

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

July 10, 2023

**Administration Center Board Room and Via Zoom
5:30 PM**

MINUTES

- I. The Chairperson,** Rebecca Bear, called the Finance Committee meeting to order at 5:33 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, Wayne Rohner and Richard Schlameuss.
- III. School Personnel Present:** Peter Bard, Fred P. Mill, William Riker, Patricia Rosado, and Louis Santiago.

School Personnel via Zoom: William Vitulli.

- IV. Community Member Present:** Larry Dymond and Jacob Morris.

Community Member via Zoom: None

Other: Rachel Cramer – Enterprise Fleet Services
Anthony Lien – Enterprise Fleet Services

- V. Approval of Agenda and Minutes**

RECOMMENDATION BY THE COMMITTEE:

Motion was made from George Andrews to approve the agenda for July 10, 2023, 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 Wayne Rohner

A motion was made by George Andres to remove items c. Trane Quote for the HVAC replacement for Lehman Intermediate and d. Trane Quote for the HVAC replacement at Resica Elementary. Motion was seconded by Richard Schlameuss and carried unanimously, 4-0.

The amended agenda was carried unanimously, 4-0.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to approve the minutes of the June 20, 2023, Finance Committee Meeting. Motion was seconded by George Andrews and carried unanimously, 4-0.

VI. Presentation by Enterprise Fleet Management

Mr. Peter Bard said we have three vehicles that are in need of replacement. One car is broken down and the other two cars will not pass inspection. They would cost over \$120,000 to replace them; therefore, I thought we should look at a long-term fix for all of our fleet in our budget so that we do not have an up and down in our capital cost. One premier company within our municipalities is Enterprise Fleet Management. I reached out to Rachel Cramer and Anthony Lien so that they can present a plan that will require Board approval. Mrs. Bear asked is this for the fleet for the Maintenance Department or what is it for? Mr. Bard said it is for all of our vehicles in the district. Mr. Schlameuss asked does this include the police vehicles. Mr. Bard said it does. Mr. Schlameuss said, for clarification, we just purchased a police vehicle a few years ago so are we holding on to that vehicle? Mr. Bard said yes, we are. This is for us to review our complete fleet, except for the buses, and figure out a replacement cycle.

Ms. Cramer said between both of us Mr. Lien and I have 30 years of experience. There are 28 vehicles in total. We will not be replacing all of them. As you will see in the presentation, you will be saving about \$121,000 over a ten-year period. My goal is to bring in your business and Mr. Lien's job is to maintain the members. Mr. Bard had previous interaction with us at the Hazleton School District and now reached out to us.

She presented as follows:

The current fleet age/mileage is negatively impacting the overall budget and fleet operations. 41% of the current light and medium duty fleet is over 10 years old. 11.3 years is the current average age of the fleet. Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime and loss of productivity.

We are trying to decrease time and loss from what you are doing today. The objective is to identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative savings of \$121,593 over a ten-year period. This would shorten the current vehicle life cycle from 13.5 to 5 years, provide a lower sustainable fleet cost that is predictable year over year, free up more than \$80,011 in capital budget in the first year, significantly reduce maintenance to an average monthly cost of \$60 vs. current \$242, reduce the overall fuel spend through more fuel-efficient vehicles and leverage an open-ended lease to maximize cash flow opportunities and recognize equity.

You will also be able to increase employee safety with newer vehicles. Every year manufacturers are updating their safety features. Currently, there are eight vehicles that do not have Electronic Stability Control Standardization (ESC) from 2012. ESC is the most significant safety invention since the seatbelt. There are 21 vehicles that do not have standardization of backup camera since 2018. Many new vehicles include accident-avoidance systems, which can potentially lead to reduced insurance claims and injuries due to accidents. The East Stroudsburg Area School District will be able to replace all of its vehicles over the course of five years while creating a ten-year savings of \$121,593.

On average the district is purchasing about two vehicles per year. The chart will show you the first year the vehicles that are not passing inspection, and or may be due to a safety hazard. You are spending a little more on the maintenance. There are 13 vehicles that we are recommending be replaced within the first year in 2023. The following year there are 5 vehicles in 2024, 3 vehicles in 2025, 5 vehicles in 2026 and 1 in 2027. It's a gradual approach. After year five, you would have all vehicles on the program which is giving you that over all savings of \$121,593. The reason why it makes so much sense with the government world/education world is because we can decrease the age of your current fleet, make your fleet newer and you are not running into concerns. You are decreasing your maintenance and fuel cost, too. You can manage your fleet better by knowing what you are putting into your fleet and what is coming out of it.

Mrs. Bear asked do we currently have our in-house maintenance doing the work on the vehicles. Mr. Bard said that is correct. A lot of them also do work on our school buses as well. Mrs. Bear said I thought it was separate personnel doing work on our buses vs our vehicles. Mr. Schlameuss said I hope not. Dr. Riker said no. Mr. Schlameuss said they should be able to do all vehicles. Mr. Bard said they do. Mrs. Bear said my concern is that we are taking work away from the union. Mr. Bard said the maintenance work that we have is being done in-house but when you get new vehicles, you will not worry about transmission failures, engine failures, or large-scale items that maintenance guys do not do anyway so we send that work out to be done. A lot of the maintenance cost that Ms. Cramer is referring to come from the bills that are worked on from an outside garage. There is a lot of work that gets shipped out to be done. Mrs. Cramer said maintenance is not the issue, the savings comes from unexpected repairs, i.e. blown engine, vehicles not passing inspection, etc. Mr. Bard said the maintenance guys will perform work on them such as oil changes. Mrs. Bear asked will we be required to handle our maintenance work through Enterprise. Ms. Cramer said no. Mr. Bard said the Enterprise Agreement is one that we can opt out of at any time because we are doing business dealings directly with the manufacturers ourselves. The district is entering into an agreement with the manufacturer itself. Mr. Schlameuss said if I am understanding this correctly, we are basically buying the vehicle through Enterprise and you are amortizing it over a set number of years. Is that correct? Ms. Cramer said it typically would be about a 60-month lease. When you are looking to sell the vehicles, the equity would go back to you. Mr. Schlameuss said if we sell the vehicle, but we do not have to because we own the vehicle at that point. Ms. Cramer said correct. Mr. Schlameuss said so at the end of the lease we are not paying an additional amount to buy the vehicle because we own the vehicle. Ms. Cramer said what we do is price the vehicle at the blue book value. You pay 80% of that vehicle. We would write the vehicle off to about \$5,000. You have the option to sell that vehicle. At the end of the term, we can say this truck will sell for \$30,000. You will get the reduced value by \$5,000. You can pocket that \$25,000 for the school district or you can own it and pay Enterprise the \$5,000.00. Mr. Schlameuss said what I want to make sure is that if we are buying the vehicle that it is the net present value of that purchase. The way I view it is I can go out to the open market and read through Costars and buy a vehicle, we are still getting off a couple of thousands of dollars of the book value or what you are seeing on the sticker price if not better. I want to make sure if we are leasing the vehicle through you, at the end of that term, that is the same amount of dollars I would have spent on it. I

am saying to Mr. Bard if you are interested in doing this what I would like to request is for you to get me two or three prices from Costars vendors for the particular vehicle that you are looking to buy and see what the cost is to buy it from them. We have plenty of Capital money. This is \$200,000 out of our Capital Funds, which is not really a big deal. What you are talking about is \$300,000 out of our annual Operating Budget unless we can do a Capital Cost contract, which we can then throw back to the capital. I want to know if the price that we are buying for a vehicle through them is comparable to the price that I'd be buying it on the open market or the Costars market which saves us money. Mr. Lien said I work with all governmental agencies and one of the benefits is the flexibility. Also, we can buy direct from any manufacturer. We can look at what the cost is for a Ford, Chevy or wherever. We can run numbers on what is the purchase cost is for five years, what the cost of maintenance is, what is the fuel economy and what will we be able to sell the car in five or six years instead of running a car to further years. You have all that flexibility. If in three years you feel like it is not working and want to go back to what was being done, you have the flexibility to do that. I think that is what a lot of our partners enjoy. Mr. Schlameuss said and I get what you are saying but maintenance is covered under our own maintenance staff. I am interested in a price for a procurement that we would make through Costars for an identical model from you and Costars. Are they comparable? Mrs. Bear said we would also need to know the payment for the lease versus what we pay up front, because rates are higher now. They are not low. It would be one thing if you came to us two years ago when interest rates were 1.9% or so. Now you are looking at 7%, 8%, 9% or even 12%. Is it cost effective now when rates are this high versus what it would have been two years ago when rates were lower? Ms. Cramer said they are all good questions. The prices are aligned with Costars. They are not as prevalent as it was in years passed, due to COVID. That is why so many other government municipalities are partnering with us more now than ever because of the fact that we are getting the vehicle directly from the manufacturer. You are going through additional steps so that the price point of maybe \$6,000 that you would get from Costars before is very much in line with the price that we are getting. One, you are getting the vehicle directly from the manufacturer. Two, you are also getting those government incentives, so you are getting some of the same incentives that you had in the past. However, they are not getting those different markups. The price is in line with Costars. Mr. Schlameuss said in order to do our due diligence, we would want to make sure that they are comparable. I guess the bottom line is that at the end of the five years after we are done making payments to you, we can either buy it for the price as long as it's equivalent to whatever the Costar price is. We generally hold on to the vehicle for another five years. It seems like for our average fleet is like eleven years, which is what we have. Some vehicles are 20 years and other vehicles are two years. That is how you get the average. That means that we hold on to them because we don't run that many miles on them. Mrs. Bear said they are usually running from the South campus to the North campus. Ms. Cramer said you have the option to do that which is the flexibility part of it that. After the five years, you do not have to sell the vehicle. We will get the numbers as to why it would potentially make sense to do that. We will simply do that for you if you want to buy the vehicle. You can hold on to it if it continues to work well for you. We will get you the book value. To your point, you do not have to finance any of the vehicles. If you want to pay cash for your vehicles, you are more than welcome to do so. We are just trying to help you do more

with less and decrease the age of your fleet now. Mrs. Bear asked what is the difference between us buying it outright from Costars or buying it outright from you. Mr. Schlameuss asked what is a better sell right now. Mr. Lien said we are buying the vehicle directly from the manufacturer. Even if you are buying from Costars, you are buying it through a local dealer but there is a markup price there. There is a capital cost difference, for sure. What we do is look at your portfolio for your vehicles yearly. One of the things we have done is look at a truck over the last couple of years and buy the truck for \$35,000. The Business Manager can look at what that value is today. Some districts are profiting about \$5,000 to \$6,000 on the vehicle after buying it. It has been a depreciative value since before COVID but you have the ability to do that and throw some cash back into your vehicle budget. We are constantly doing that with our partners. The vehicle world is changing. We have two million vehicles under the Enterprise brand; therefore, there is a lot of benefits. You're doing more with a lot less cash.

Ms. Cramer said the rest of the presentation includes a reference letter, program resources and partner references. Mr. Schlameuss said I used Enterprise before in the Transit Authority locally when we were in a pinch and needed a van or other vehicle. We leased them with no problem. They worked great. I'm not looking at it the same. Your integrity is great, and your product is fantastic. I just don't know if we need to be buying the vehicles from a Costar vendor or if we should be buying it directly from you. It would be my preference if you just get a quote and use the capital budget. Mrs. Bear said if we can buy the vehicle from you and it would be cheaper from Costar than that would be fine. I don't know that paying high interest rates for a full lease is right for us. It may be right for a school district that has less capital than we have. Mr. Bard asked what is the current interest rate on a lease. Mr. Lien said we would have to bid it out to see the exact rate. You are not financing the entire vehicle. I have 50 school districts. What we typically do is look at the market value of the vehicle, what can we replace it with and what can you pay. If you add more capital, then you can be more efficient and save more. A lot of people are interested in the cash back component of it. You will save about \$121,000 over ten years. It is not a lot of money, but it will help to have a better fleet. Ms. Cramer said the savings include the interest along with it. We can sell the vehicle for you, and you can pocket the money. Mr. Schlameuss said but we would still need the vehicle. Mr. Bard said you would get a brand-new vehicle in return and you would make a profit on that. For example, if you bought a 2023 Ford F-250 and then the market value went up and you bought it for \$35,000 and the value is now \$40,000 or \$45,000, you would make a profit. Mrs. Bear said why am I going to buy something that is \$45,000 for the same vehicle. Mr. Lien said if you would need trucks, you would buy them directly from the manufacturer but if you have not been a client of theirs, they won't do it. You may not believe it but that is what is happening because they are not building a lot of municipal type vehicles. They rather sell a retail Ford Explorer. Mrs. Bear said she understands because she is on the Board in her community. We are struggling right now to get replacement pickup trucks. Mr. Bard said if the markup goes up higher and the demand goes higher, we are able to turn that truck around. We get the cash back and then we buy another 2023 Ford F250, which is just one and we lease another one. We then get back \$10,000 to put back into our Capital project funds. The reason I thought about this is because one day we are not going to have \$20 million in the Capital Reserve. This is more of a long-term plan

because we are going to have to replace all of our school buses at some point. That is probably going to be about a \$10 million lift and that is probably going to eradicate about half of our capital reserve. The fact that our vehicles age at 11 years is quite alarming to me. We don't want to nickel and dime the capital reserve budget. This is why I brought Enterprise in. I thought this would be a way to put a fixed cost in our budget because this is something we could plan for every year. This is something that we would make sure that at least one part of our fleet, outside of our school buses, would be stabilized. Knowing that the cost would be taken care of because we knew that those vehicles would continually be replaced and that our equipment whether it be maintenance trucks, whether it be dump trucks, whether plow trucks, or police vehicles, they would all be taken care of and be updated with a flat cost. We could always anticipate this expense in the budget instead of having the up and down seesaw effect. That is why I figured that leasing would be the better option at this point. At a certain point, I think, we are going to have a fund balance that is down to \$6 million, \$7 million or \$8 million with the age of our fleet at 15 years. We will then need to buy half a million dollars' worth of trucks. We are going to be more cost conscientious about how we spend on it. I would try to avoid that if we can. That is why I brought this presentation to you today. Mrs. Bear said we have our fleet right now and, in your plan, we are gradually replacing all of them over the next five years. Ms. Cramer said correct. Mrs. Bear said some of the ones that we are replacing are okay, what do we do with them? Do we sell them in the market, or do we auction them? Do we make money on those and apply it towards our current lease or how does that work? Ms. Cramer said that is all factored into your model. The vehicles that we sell that are okay we don't sell. We would start with those 13 vehicles that would most likely end up going to auction. Once you are on the program, you are getting more equity back more than you are getting now because the vehicles don't have a lot of reward of an outcome. We are selling the vehicles directly to the dealer by realizing our relationships with our dealers throughout the United States. We have a team that their sole job is to sell your vehicles so we can set a base price that you want to sell it for. The team goes out and sells those vehicles. You have a team behind you to make sure you are getting the most money back. An auction is the last resort, but it is something we resort to when we are first bringing on a client because typically the vehicles are aged. Mr. Bard said out of the 13 vehicles that we would replace, the average value of them is approximately \$7,000 each. We are not talking about high-value vehicles. The information is on the presentation on page 3. Mrs. Bear said I was trying to figure that out but there were too many numbers on that page. Mr. Bard said it is the current fleet of equity analysis. Mrs. Bear asked can the money that we get from an auction go towards our lease payments and not take anything from our budget because we are selling what we have. Mr. Bard said we are lowering it. If you look at the fleet mix, it says the lease payment would be \$155,566 minus the fleet equity is \$90,000. The first lease payment would be \$60,000. Mrs. Bear said that would be like buying two new vehicles. We have three trucks that are unrepairable. They would cost over \$60,000 for replacing those three for the same cost that we are replacing the 13 vehicles. Mrs. Bear said it looks like the price goes up in 2028 because we are back to replacing the original 13 vehicles. Ms. Cramer said that is correct but then you are taking the equity of those vehicles from \$90,000 to \$136,000. The year before that some of those vehicles are included and that is why it is higher. You are always offsetting that lease payment with equity in your current fleet. Mr. Schlameuss said we can move that out

another five years and just buy the vehicle. Mrs. Bear said maybe just do like half, six rather than 13 because 13 is a big number. Mr. Bard said you can go to ten years and start the process again. Mr. Schlameuss said the way I look at this is that a service vehicle should last at least 15 years, easy. We had some that lasted us 35 years. You don't want to hold onto them that long, but they work. With the right mechanics, they will run. I'm struggling with this decision. Ms. Cramer said it is a difficult decision, but we would give you all the numbers for the equity and how to offset the payment on leasing the vehicles. You can run them for more years. You are always going to have some municipality, township or somebody that is going to have a need for that vehicle. We would give you the numbers on why we would encourage you to make that decision. It is also being proactive as well. We would give you the prices. If you go to a dealer, they will give you a price with a markup price, too. We look at everything and that is why it is better to be proactive as possible. At the end of the day, we work for you. Mrs. Bear asked do you get the vehicle faster than if we went to the Costar dealer. Ms. Cramer said that would depend on what route we would go. We are always going to have the option to get the vehicles directly from a dealer. We are going to utilize the dealers that we have a relationship with where they are not doing those markups. If you have a vehicle that is not passing inspection, you we may go another route, but we would never leave you high and dry. It would be a dealership, manufacturers or whatever the car may be found. It would depend on the situation. Mr. Lien said the hardest vehicle to get are the ones that the district runs. Mrs. Bear said that is why I asked that question. What is the timeline between us saying okay we need three pickup trucks, one cargo van and a box truck. Mr. Lien said we have a pool of vehicles sitting in a factory. Some specialty trucks we do not have right now. Mrs. Bear said what about the police vehicles that must be custom fit to what we need. Mr. Lien said we could probably find that. A pickup truck may take up to 13 months. Police trucks we can do all that need to be done for you. Ms. Cramer said we give you a broader spectrum to choose from. Mrs. Bear asked Dr. Riker do you have any questions. Dr. Riker said I believe Mr. Schlameuss asked about all the numbers I thought about. I look at this in two different buckets, school buses vs. maintenance vehicles. If there was just one vehicle, I think we used to least it this way. With our buses, it makes more sense when we are transporting thousands of students every day as opposed to a maintenance vehicle. As Mr. Schlameuss said, it is going to probably last you 10 years. I do think we need a vehicle replacement plan where you know at least in advance that this vehicle is going to be aging out in a few years. I have a lot of thoughts. I am not sure this is the most feasible direction for the Board to go. Although, anytime we can look at cost savings, I think it is worth considering. I would like to see the numbers of comparison. Mrs. Bear said I would like to see the cost of your vehicles. I would like to see a Costar quote and the prices from Enterprise just to make sure the numbers align if we are not doing financing. Mr. Schlameuss said the other thing is if you have a policy saying that your average vehicle's age is 12 or 13 years, that gives us an understanding of what your plan is around this time, i.e. your average is this, and you are getting rid of your older vehicles on some kind of schedule. You might hold onto that bucket truck for 20 years but the police vehicle after 10 years or box truck for 15 years. Dr. Riker said that is why I believe we need some direction if not this direction. Mrs. Bear said we do not have to do leases on every vehicle. It can be certain categories of maintenance vehicles versus all maintenance vehicles. Mr. Schlameuss said at my job we have an estimated use of life

schedule for every vehicle or type. We have a fixed route bus that is 12 years and a small vehicle that runs frequently is five years. There are also miles per years to be considered. Dr. Riker said and you rotate your vehicles just like we do. Mr. Schlameuss said absolutely. Mrs. Bear asked what is the average mileage on the vehicles that we have. Mr. Bard said it varies. One of them that failed had 30,000 miles on it. This is due to the fact that it sat around. It did not get much use. Mrs. Bear asked do we need to replace it. Mr. Bard said it was a bucket truck and we are replacing it with something that is more usable such as a pickup truck that will be used by our men and women in the field. You bought a bucket truck last year so instead of having two bucket trucks, we just needed one. The box truck that failed had about 70,000 miles on it and it is 13 or 14 years old. My goal is not to be boxed into a capital plan because the capital plan will run out. I believe the capital budget will be depleted once you get past the school bus purchases. Mr. Schlameuss said we have already replaced a bucket truck. The other bucket truck out there should have been taken care of. Mr. Bard said my understanding of it is that there were two bucket trucks, and one was parked up North for the sake of having one up there. Mr. Miller said it can be driven back and forth as needed. In theory, Mr. Miller said the goal was that the district would have two bucket trucks, one parked at North and one at South. When the bucket truck failed, there was no point in buying another \$100,000 bucket truck when it is not being used. The one bucket truck can go back and forth across the district. Mr. Miller said he would get more use out of a pickup truck because in the summertime when everybody is on first shift, there is not enough vehicles for all the guys to be as productive as they can be. Mrs. Bear said I would like to see an inventory of what we have individually. Mr. Schlameuss said he would like to see a broken-down list. Mr. Bard said what I am hearing is that we will circle back around. We will bring this back to you with some more numbers in August. Enterprise does not have to come back. They can just give me the information. We will address this next month. We can remove item b. The Master Agreement with Enterprise Fleet Services for Fleet Management, from being voted on today. If any Board members have any further questions between now and the next Finance Committee meeting, you can forward them to me, and I will communicate with Ms. Cramer. Mr. Rohner asked isn't there a State inventory list that we are required to submit to PDE. Mr. Bard said I would have to look into that for you because I am not sure.

VII. Items for Discussion:

- a. Motion to approve the bid for Special Education School Bus from Brightbill Body Works in the amount of \$724,190.00 from the June 23rd, 2023 bid opening. (Sole Bidder) (Paid for with ACCESS funds)
Mr. Bard said this is for five Special Education buses from Brightbill Body Works, Inc. to be paid out of ACCESS funds. I would also like to apologize because there is not a lot of 611 Forms. There was an error in the Goggle Form drive that we use. They will be back in August; therefore, I want to apologize for that since you are accustomed to seeing that. For this particular request for the five buses, it will be paid for by ACCESS funds. These are new vehicles. They are not replacing anything. Our Transportation Department is running every single one of our Special Education buses or vans on a regular basis. The five buses will be 30-passenger buses with wheelchair lifts. They can only be used by special education because they are being

paid through ACCESS. We went out to bid and there was a sole bidder which, was Brightbill body Works. They will go into production in February of 2024. That is the earliest they can start. Mrs. Bear asked are these buses needed due to the fact that we are now taking on a lot of the CIU 20 runs. Dr. Riker said yes. Mr. Andrews asked if we already ordered the buses. Mr. Bard said no. We are waiting for Board approval. If you look at the bid documents, it says that they will go into production anticipating Board approval at the July 17th meeting. Mr. Andrews asked who prepared the bid documents. Mr. Bard said the company filled out the bid document, but I prepared the bid information, and it was approved by Ms. Robins and Mr. Forsyth from the Transportation Department. Mr. Andrews asked did they make the terms. Mr. Bard said, no, we told them what we wanted, and they filled out the rest of it. Mrs. Bear said hopefully we have enough bus drivers to drive the buses.

- b. ~~Motion to approve the master agreement with Enterprise Fleet Services for Fleet Management.~~ **Removed by the Committee.**
- c. ~~Motion to approve the Trane Quote for the HVAC replacement at the Lehman MS and North HS (OMNIA Cooperative) ESSER III Funded~~ **Removed by the Committee.**
- d. ~~Motion to approve the Trane Quote for the HVAC Replacement at Resica Elementary (OMNIA Cooperative) ESSER III Funded~~ **Removed by the Committee.**
- e. Motion to approve the Resolution Urging Changes to Mandatory Millage. Rebalancing Requirements as interpreted under School Code Section 672.1. Mrs. Bear said this item we discussed at the last Finance Committee meeting. It is a letter that was drafted to go to the State. It does not mean that it is going to happen, but since we are a multi-county district, it should be more balanced. That is what the letter states. Mr. Bard said you are correct.
- f. Motion to approve Pandadoc Renewal Agreement totaling \$12,100.00. Mrs. Bear said, if I remember correctly, we did the above item at the end of the last school year, too. Mr. Andrews asked what is this for. Mrs. Bear said it is an annual renewal. Mr. Schlameuss said it is for E-signature. Dr. Riker said it is for electronic signatures. Mrs. Bear said I used this when I had to sign my daughter's IEP. It is like DocuSign but it is a little bit more secure. Dr. Riker said this item does have a 611 Form and it was budgeted.
- g. Approve lease agreement with Postage Pros at \$942.01 per month (COSTARS) (Five-year lease). Mrs. Bear asked what do we currently use. Mr. Bard said it is the renewal of the lease we already have with them. It has been budgeted for and the cost is the same as it previously was. Mr. Andrews asked is this is for the postage. Mrs. Bear asked do we use that much postage. Mr. Bard said this is for the machine and not the actual postage. These are for the high-value machines that we use. They fold the checks and seal them, too.

h. Lakeshore Life Skills K-2 Quote - \$21,234.38

Mrs. Bear asked what is this for. Dr. Riker said this is for the purchase of furniture . This is just to continue upgrading the Life Skills classes. Mrs. Bear asked if this will be paid through ACCESS. Mr. Bard said yes. Mr. Andrews asked if this is for North and South. Mrs. Bear said the paperwork says that it is for K-2 in all elementary schools. Mr. Andrews asked will each school get a room. Mrs. Bear said it is furniture for the Life Skill classrooms; therefore, if the school has a Life Skill class, they will get the furniture. Not all buildings have a Life Skills Classroom because it depends on the district's needs. I know that Middle Smithfield Elementary has a different class than Resica Elementary does. Sometimes students that live in Middle Smithfield go to Resica Elementary due to the options they have available for special education. I am sure it is the same for the schools in the south area. Dr. Riker said that is correct. Mrs. Bear said pictures have been provided to show what the classrooms will look like.

i. Pearson Aimsweb Quote - \$8,400.00

Mrs. Bear said there is a 611 form for this item. Mr. Bard said it is a 611 form from 2022. Dr. Riker said this is a renewal as well. Mr. Andrews asked what is this for. Mrs. Bear said it is for special education. Dr. Riker said it is software tool that they use for tracking. Mr. Andrews asked do they use this tool for an evaluation process. Dr. Riker said they use it to track progress reporting. Mr. Schlameuss said the price went up by \$300 from last year. Mr. Bard said this will be paid through ACCESS Funding.

j. Achieve3000 Quote \$12,290.00

Mrs. Bear said this is another renewal because I know we use this as well. Dr. Riker said that is correct. Mrs. Bear said this is also a McGraw Hill company. Mr. Andrews asked what is this used for. Mrs. Bear said this is for use by Pupil Services which is also special education. Correct? Dr. Riker said that is correct. Mrs. Bear said this will also be paid through ACCESS Funds. This is for the secondary level for students at J. T. Lambert Intermediate, Lehman Intermediate, H.S. North and H.S. South. Mr. Schlameuss said the cost is less than last year. Mr. Andrews asked is this the same product as Pearson. Is this a duplicate program? I see a lot of Special Education Programs on the agenda. Mrs. Bear said Pearson is for the lower grades. This is different. Mr. Andrews asked will we test and eliminate what is not working. Dr. Riker said if we find a program that is not serving our students well, we will replace it with something that is better. When you see a renewal that is the confidence level that the program is working well for the students and the teachers.

k. McGraw Hill NumberWorlds Math Resource Quote \$14,370.16

Mrs. Bear said we just renewed another Math one or is this a renewal again. Is this a new math program or is it the one we already used? Mr. Andrews said we have done a lot with math this year. Mrs. Bear said we need to do a lot with Math. What grade is this for? Mr. Bard said this is for elementary. Mr. Andrews asked are we piloting this program for McGraw Hill. Mr. Bard said this is for special education as well.

Mr. Bard said I believe this is K-2. Mrs. Bear said this resource will also be paid through ACCESS Funds. Dr. Riker said I do not know if this is a pilot program. Mr. Andrews said I do not know if this is a panel of teachers that pick it out or is this a new program. Mr. Bard said it is a pilot program. Dr. Riker said I believe six teachers are going to pilot the program.

- l. Bridges Intervention Workshop (Day1.5) Quote - \$6,175.00
- m. Bridges Intervention Materials Set 1 and 2 Quote - \$7,128.00
Mrs. Bear said this is just a workshop. Dr. Riker said it is a training. Mr. Bard said item l. is for the training and item m. is for the material for the training. Mrs. Bear said it will take place for a day and a half. Mr. Bard said that is correct. Mrs. Bear asked is this for all teaches or some teachers to attend. Is this for in-service day? Dr. Riker said it is for an in-service day, but I am not sure who will be attending. Dr. Vitulli is not here today to answer that question. Dr. Riker said I always say when you get this information and if you have any questions, you can give me them ahead of time so that I can get an answer for you. I may not have answer to every question on the spot. Mrs. Bear said that is fine. Dr. Riker said I do mind getting questions. Mrs. Bear said I understand. I made the assumption that it was an in-service day. I just didn't know what grade level.
- n. NoRedink - Renewal - \$21,400.00 paid with ESSER III
Mrs. Bear said the NoRedink is paid for by ESSER III. Mr. Bard said Dr. Vitulli is trying to talk. Mrs. Bear said tell him to enjoy his vacation. Mr. Andrews asked do we know what this is for. Dr. Riker said this is the renewal for site licensing for virtual classrooms.
- o. IXL Learning - Renewal & Addition - Math online resource - year 1 of 3 - \$148,225 paid with ESSER III
Dr. Riker said this is for site licenses for Math for the virtual classrooms. Mrs. Bear said it is being paid through ESSER III. It is a renewal for supplemental resources. Mrs. Bear asked what is C&I. Dr. Riker said C & I stands for Curriculum & Instruction, which means they budgeted for those items.
- p. CDW-G - Brenthaven Headphones (K-5) - Qty 2800 - \$58,296 paid through ESSER III
Mrs. Bear said the purchase of the headphones will be paid through ESSER III for K-5. Mr. Andrews asked what will these be used for. Dr. Riker said this is for when students are using the computers in the classroom to do some online work. Mrs. Bear said when my daughter worked on computers we had to purchase our own earbuds. Dr. Riker said we are not buying earbuds. Mrs. Bear said the students would come home with a check list and the earbuds were on the list. Mr. Andrews said now we are supplying them. Dr. Riker said that is correct. We are using the ESSER fund. Mr. Andrews have these funds been approved. Dr. Riker said yes. Mr. Bard said the company will be cleaning some of the existing ones and replacing those that cannot be cleaned. Mrs. Bear asked do we already have headphones. Dr. Riker said yes, we do. Mrs. Bear said a lot has changed since my kids were in elementary school.

- q. FueledEducation - ELL Supplemental Resource (Middlebury Interactive) - Renewal - \$4,455 paid through C&I
Mrs. Bear said this item is a renewal that is budgeted through Curriculum & Instruction. Dr. Riker said this is for English Language Learners.
- r. HMH - Handwriting Masters - \$2,940.30 - paid through Title I-
Mrs. Bear said this item is for Handwriting Masters that will be paid through Title One. Dr. Riker said we are still teaching handwriting. Mrs. Bear said I am happy to know that they are just making the students type. Is it cursive, too? Dr. Riker said yes. It is Blackline Masters Cursive. Mrs. Bear said we are one of the only school districts that still teach cursive. Dr. Riker said we are one of the only school districts that does a lot of things. Mrs. Bear said I am glad that we do. I know people in other states that have children that are not learning cursive.
- s. CIU20 - Acadience Related Printing - Benchmark Assessment - \$3,917.04 paid through C&I.
- t. CIU20 - Acadience Related Printing - Progress Monitoring - \$4,270.75 paid through Title I Grant.
Dr. Riker said Acadience is our Benchmark Assessment tool that we use for progress monitoring the students. This is the payment for the assessment and progress monitoring. Mrs. Bear said the printing is paid through Curriculum & Instruction and the progress monitoring is paid through the Title 1 Grant. Dr. Riker said that is correct.
- u. AED Superstore - CPR tools for N & S HS - \$9,110.80 paid through ESSER III.
Mrs. Bear said this item is for CPR tools for North and South High Schools. Dr. Riker said we are bringing CPR back into the classroom, so we need to replenish the supplies for doing the CPR training. Mrs. Bear asked are we going to teach the students CPR. Dr. Riker said yes. Mr. Andrews said I noticed that they are ordering dark-skin tone and medium-skin tone but not any ultra-light skin tone. They are buying color ones but no white. It is just my observation. Mr. Schlameuss said we already have some mannequins, correct? Dr. Riker said yes. Mr. Schlameuss said they already have the light-skin mannequins. Dr. Riker said I cannot say that, but I know that we have mannequins. Mr. Bard said Dr. Vitulli said that the CPR is for 11th graders. Mr. Bard said Dr. Vitulli said we have all of the skin tones, and we are just adding to them. Mr. Bard said we are adding more to our inventory. Mr. Schlameuss said I think it is important to have varieties. Mr. Andrews said absolutely.
- v. Acadience - K-6 Renewal paid through ESSER III - \$7,057.50
Mrs. Bear said this is another renewal that is being paid through ESSER funds.
- w. Cengage Learning - Accounting Software - \$3,817.00 paid through C&I
Mrs. Bear said this is a software being paid through Curriculum and Instruction. Dr. Riker said this is digital licenses for North and South for ESACA programs. Mrs. Bear asked is this for the accounting classes. Dr. Riker said that is correct.

x. Items for Discussion:

- i. Due to new accounting software and training on the new payable system, temporarily allowing the Chief Financial Officer to release payments to vendors that were budgeted for and purchased were approved outside and approved and have time-sensitive constraints associated with them. All checks and payments will be placed on agendas for payment. The period would be for July 2023 and August 2023.

Mr. Bard said as you know, we are transitioning into a new accounting software and it is taking us a bit longer for us to print checks. Also, when the Board switched their meeting date from the 19th to the 26th, the turnaround time to get our staff were in the middle of our learning curve with the new software; therefore, it has led us to run into some problems of getting the checks printed for the next Board meeting. What I am asking for from this discussion piece is if there is any mechanism where I can have a little leeway for releasing checks. Can Mrs. VanWhy who is the Board Vice President, come into the office to review checks over a certain amount. I believe, per policy, it would be for items over \$10,000. This way, if a vendor comes in and says where is my check, I would like the ability to release that check before the Board votes on the payment of bills. Mrs. Bear asked are there a lot of vendors that this can happen with. Mr. Bard said there might be some. I don't know how many. What happened in between when the Board delayed their approval, we had about at least two dozen vendors call in asking where their payment was. Some were quite unhappy. Mrs. Bear said maybe we should not be doing business with them. Mr. Bard said I was torn to even bring this up because I know that all payments would be Board-approved anyway. Therefore, my thought process would be if a vendor calls up and asks for their check, it can be released to them since it's been some time already. Now we have to prepare checks this week for Friday, which is coming up rapidly, for you to have for the Board meeting and on Monday. There is a turnaround time between Monday's meeting and August's meeting. If I would have the ability to release any checks that a vendor would require a payment so that it would not be delayed since under the normal circumstances, it would have been paid if we had the old software system up and running. We are still in the training phase of learning the new CSIU Accounting software. I would note on the payment of bills of when the payments were sent out. I would have Mrs. VanWhy review the check to make sure that she is okay with releasing the check. Mrs. Bear asked do you foresee any of this happening. Our bills are pretty consistent unless it is a project that we are working on. My question is what do you foresee this being in advance for us to say yes. Mr. Bard said if it is a project that we working on such as a D'Huy Engineering invoice, I'm not really worried about those type of invoices. Mrs. Bear said which ones would they be. Mr. Bard said I am worried about vendors such as an Amazon or School Specialty invoices. These are things people that can shut off services. Other invoices can be from the electric company. These are things that may get tied up or we

may get a late fee on. Mr. Andrews asked if we did that can you give us a separate category for the checks that are sent out so that we know which ones they are. Mr. Bard said yes. I don't foresee this being a large list. This is just temporary. Mr. Andrews said unless someone disagrees with me, I think this would be a way for us to get around that. Mr. Rohner asked are these invoices that we are paying within 30 days. What is our average turnaround? Mr. Bard said our average turnaround right now it has been 15 to 20 days. I don't know what is going to be with the new system and with the short turnaround between the Board meetings. It can extend out to 45 days. For the most part our average turnaround time for a check is between 15 days and 30 days. Some of the electricity bills have to be done within 30 days. Mr. Schlameuss said the Board policy is for things like utilities. You can pay those without coming to the Board. Mr. Rohner said it is also for items that will save us money. Mr. Schlameuss said there are certain things in the Board policy that allows you to make those payments. Dr. Riker said that is correct. Mrs. Bear said that is what I thought. Dr. Riker said something like School Specialty, which is our supplier of a lot of our classroom materials that would not be covered by the policy. Mrs. Bear said I am sure we have that vendor coming up because many are getting ready for the upcoming school year. Dr. Riker said that is correct and Mr. Bard is saying that the number of vendors maybe very minimal. The policy does give him some discretion in terms of things that would cost the district money because of a late fee or utilities. Clearly the policy covers that. Mr. Schlameuss said the prompt payment of items that will accrue to the school district's advantage so if we get an early payment allowance that makes sense. Progress payments towards contractors, we can pay those. Orders to cover approved payrolls and agency deposits and things like that. You can also pay utility bills on months where the Board does not meet in time for them to be paid. Mrs. Bear said most of the bills like the larger ones like these, we know about them because we approved them in the meetings. It is not like they are going to be a surprise unless the bill for the headphones is \$68,00 instead of \$58,000. I would ask questions then. Mr. Andrews said he is asking you for permission to do this temporarily. Mr. Andrews said as long as we are told what it is, it is fine. Mrs. Bear said I agree. Mr. Bard said I just don't want to inadvertently violate a policy and raise anybody's eyebrows. Mrs. Bear said I appreciate you letting us know. Mr. Bard said I will follow the policy and if there is anything that goes outstanding, I will review it with Dr. Riker. Mrs. Bear said he can note the items with an asterisk next to them. Mr. Schlameuss said I do not have a problem with that as long as it is temporary. Mr. Bard said they are coming onsite on July 17th to do training with out staff. I am hoping that as we move along since it is a tedious process to get everybody on board with the new system. I think by the end of the summer everybody is going to be on board. Mrs. Bear asked have you used this system. Mr. Bard said I have but I have not used SC View System which is how we are entering the invoices first and then paying the invoices second. I have not used the fund accounting and the buying and paying of things. You can't do everything all at once. Mr.

Schlameuss asked is there a purchase requisition and then another process. Mr. Bard said yes. It is ensuring that our people when we put the purchase order in that we receive the items so that we are not paying for something that we have not received. My staff does a phenomenal job of making sure that items are received and not just pay things that we didn't receive. They do a phenomenal job of making sure of that. I think it is just making sure that we get everything before we pay it. They do not want to rush payment such as when a vendor calls and asks for a payment, they do not want to just send the payment because they called. They want to make sure that they have gone through all of the steps. We are also going to be training the building secretaries on entering the requisitions. I will review the payments with Dr. Riker to ask for his guidance. If anything, that goes above and beyond like special exceptions are noted on your hand out. Mr. Andrews said we would need to put a special motion on the agenda to allow you to do that.

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

- a. No Committee Meeting was held this month.

IX. Recommendations by the Education Programs & Resources Committee

- a. No Committee Meeting was held this month.

X. Public Participation - Limited to Items of Discussion

- A. Mr. Larry Dymond said I have a question on the Trane Quotes for the HVAC replacements. Mrs. Bear said those items were removed from the agenda.
- B. Jacob Morris said I would like to thank the Board for the discussion of the Enterprise Proposal. On the one hand you have the safety consideration such as the backup cameras, stability controls and stuff like that. If it saves the district one accident, that is important. On the other hand, Mr. Schlameuss and Mrs. Bear brought up a very fundamental point which is comparing the vehicles apples to apples. I strongly support that you get apples to apples. Also, I would like a commitment from the Committee to discuss the possibility of implementing extraction tax here in Pennsylvania from the school district to alleviate the tax burden. I would like that to be on the next Finance Committee meeting agenda. Mrs. Bear said we can discuss if we want to place this on the agenda. Mrs. Bear said we do not charge extraction tax in PA. Mr. Morris said that is exactly my point. With my discussion I had with Mr. Bard, we discussed that they rely on two things. One was with the court decision which has held that the current system of school funding in Pennsylvania is unconstitutional. Based on that, neutralizing property taxes to fund school districts is inherently inequitable. Now there is court decision that has come down to affect a major part of any solution to that fundamental problem of revenue for Pennsylvania.

We are the one major gas producing state that does not have an extraction tax. The largest State Texas has a substantial extracting tax that goes to support the schools. Not that this Board has a lot of power but that does not mean that we cannot have a good idea. You can discuss it and if you decide to send a letter to the local elected officials and the School Board Association asking them to consider it. If they implement it, it will help the property owners, the school districts and the children. Can I get a commitment to discuss it? Mr. Morris said I know you took off the Trane Proposal off the agenda but what I would like to see is a ROI (Return on Investment) analysis and using Trane for heat pumps and not just air conditioners. I looked up the comparison between Trane and another carrier and they are equal, but Trane has a better warranty. Mr. Andrews said this question should be brought up at the next Property/Facilities Committee meeting. Mr. Morris said this Committee would ultimately vote on it too. You took this item off your agenda. Mrs. Bear said we took it off because we did not have the documents ready, and the Property/Facilities Committee did not meet to do all of their discussion first. Mr. Morris asked can the Finance Committee recommend this suggestion to the Property/Facilities Committee to see if they would like to see an ROI analysis of heat pumps from the same company and competing companies and not just for air conditioners but also for heat pump. Mr. Andrews said we will talk about this item at the next Property/Facilities Committee Meeting.

XI. 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 Motion to approve the bid for Special Education School Bus from Brightbill Body Works in the amount of \$724,190.00 from the June 23rd, 2023 bid opening. (Sole Bidder) (Paid for with ACCESS funds). Motion was seconded by George Andrews 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 Motion to approve the Resolution Urging Changes to Mandatory Millage. Rebalancing Requirements as interpreted under School Code Section 672.1. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

3.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by George Andrews to recommend that the Board consider for approval the Motion to approve Pandadoc Renewal Agreement totaling \$12,100.00. Motion was seconded by Wayne Rohner and carried unanimously, 4-0.

4.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Wayne Rohner to recommend that the Board consider for approval the lease agreement with Postage Pros at \$942.01 per month (COSTARS) (5 year lease). Motion was seconded by Mr. Schlameuss and carried unanimously, 4-0.

5.

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Richard Schlameuss to recommend that the Board consider for approval the following items. Motion was seconded by George Andrews and carried unanimously, 4-0.

- h. Lakeshore Life Skills K-2 Quote - \$21,234.38
- i. Pearson Aimsweb Quote - \$8,400.00
- j. Achieve3000 Quote \$12,290.00
- k. McGraw Hill NumberWorlds Math Resource Quote \$14,370.16
- l. Bridges Intervention Workshop (Day1.5) Quote - \$6,175.00
- m. Bridges Intervention Materials Set 1 and 2 Quote - \$7,128.00
- n. NoRedink - Renewal - \$21,400.00 paid with ESSER III
- o. IXL Learning - Renewal & Addition - Math online resource - year 1 of 3 - \$148,225 paid with ESSER III
- p. CDW-G - Brenthaven Headphones (K-5) - Qty 2800 - \$58,296 paid through ESSER III
- q. FueledEducation - ELL Supplemental Resource (Middlebury Interactive) - Renewal - \$4,455 paid through C&I
- r. HMM - Handwriting Masters - \$2,940.30 - paid through Title I.
- s. CIU20 - Acadience Related Printing - Benchmark Assessment - \$3,917.04 paid through C&I.
- t. CIU20 - Acadience Related Printing - Progress Monitoring - \$4,270.75 paid through Title I Grant.
- u. AED Superstore - CPR tools for N & S HS - \$9,110.80 paid through ESSER III.
- v. Acadience - K-6 Renewal paid through ESSER III - \$7,057.50
- w. Cengage Learning - Accounting Software - \$3,817.00 paid through C&I

Mrs. Bear asked if the Committee would like to give Mr. Bard temporary permission to release payments to vendors that were budgeted for and purchases were approved that have time-sensitive constraints associated with them. All checks and payments will be placed on agendas for payment. The period would be from July 2023 and August 2023. Mr. Schlameuss said I am fine with this as a temporary fix. I think what we should do after we get everything ironed out is send it to the Policy Review Committee for them to look at Policy 616 in order to make our job more efficient. Mr. Andrews asked can we still allow Mr. Bard to release the checks this month. Mr. Schlameuss said Mr. Bard can but it is a very time limited process and then the Policy Review Committee can review it to see what to change in the policy. Dr. Riker said do you have

any recommendation on the change to the policy because policy changes take two months or are we changing practice moving forward beyond the two months. Mr. Schlameuss said that is my point. If there is recommendation that you would like to implement based on your process, this will give you the opportunity to do so. Mrs. Bear said there may be something as the result of the new software that you may see needs to be changed in the policy. Mr. Schlameuss said we can have some time before next month's Policy Review Committee meeting in order for you to have something ready. Mr. Rohner said when we know which checks we are approving after the fact, I would like a copy of the invoice for those items.

XII. Next Meeting - August 14, 2023

RECOMMENDATION BY THE COMMITTEE:

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

XIII. Adjournment: 6:55 p.m.

Respectfully submitted,
Patricia L. Rosado
Board Secretary