instead of trading them. We could look for a wholesaler that is willing to buy them that is not part of the Bright Bill Enterprise. There are a lot of options there for the 25 buses that we can further explore. Right now, we don't have solid numbers on the table that we wanted to bring to you, even though they appear rather low. Mrs. Bear said maybe First Student will come out and buy them all to replace all of the buses for all of the districts that they now drive for in the area because their buses are getting old. Mr. Forsyth said one never knows. I do know that Mrs. Robbins is working on obtaining other purchase quotes for those that may be interested in those vehicles. There are markets out there for them. Mr. Schlameuss said these will be eight-year vehicles by the time we sell them. By the time we get under contract, built and delivered they will be nine years old. Mr. Forsyth said that has driven some of the cost down. We are sure as well that because we have been hanging on to them longer despite the market. You are correct in the end. To Mr. Bard's point, we would hope to see those numbers come up in the market because they would no longer be that old again as we continue to recycle to replace them. Mr. Schlameuss said just so that I understand this during year five we would be putting about \$3. something million maybe a little more than that closer to \$4 million at that point a year into leases. Correct? Mr. Bard said that is correct. It would be a slow increase every year. Every year it would be approximately \$700,000 with the trade in value. In five years, it would be about that \$3.2 million. We would add this number to the operating budget. Every year it would be a slow increase as we continue to lease and replace the vehicles every year. Mr. Schlameuss said to buy 25 buses a year we are looking at 3. something million dollars a year. Correct? Mr. Bard said correct that would be \$3.6 million to buy every year and that would exhaust the Capital Reserve Fund. Mr. Schlameuss said I am sure but what I am trying to say is if there is a way to figure out how rather than leasing the buses, we were buying them. We can save ourselves the money on the interest side. I guess what I am saying is I don't know how we would actually be able to do that. I am just saying if there is a way to do

that. Mr. Bard said there is a couple of ways to look at this. If we went out and borrow enough money to do the entire fleet like a loan or something of that nature. That would be the loan itself. You couldn't get a bond initially. Mr. Schlameuss said because they have to be for more than a certain years. Mr. Bard said the useful life is what gives you the bond and the ability to go out all of those years that we go out for bonds. Therefore, we would have to get a loan. I believe the loan interest rate would probably be higher than the lease rate because then you would have to refinance the loan in 5 or 6 years anyway in order to replace your fleet. You would have to replace those buses in 5, 6, or 7 years depending on what your refreshment cycle would be. Mr. Schlameuss said I am good with the five-year cycle. That is reasonable. Mr. Andrews asked right now we own all of our vehicles, correct? Mr. Bard said we own all of our vehicles. Mr. Forsyth said Mr. Schlameuss to your point, the only thing that would change would be if we decided and Mr. Bard correct me if I am incorrect, to go all in this year you would be at the point of investment. You would be at year 5 and then every year after thereafter you would be continuing to put that purchase money and you would just be saving the interest along the way. We'd be wiping out the reserve to get there as opposed to building it up. Mr. Bard said Mr. Forsyth is correct or you would have to be at the point where you would have to come up with \$10 million to \$12 million or have a loan cycle where you could be borrowing \$10 to \$12 million every five years to refresh your buses. I was looking at a way that it would be built up in the budget where you can slow walk it or phase it in, so to speak, over the course of five years. Once it is phased in, it's similar to a debt service payment that is already built into your budget. You then have a refreshment cycle that is functioning every year. You are getting new buses every year, because once you get to year five, you are refreshing out another 25 vehicle according to your needs. Now, remember at the end of year five when you get to year 5 and the district's needs change, you don't need to get 25 vehicles. You don't have to buy 25 and you could trade in but not buy another set of buses. If Mr. Forsyth would say we are cutting back on some of the routes or doing route efficiencies and only need 20 buses. You can cut back then. There are a lot of flexibilities with all of that. We are just proceeding with today's numbers and route structure. Mrs. Bear asked do we have a total of 100 72 passenger buses. Is that correct? Mr. Bard said we have close to 120. Is that correct? Mr. Schlameuss said in looking over the numbers we have 129 72 passenger buses. Mrs. Bear said but we are looking to replace 125 of them based on the five-year cycle. Mr. Forsyth said you will see as the years go by there will be other flavors of vehicle mixed in with what needs to be replaced. Again, there is a supply issue with some of the other odd sized vehicles. I know we have had some challenges obtaining them so we are running a number of those a little longer than we would like. Right now, we are focusing on the 72 passenger portion of the fleet. As the years go on, I am sure we will see a mix of what vehicles are being asked for each year to replace the entire fleet and not just a five-year replacement cycle of the 72 passenger buses. If my memory serves me correctly, and Mr. Bard and I can do some digging, I recall that when we were working with the three-year lease buy-back program, we had about a \$3 million standing line item in the budget for that back then. Or course, the replacement cycle was shorter, so it may be, putting us very close on par with where we had one at one time then as a district as far as our annual operating investment. Mr. Peter said I went back and there was roughly a little over \$3 million back when the diesel buses were here. It was then removed when they decided to purchase the

vehicles instead of leasing them. Remember, there was also, like I said, the higher buyback value but the diesel market is going down, because the EPA came out with a ruling that you need to be clean air by within the next couple of years. That is why I think you are right about the liquid propane buses. I think the market will substantially rebound, but they are really pushing electric vehicles. We are not in the market for electric vehicles at this point. Mr. Schlameuss said I am not in the market for electric vehicles either. I don't think that could be sustainable in some of our communities. Mr. Bard said we have the infrastructure for liquid propane and that is what we want to go with. Mr. Schlameuss said the other question I would have is by year five, we would need to raise taxes by 3 mils in order to subsidize these new buses. We don't have flex in the budget right now. Right? Mr. Bard said that would be correct. If you look at it that way by year 5, or if you want to look at it as in every year, you will look at it by a point .02 or .03 millage increase every year for the buses if you wanted to phase it in over each year for a five-year period. Mr. Schlameuss said this is in addition to all of the other additional costs we will be seeing as well as subtractions. I am sure you are going to look at a budget that is more realistic. Mr. Bard said there will be subtractions coming out as well. There are so many different variables. Once you get past year three when it comes to discretionary spending. We don't know where the energy market is going to be. Propane may come down as well further down the road, especially since we buy it in bulk. I believe it would be about a 3 mil increase, especially if we don't get any industry build. Definitely, a 3 mil increase at year five would be needed to pay for the vehicles. Once the 3 mil increase is placed in the budget it would then need to be increased every year because it is already built in. In essence you would have brand new vehicles for the students. Every year you would be buying 25 new vehicles. There are other items that Mr. Forsyth and Ms. Damaris are working on that they will be presenting to the Board in terms of efficient route, routing efficiencies that may even lower this number further. That is something for another day. Mr. Forsyth said we also have the ability with this particular body company to incorporate any of the items that we have already brought to the Property & Facilities or Finance Committees regarding the need to replace the technology infrastructure on those buses as well. That can be part of what is done at the body company before they even come out. We can put it right into the capital lease since it would be part of the purchase. We came before the Board reorganization with some presentations regarding the need to update the safety and security systems on those buses or the cameras, etc. It can all be encapsulated into this, if that is the Board's desire. We need to make sure that those items are replaced equitably as well because the life of that technology does not well exceed five years often and especially with the road conditions and what those pieces of hardware endure as they are going down the highway. That is something else that we could bring into this. We be happy to bring back something finalized. Mrs. Bear said I know we received some grant money previously to pay for some of the cameras on the buses on the control arms. Will the stop signs and all of that equipment be able to be used on the new buses or would we be getting more grant money to retro fit that back in. Mr. Forsyth said we are always looking for grant money. Ms. Byrne is always hot on the trail of anything that is available to us that we are eligible for. As far as what is already on the buses, though, the age of that equipment is becoming the concern and to integrate it with the new pieces of equipment we would want the new cameras to go with those. We were asked to come back with that presentation again after

the Board reorganization. We are ready to do that when you would request it. We have been able to secure additional information from some qualified vendors. We can come back and show you exactly what our recommendation is to achieve not just a safe and secure environment with our cameras, but also to provide some additional driver convenience and access to technology within the buses as well. Mr. Schlameuss said I imagine that we should have paid for the cameras already through the traffic stops. Right? When you give that information to the police, they then send out a notice or violation, Right? Mr. Forsyth asked what is the question? Mr. Schlameuss said you have control arms that when people run the red light, you give that information to the police. The police then send out a citation. We should be collecting the money for that. Mr. Forsyth said that is correct. Mr. Schlameuss said I imagine that we are getting thousands of dollars a month from it. Right? Mr. Forsyth said you would imagine that, but Ms. Robins could speak to that. Unfortunately, it is rare that we see a winner conviction on some of those. Is that true Mrs. Robins? Mr. Forsyth said she is unmuted, but we don't hear anything. Mr. Schlameuss said that is fine. Mr. Forsyth said we will get you that information and come back with it. It not due to the technology not working all of the time but I will clarify that with Ms. Robins and I'll get a response from her before the meeting is over. Mr. Schlameuss asked since if there are no winning convictions, is it worth putting on that kind of technology. That is my point. Mr. Forsyth said let me get you the accurate information. I don't want to misspeak and confuse anybody. I do know that it is not as many as we would think. That could be because it is a deterrent. Everybody knows they are there and maybe they are just not seeing the stops anymore. We know that enough are reported. The drivers have that button right there on the bus to do the capture when it happens, and they are pressed and do the work to gather what we need. Let me get some information on how many of those have been won and what is the revenue for them, if any has been returned to the district. I do not have that information with me tonight. Mr. Schlameuss said thank you. Mr. Bard said the question I have for the committee is would you like me to move forward and bring this up for a further vote and discussion at the Finance Committee meeting in March. Mr. Andrews and Mr. Rohner said yes. Mrs. Bear said I would like more information on cost, like not necessarily cost to do it but interest rates, because who knows if the Feds are going to lower rates now. There are so many variables when it comes to financing right now for just purchasing. Mr. Bard said that is what the vote will do. It will just be to move forward with it. There will actually be two votes. One vote will be to move forward with the leasing process, then to enact would be a second vote. The vote in March will just be to move forward with the leasing proposal. Before we enact anything or award any contract, you will get the proposals with leasing interest rates and all information. You can review it and select the lowest interest rate. Every year there will be a proposal to lease. You are not locking yourself in year one at that interest rate. In year 2, there will be another interest rate, so the interest rate may actually go down every year. That will be as the Feds lower their prime rate. There may be some savings to go in that direction as well. Every year we will go through the same process. It is just a commitment to move forward in this level. As the Administration gets direction, we can start moving forward with that process. I will bring that up for further discussion and we will go from there in March. Mr. Forsyth said to answer Mr. Schlameuss question, we do win when we are able to provide footage. It is not the camera in some cases, but it is also the technology in

our buses that is older that is recording them. We are having some issues with some of the SD units that are recording the video and if we have it, we win. What we are going to do is get you the information on how many we have won, what has been returned to the district and we will go from there. Just note that it is not a matter of lack of cooperation. I don't want anyone to think that it is something on the part of our district magistrates or any cooperation with the State Police, etc. It simply has to do with having good, clear quality video that can result in a prosecution. Mr. Rohner said my question is that 4 or 5 months ago we had a presentation by Enterprise. Is this proposal a heads and tails better than the Enterprise proposal for leasing buses. Mr. Bard said this leasing is better than Enterprise. The reason why is because, as Mr. Schlameuss brought up, our buses vehicles have a high mileage on a more regular basis than our house vehicles do. It is easier to replace. We will get to that on a Finance Committee agenda. We have another vehicle to replace tonight. Our maintenance, food services vehicles, and police vehicles are replaced on as needed basis than the buses are. School buses are used much more heavily than our other fleet. It is easier to replace them and plan for them in our Capital Reserve. Mr. Schlameuss said my question back to Mr. Forsyth is. What is the process to replace cameras that are not working properly when you find them out. Mr. Forsyth said right now as they are failing, we are obtaining parts that we can. However, the older provision systems we have are not able to continue to be perpetuated. That is why when we learned that this year, we started seeing the number of failures that we did. We have come to the Committees with the proposal to begin replacing them across the board. We have ways of getting them back in service. The one we fixed today will be a different one that is out of service tomorrow. We are just at that point with the technology that out there in the vehicles. Mr. Schlameuss asked did we put them on about four years ago. Mr. Forsyth said we have had cameras on buses many, many years. We have been putting different layers on them with each set of vehicles. The last ones that would have been installed would have been 5 and 6 years ago on the buses when they were purchased.

VIII. Items for Approval:

- a. Approve the 2022-2023 Annual Audit as prepared by Zelenkofske Axelrod LLC
Mrs. Bear said we already spoke about the audit.

- b. Approve the purchase of weight room equipment from Advantage Sports and Fitness for HS South in the amount of \$8,129.00 (Paid from grant from St. Luke's)

This item will be paid through the grant from St. Luke's. To answer Mr. Andrews and Mr. Rohner's question that they will have, High School North got the same equipment. They got it through the grant as well. They are working on something like a Rebranding Program. As soon as something is completed, it will be presented as well. I just wanted to answer that question before I got it because I knew it was coming. Mr. Andrews and Mr. Rohner said you are correct the question was coming. Mr. Bard said I asked North and South to see if they had the same funds from St. Luke's. They said they did, and they are working on rebranding.

- c. Approve PLANCON J for Middle Smithfield Elementary Building
- d. Approve PLANCON J for East Stroudsburg HS Building

Mrs. Bear asked if these are the same two items from last month. Mr. Bard said these two items can be tabled again because I did not hear back from the State. I asked the State for a little bit of guidance to make sure that these forms would be approved. I don't want the Board to approve them, since they may get rejected again. I sent them off to see if they would give me guidance and I have not heard back. To answer some of the questions that you had on the page JO5 that listed the other bond issues, you did not need to list the bond issues on their individually. This is the guidance that I got from some other Business Managers, who had experience with them, but I wanted to find out directly from the State. I sent it to the State about a week and a half ago, but this is up to your discretion. If you want to push them through, we can. If you want to table them until we hear back from the State and give it another month to hear back in February, there really is no harm in waiting. I put them on the agenda because I thought that I would hear back from the State by now, but I did not. It is up to the Committee's discretion if they want to table them or wait until February. Mr. Andrews said we can wait until next month. Mr. Rohner said my question is that there is more information on these documents than there was a month ago. In going through these documents, with respect to Middle Smithfield, it says from the period of blank to blank. I am pretty sure that the State is going to want know the answer to that simple question. Yes, no, or maybe? Mr. Bard said they might and that is why I sent them back. The errors last time were basically of a clerical nature. There were project number errors in the one from December. We got the PlanCon J document back and we had them revised. They said to use the Architect's Signature page from the previous ones back in 2012. I went back and got the signature page from the PlanCon documents, and I grabbed another page of the document that came out of the Smithfield Elementary Project and not Middle Smithfield. Because of my naivete, I didn't realize I grabbed the wrong one. That is why there were some confusion among you guys at that time. I corrected that error now and I sent the full packet to the State to Jason Drayer. I have not heard back from him yet. That is why the packet looks like it is a little bit more complete because it is what I sent to the State. The only thing that is missing is the Board's vote and the signature from the Board Secretary affirming the Board's vote. If you are okay tabling for another month, I think I would just do that. I will then bring it back this way when I hear back from the State. If you see it back on next month's agenda, it is because I heard back from the State. Mr. Rohner said the letters of correspondence that you mentioned that we have been receiving since about 2016, who are they from? Mr. Bard said they are coming from Mr. Jason Drayer from PDE. He is the gentlemen that I am working with. I am working with our Open Records Office to answer their question. Once I get that fulfilled, I will send that to our Open Records Office for them to process. Mrs. Bear said I don't see a problem tabling them. The State has waited since 2016 for us to answer. What is one more month. Mr. Bard said there was no deadline on the letter. They know how to get of hold of me and they have been communicating with me and vice versa. They have all of my information, email

and phone number so they can reach out to me. I'd believe they would be okay with waiting until February. Mrs. Bear asked are we tabling items c and d. Mr. Bard said that is correct.

- e. Approve the purchase of 2500 Ram Cargo Van for Food Services total cost of \$55,985 (COSTARS purchase) (To be paid out of Food Service Account)
Mrs. Bear asked do they currently have a cargo van. Mr. Bard said they have a lift-gate truck that has been sitting at J. T. Lambert Intermediate School because it failed inspection. They are using a 1990 loaner truck from the Maintenance Department to transfer food or to deliver food to one of the kitchens that are not a full service kitchen. This vehicle will replace another vehicle, which will be paid through the Food Services Funds. There will be no impact to the General Funds. The vehicle is needed for the summer program and that is why I would like to get it ordered now so that we get it in time. I believe there is a three-month lead time before we can get it. The Food Service Summer Program delivers meals to a bunch of community sites. This truck will fulfill that need. To give you of what type of vehicle this is, it is similar to an Amazon delivery vehicle. We are actually saving money on a lift gate. They do not need a lift gate truck. A lift gate truck would probably have cost from about \$80,000 to \$100,000. Purchasing the Cargo Van will render a cost savings to the Food Services Funds, and it will suit their needs. I spoke to Ms. Collevchio and she said this will fill the Food Services Department needs. Mr. Schlameuss asked does it have a sprinter. Mr. Bard said it does and it has a partition and ball pit to separate different items. It is taller as well. Mr. Rohner asked is this for J. M. Hill Elementary. Mrs. Bear said they do not have a full kitchen so food will be delivered from H.S. South to them during the school year. It will also help with all of the different areas in the summer that they deliver to such as Dansbury Park. Mr. Schlameuss asked will the band be able to use it, too or is it just for the food services needs. Mr. Bard said this is primarily for the Food Service Department. It is a district vehicle so anyone can use it. I don't see a problem with sharing. Mr. Rohner said we want to make sure that we have a vehicle that is operating for the band. Mr. Bard said if you need a vehicle for the band, we can certainly also look for one as well.
- f. Approve the five-year copier contract with Fraser in the amount of \$84,686 for lease of copiers and approximately \$48,038.20 for maintenance (based on copies made) for a total cost of \$132,724.20. CoStars Contract #001-E23-97.
Mrs. Bear asked are we replacing our copiers or are we leasing the ones that we currently have. Mr. Borosh said our current copier contract is with Frasier for Sharp Copiers. That contract expires June 30th of this year. We entered into a three-year agreement with the current fleet. We then did a two-year extension because we had low copy numbers during COVID. Prior to this contract that is expiring, we had Frazier for a three-year contract. We have been with them for eight years. I met with them back in December and then again this month to discuss our current fleet and our current needs. They felt the need to give me a proposal. It is on the CoStars contract and that is the proposal you have in front of you. What I can say is that I was handed the copiers 12 years ago and we were

paying a king's ransom for what we had, and they were not reliable. We had Xerox then we moved to Canon Copiers. We are now with Frasier. The secretaries, the teachers and everyone is happy with them. There is a lot of school district that use them. ESSA Bank locally uses them, and Monroe County has been using them for the past eight years. East Stroudsburg University, St. Luke's and Lehigh Valley (all sites) speak to their volume of business they have been doing. In addition, the last two times that we got pricing, we did a bid, and they came in the lowest bidder. Mr. Schlameuss said my company uses Frasier as well and they are very good. We have no problems with the. Mr. Borosh said three of their Service Techs live in the School District as well. Their response times, on average, are between 2 or 3 hours. There is a lot of call backs once they are here. They have the best interest since they are taxpayers as well as service technicians. Mrs. Bear asked are we getting new copiers or are we keeping the same ones. Mr. Borosh said we are getting new copiers. The only difference between this agreement and the last one is we had a request from the Principal and teachers at Smithfield Elementary to add an additional machine. If you look at what we are expected to pay this year, the total between copies and maintenance is \$135,500 for this new agreement. This includes the extra copier. The estimated number for next year is less than what we are estimated to pay this year and what we paid last year by a couple of thousand dollars. Mr. Schlameuss said I believe my company also has the Sharp Copiers and they are good copiers. We haven't had any problems. Mr. Bard said I would like to thank Brian for his hard work. He also met with a couple of other vendors, too. Frasier has given us good service and I am comfortable with not going out to bid instead using the CoStar vendor and considering the fact that we are getting a whole new fleet of copiers in our district. They have had zero issues. Mr. Borosh's recommendation was to keep this, and I am very comfortable with that recommendation from the business and budget side of things. Mrs. Bear asked Mrs. Rosado do you like the copiers since you use them often. Mrs. Rosado said, yes, they are the best that I have seen since I have been working there. Mrs. Bear said that says a lot, because I know you use it quite often. Thank you for that feedback.

IX. Recommendations by the Property & Facilities Committee (Pending Final Approval by Property & Facilities Committee)

- a. Feasibility Study - Science Playground for Resica and North
Mrs. Bear said I have a couple of questions regarding this item. I believe Mr. Schlameuss is also aware that nine years ago the PTO raised about \$40,000 to build a new playground at Resica. Resica Elementary School has probably one of the newer and biggest playgrounds in the school district. I don't know if anyone has visited Resica's playground, but I know that I put a lot of blood, sweat and tears into building that playground. Mr. Schlameuss was there with me when our kids went to Resica Elementary School. It is one of the only playground that is handicap accessible. It has handicap swings and a lot of interactive stuff. Therefore, I do not know where you would put a science playground unless you

are enhancing what is already there because they have a large footprint there. I suggest instead of looking at Resica Elementary, you should look at placing the science playground at Middle Smithfield Elementary School since it is centrally located within the district, and it has more space to do that type of playground next to the pavilion. Also, with reference to the North science playground are you saying it will be located at Bushkill Elementary School for them to use or for all elementary schools to use? Mr. Rohner said that was all part of the discussion at the Property & Facilities Committee. Mrs. Bear said that is why I was asking. Mr. Rohner said all this information would be part of the feasibility study. Resica seems to be the diamond playground and the location. I have no problem with Middle Smithfield Elementary because it is centrally located. I mentioned to Mr. Morris that we do not get much traffic in the North area. The only traffic we get are the dedicated parents that take their kids to use the sporting fields. Mrs. Bear said that is why I am suggesting Middle Smithfield Elementary because it is right on 209 and you can probably just have one science playground verses to two. Resica Elementary is off the beat and path but their playground is really nice, and it is well maintained. I know as the former PTO President; we raised the majority of that money through our tricky trays and other activities. Mr. Andrews said I think that we were probably a little bit rushed on passing this feasibility study by the Property & Facilities Committee. We have six elementary schools and what Mr. Morris was saying was that we should have two of these playgrounds. We should look to see which schools need the playground mostly. We can then take it from there. If we can only afford one, then we can have one. We need to study it some more at the Property & Facilities Committee. Mr. Schlameuss said that is the whole point of a feasibility study. My questions are what is the amount of money we are allocating for the feasibility study, when is it going to be due and who is going to be participating in it? Are we looking at an outside firm? Are we looking to do this internally? Mr. Rohner said we are looking to do this internally. I volunteered and so did Jacob Morris, and George Andrews. If anyone else is interested in participating, it would be opened to whoever has interest in volunteering. Mr. Schlameuss said I am wondering if we allocate a few dollars to hire a firm to help us to do the feasibility study, to do the planning and scoping of equipment and to kind us give us a sketch design of where we would go. I think there are firms out, especially the playground firms, that we may want to look at first to try to get design ideas. Mrs. Bear said when we looked at our playground companies. Mr. Andrews said they may do it for nothing. Mrs. Bear said they may do it for nothing but what we didn't realize when we did Resica Elementary's playground is that the playground company only sent a certain number of technicians to do it. The rest of the work was relied upon volunteers to come out a build it. That is one of the reasons that the playground took as long as it did, because we as parents built it ourselves. There were two or three people from that playground company that came out, but the majority were the parent volunteers that did the work. I learned so much about building and my kids helped. There is so much that goes into building the playground that we may not even think about. It is a great idea and I love the idea of a science playground. Mr. Andrews said we did the same thing at Smithfield Elementary with the first

playground and not the one they have now. That is part of being in a PTO as a parent. Mr. Schlameuss said the concern I have is if we do it, I don't think we have the engineering chops to really design something. I would feel more comfortable if we put \$10,000 or \$20,000 into this to hire an engineering firm to help us put together the specification so that when we go out to bid, all of those things that were just talked about by Mrs. Bear are addressed in that process. The next piece of that is how we have to develop curriculum for the school district to use. I think the kids should be bused from North or from J. M. Hill or wherever to use that as part of their science education. There are so many opportunities to have with that. by creating a full process with this. It might cost \$100,000 total between the engineering, the facilities, the design and the actual work. Mrs. Bear said the Resica Elementary playground cost us about \$43,000. Mr. Schlameuss said what I am saying is don't be cheap about it. If we want a good product, let's do it right. Mr. Rohner said let's take until next month to take the next step. Let's get a foundation of what we are looking at and to determine how much dollars it would cost if that were the direction we are going in. Mrs. Bear asked do we want one in Middle Smithfield and one in the South or is Middle Smithfield good enough since it is centrally located. Mr. Schlameuss said I think we have the property at Middle Smithfield, and we have the access to it. It's our property. At Resica Elementary, I have questions of where the land is. Some of the land is part of the township where the pavilion is. Mrs. Bear said the township owns to the left of the Pavilion. We did a lot of work with the township. It wasn't just let's throw it up. Middle Smithfield may be a better location based on zoning. Mr. Rohner said I am aware of a 99-year lease. The township has the pavilion, the walking trail, the wooded area, the softball field, little league field and the soccer field. It is all school district property. The township leases the wooded area and the ball field. Mr. Andrews said I think we have to do the feasibility study to figure out what equipment we want there. We say we want a science playground but what goes into a science playground? We really need to get our hands around that before we can do anything else. Mr. Rohner said I don't know if Mr. Morris is participating tonight but he is the ringleader.

Mr. Jacob Morris said I want to thank everyone for their very constructive and intelligent observations and comments. Mrs. Bear, you know that we go back with the science playground project, and you have been wonderful. I really like what you are saying about Middle Smithfield. We never really talked about that. Like Mr. Andrews said that would be part of the feasibility discussions. In regards to the observations about developing curriculum, I have connections with probably the largest science playground in North America, which is at the New York Hall of Science in Flushing Meadows Queens. They have a fantastic curriculum that goes along with their science playground, which is absolutely phenomenal. They have lots of pictures of the playground apparatus and happy children on that science playground. I have access to their curriculum that goes along with these wonderful apparatus. Whoever wants to participate in the discussions of the feasibility study can. If we want to go with a different location like Middle Smithfield, it would just be wonderful for the East Stroudsburg Area

School District and for Monroe County, for the parents and for the children to host a science playground. Teachers would be happy to deal with inspired children.

Mr. Bard said I will research with some of my colleagues at PASBO to see if there are any firms that do feasibility studies for science playgrounds. I will then get back to the Board hopefully by Monday. If I find out from anybody or any firms with any associated costs, I'll get back to the Board hopefully on Monday at the Regular School Board Meeting. Mrs. Bear said regarding Middle Smithfield, if we chose to do the playground there, it would not disrupt school as much there as it would at Resica Elementary because that is the only playground they have. With Middle Smithfield's land, it wouldn't disrupt recess for kids. They can probably just fence that off and do their work during the day. These are just my thoughts. I think that location would probably be more accessible to more people. It is also close to the Community Center that Middle Smithfield Township just recently built which is next to the library. It is right down the road from there. If you put a sign there, people would know to go around to the back. Mr. Andrews asked do we want to run this item through the Property & Facilities Committee or through the Finance Committee. Mr. Bard said the Property & Facilities Committee is probably the best way to go with this. The committee members agreed. Mrs. Bear said we can have Angela Byrne look for grant money as well for building that type of playground. I am sure there are grants out there. As you proceed with the feasibility study, we should mention it to her so that she sees what grants are out there.

b. Current Project List

X. Recommendations by the Education Programs & Resources Committee

None

XI. Public Participation - Limited to Items of Discussion or Approval

A. Mrs. Ann Catrillo said I would like to comment on the science playground. I think that it is a great idea and Middle Smithfield is a great location. Once the feasibility study is done, we can look at it from a curriculum perspective as well.

XII. Advisory Recommendations for Consideration by the Board of Education

1.

RECOMMENDATION BY THE COMMITTEE:
Motion was made by Wayne Rohner to recommend that the Board consider for approval the 2022-2023 Annual Audit as prepared by Zelenkofske Axelrod LLC. Motion was seconded by George Andrews 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 purchase of weight room equipment from Advantage Sports and Fitness for HS South in the amount of \$8,129.00 (Paid from grant from St. Luke's). Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Wayne Rohner to table the following items unless the district receives verification from the State. Motion was seconded by George Andrews and carried unanimously, 4-0.

The approval of PLANCON J for Middle Smithfield Elementary School.
The approval of PLANCON J for East Stroudsburg HS Building.

4.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the purchase of a 2500 Ram Cargo Van for Food Services total cost of \$55,985 (COSTARS purchase) (To be paid out of Food Service Account). Motion was seconded by George Andrews 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 five-year copier contract with Fraser in the amount of \$84,686 for lease of copiers and approximately \$48,038.20 for maintenance (based on copies made) for a total cost of \$132,724.20. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

6.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Wayne Rohner to recommend that the district move forward in obtaining proposals for a Feasibility Study for a Science Playground. Motion was seconded by George Andrews and carried unanimously, 4-0.

XIII. Next Meeting - February 12, 2024, at 5:30 PM – Administration Center – Board Room & Via Zoom

RECOMMENDATION BY THE COMMITTEE:

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

XIV. Adjournment: 6:48 p.m.

Respectfully submitted,
Patricia L. Rosado
Board Secretary