

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
October 8, 2018
Carl T. Secor Administration Building – Board Conference Room
5:30 P.M.
Minutes**

- I. The Chairman, Lisa VanWhy, called the Finance Committee meeting to order at 5:31 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. **Board Committee members Present:** Larry Dymond, Rich Schlameuss and Lisa VanWhy. George Andrews was absent.
- School Personnel Present:** Michelle Arnold, William Cook, Tom McIntyre, Ryan Moran, William Riker and Patricia Rosado.
- III. **Community Members Present:** Annette Atkinson, Mike Dwyer and Mark Oney, Middle Smithfield Township Supervisors
- IV. **APPROVAL OF AGENDA AND MINUTES**

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to approve the agenda for October 8, 2018 and with members of the Committee reserving the right to add to the agenda and take further action in the best interest of the District. Motion was seconded by Larry Dymond and carried unanimously, 3-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Larry Dymond to approve the minutes of the September 11, 2018 meeting. Motion was seconded by Larry Dymond and carried unanimously, 3-0.

V. ITEMS FOR DISCUSSION:

- a. LERTA Program – Middle Smithfield Township Supervisors, Annette Atkinson, Mike Dwyer and Mark Oney.
- Mr. Dwyer presented information regarding LERTA (Local Economic Revitalization Tax Assistance Act), which included LERTA facts, LERTA Examples and Success Stories and LERTA Endorsements. Middle Smithfield Township would like to include another parcel in the designated C2 LERTA zone. The property is situated in the Country Club of the Pocono at Big Ridge Drive. Ms. Atkinson said if this is done, the ESASD and County will be able to collect taxes on this parcel when it is sold. Once the property is sold, it will immediately produce an estimated \$100,000 a year in tax revenues. The district would receive approximately, \$85,000. Phases in taxes on a property must be on improvements only. Taxing authorities still receive base amount plus the first year there is no tax increase, the second year, taxes increase by 20%, the third year, 40%, the fourth year, 80% and the sixth year 100%. There are no current litigation on the property. Mr. Dwyer said there are 29 acres to be developed. Mr. Oney said there are no developers yet because the land needs to be bid out. There is a half-acre minimum

on the size of the lots. Ms. Atkinson said residential can be built but not on the golf course. The Township Supervisors would like to present their request to the Board members at Monday, 10/15/18, night's meeting. At that time, they will bring some information on LERTA, a map and information from their Solicitor.

b. 2018/2019 Maintenance Agreement for Risograph

Mr. Tom McIntyre said that an updated Maintenance Agreement is needed for the Riso machine that is at Resica Elementary School because it is not being used as much as it was previously was. The cost is being reduced from \$1,072.00 to \$610.00. Maintenance includes parts, labor and repairs.

c. ESS Contract Addendum

Mr. Tom McIntyre said that the district would like to amend the ESS contract to include a higher rate for Long-Term Substitute Teachers from \$100.00 to \$150.00. A \$200 a day differential was also spoken about. Due to the pay rate that is currently paid to the Long-Term Subs, it has been a struggle to find coverage. This contract can be approved as is or both rates can be added to it now. The district's Long-Term Substitute step 1 rate was \$232. Now the district pays a 28% rate to ESS for the subs. The Committee suggested that the district keep an eye on the substitute fill- rate percentage to insure that ESS is sending subs for the teachers who are out. In addition, subs have to follow the district policies. The Committee suggested that the Long-Term Sub rate be increased and have different rates for different steps. A Long-Term Sub is needed when a teacher is out for 45 days or more.

d. Printing of Act 1 Application – BerkOne

Mr. Tom McIntyre said, once again, he would like to contract BerkOne to handle the mailings for the Act 1 Application. He recommended Option B, which includes printing, mailing, forms, envelopes, etc. The price increase from last year is less than a penny.

e. Contracted Transportation Services RFP –

Mr. Tom McIntyre said that the Transportation Department would like to contract with Pocono Transportation Inc. in order for them to provide drivers for field trips and athletic events. The district drivers cannot cover these runs due to covering their own scheduled runs. The Committee questioned if there is a shortage on bus drivers. Why is the district not advertising the need on free sites? Dr. Riker said that the district has advertised all over. The district currently has 110 drivers. There are no vacancies. The district has 4-7 subs and provides CDL classes every three months. The Committee suggested that Human Resources inform all subs that they can also apply to be a bus driver sub.

f. Budget Timeline

Mr. Tom McIntyre provided the Committee members with a Timeline for Events Related to 2019-2020 Budget Process in order for the Committee to know what to expect within the next couple of months. In December of 2018, BerkOne will send out notification to all residents. In January 2019, the Board will need to decide whether to provide a preliminary budget available to the public or adopt a resolution indicating that the district will not raise the taxes by more than the allowed index. This year the index is 2.3%; therefore the district cannot raise taxes higher than 2.3%. Mr. McIntyre said that he will begin monthly budget meetings with departments and be addressing the budget with the Committee.

g. Budget Review – 2000 Function

Mr. Tom McIntyre said that this month's discussion is on the #2000 Function – Support Services. Support Services are those services that provide administrative, technical and logistical support to facilitate and enhance instruction. The sub categories are:

2100 – Support Services total about 5.6 million dollars, which includes pupil services, guidance office, child accounting, psychological services, speech pathology, audiology and social work services.

2200 – Support Services – Instructional Staff totals about 2.5 million dollars, which includes activities associated with assisting, supporting, advising and directing the instructional staff with or in the content and process of providing learning experiences for students. It also includes Technology Support Services, School Library Services and Instructional Staff Professional Development Services.

2300 – Support Services – Administration totals about \$6.9 million dollars, which includes activities concerned with establishing and administering policy in connection with operating the district. Items are Board Services, Tax Collection Services, Staff Relations and Negotiations Services, Legal and Accounting Services, Office of the Superintendent, Office of the Principal and other services, which cannot be classified elsewhere such as bond refinancing.

2400 – Pupil Health totals about 1.9 million dollars, which includes physical and mental health services, which are not direct instruction. Items are Medical Services, Dental Services, Nonpublic Health Services and Access reimbursable expenditures.

2500 – Fiscal Services (Business Office) totals about 1.4 million dollars, which includes Payroll Services and Financial Accounting Services.

2600 – Operations and Maintenance of Plant Services (Facilities and Grounds) totals about 14.3 million dollars, which includes operation of Building services, care and upkeep of Grounds Services and Safety and Security Services.

2700 – Student Transportation Services totals about 12.5 million dollars, which includes Vehicle Operations Services, Vehicle Servicing and Maintenance Services and Nonpublic Transportation.

2800 – Support Services – Central Office totals about 4.8 million dollars, which includes Staff Services, Staff Development – non-instructional certified, non-instruction non-certified, Data Processing Services and State and Federal Agency liaison services.

2900 – Other Support Services totals about \$45,000, which includes all other Support Services not classified elsewhere in the 2000 series and pass-thru funds for IU payments.

Discussion about curtains for J. T. Lambert Intermediate's stage was held. They may be purchased through the capital reserve fund or there may be other ways to purchase them.

h. Property & Facilities Items

- i. Facilities Department request to create six (6) additional full time Maintenance II Technician employees
Mr. McIntyre said that the Facilities Department would like to hire six additional maintenance workers. Dr. Riker said the timeline of when they will be hired would need to be determined.
- ii. Trane – Lehman/North HS ATC upgrade proposal \$2,460,100
The Committee discussed the proposal from Trane for the replacement of the existing Pneumatic Controls System in H.S. North and Lehman Intermediate. The total cost is about 2.8 million dollars. If the district pays upfront, the cost is about 2.4 million dollars. The Committee had reservations with paying the total amount upfront. Mr. McIntyre suggested having the 2.8 million dollars approved and then have Mr. Ihle speak to D’Huy Engineering in order for them to be the site manager for this project.
- iii. North Campus Security Camera Proposal – IntegraOne - \$430,392.02
Mr. McIntyre said that Mr. Borosh received several bids for cameras for the north campus. IntegraOne was the lowest bid at \$430,392.02. Next month Mr. Borosh will provide prices for the installation, which includes the wiring, mounting, etc. Our staff cannot do the work because it will take them away from doing their normal job responsibilities. Mr. Borosh spoke to Mr. Brown, Solicitor about his issue and Mr. Brown will speak about the hiring for the installation.
- iv. JM Hill Playground Replacement – BYO Recreation CoStars#520256 - \$29,536.48
Mr. McIntyre said that J. M. Hill gathered a proposal to replace their playground. In the past, the district has provided \$30,000 for playgrounds; therefore, the proposal for their playground is within the amount that was previously approved. Smithfield Elementary School also would like a new playground but they have not provided any information.
- v. Payment of D’Huy Engineering
 1. Invoice #48178 \$865.00 – Concrete Replacement at JM Hill
 2. Invoice #48179 \$9,770.33 – HS North /Lehman Roof InvestigationMr. McIntyre said that Invoice #48178 from D’Huy Engineering is for work that was completed on the Concrete Replacement at J. M. Hill Elementary. Invoice #48179 is for the investigation that D’Huy Engineering did on the H.S. North/Lehman Roof.

VI. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

- A. Dr. Riker said that the district received the 2018-19 Safe Schools Targeted Program Grants in the amount of \$16,356.00. The district also received the 2018-19 Safe School Targeted Equipment Grant in the amount of \$22,900.00. These grants are in addition to the School Safety and Security Grant Program administered by the PA Commission on Crime and Delinquency in accordance with Act 44 of 2018. On Monday night at the Board meeting, Chief Mill will speak about all the details.
- B. Dr. Riker informed the Committee that Met Ed contacted the district to inform them that they will be removing a dying maple tree at J. M. Hill Elementary. Otherwise, this will cost safety concerns to Met Ed and the students. Met Ed is hiring Treesmith to remove the tree and it will be at no cost to the district.

VII. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

1.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to recommend that the Board consider for approval the following items.
Motion was seconded by Larry Dymond and carried unanimously, 3-0.

- A. The maintenance agreement with Stratix Systems as presented, for the maintenance of a Risograph at Resica Elementary School at an annual cost of \$610.00.
- B. The contract addendum with for ESS Northeast, LLC to include rates for Long Term Substitutes.
- C. Option B of the proposal from BerkOne for the printing and mailing of the annual Homestead/Farmstead applications as required by Act 1 of 2006 in the amount of \$.3014 per application.
- D. The contract with Pocono Transportation (Option 1) for extra bus run transportation services on an “as needed” basis through the 2020-2021 school year.

2.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to recommend that the Board consider for approval the following items.
Motion was seconded by Larry Dymond and carried unanimously, 3-0.

- A. The addition of six (6) twelve (12) month Maintenance II positions.
- B. The proposal from IntegraOne for the purchase of security cameras, wall mounts, and software licenses at the North Campus in the amount of \$430,392.02.
- C. The proposal from BYO Recreation in the amount of \$29,536.48 for the purchase and installation of playground equipment.
- D. The payment of invoice #48178 from D’Huy Engineering in the amount of \$865.00 for the JM Hill Concrete Replacement Project.
- E. The payment of invoice #48179 from D’Huy Engineering in the amount of \$9,770.33 for the HS North/Lehman Roof Investigation.

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to consider for approval the proposal from Trane for the ATC Upgrade at High School North and Lehman Intermediate Schools in the amount of \$2,838,638.00 and, in addition, retain D’Huy Engineering for project management and development of reasonable milestones for payment schedule.
Motion was seconded by Larry Dymond and carried unanimously, 3-0.

VIII. **NEXT MEETING** – November 12, 2018 at 5:30 pm

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Rich Schlameuss to adjourn. Motion was seconded by Larry Dymond and carried unanimously, 3-0.

IX. **ADJOURNMENT - 7:24 P.M.**

Respectfully submitted,

Patricia L. Rosado
Board Secretary