

BERNARDS TOWNSHIP PUBLIC SCHOOLS

**FINANCE COMMITTEE
MEETING
THURSDAY, JULY 13, 2023
8:00AM**

MINUTES

1. Banking Status Update



Wells Fargo has increased the interest rate to 4.74% (net of fees) so that the District is earning additional interest as



2. Update on ROD Grants

There has been no official notice on new ROD grant allocations. Mr. Rollo performed a reconciliation on the District's books and discovered some aged grants that were not previously reimbursed. The unreimbursed grants are estimated to be approximately \$320,000. The process is onerous to receive reimbursement and there may be some risk to the total amount. However, Mr. Rollo believes the District will receive approximately \$224,000 for the Oak Street roof project, while the remainder is uncertain.

The District has currently submitted \$20 million in grants for approval, including the grants for the HVAC project that was bid out and rejected in the fall. If the grants are approved before the bid is awarded, then the District can apply it to that project. However, if the grants are approved after the project is bid, it will likely not be eligible. However, the district has several other projects that would qualify. At this time, the District is awaiting notification from the state on the application. This could take some time based on continuing staffing issues at the state Department of Education.

3. Pravco Update

There was an outstanding change order that the committee previously approved Mr. Rollo to negotiate with the vendor. The goal was to settle for less than \$60,000 and complete the punch list. The original change order totaled \$89,000. The District settled at \$60,000 which is offset by an initial \$50,000 construction allowance. The net increase to the cost of the project is \$10,000.

Committee recommends approving the change order.

4. Ridge ADA Pathway Bid Update

Mr. Rollo submitted a Pre-bid through one of the Co-ops that the District works with. The proposal received from that contractor came to \$252,000. The engineer's original estimate was \$97,000. Therefore, the District needs to go out to bid and target winter timeframe for the construction to occur.

Next steps:

- a. Determine if the work can be performed in the winter without significant disruption to the school.
- b. Contact the township to determine if they have any contractors that the District could leverage.
- c. Prepare a bid package and move the process forward

In addition to this project, the District is issuing a bid for three (3) automatic ADA compliant doors that could run \$5-10K per door to accommodate individuals requiring wheelchair access to Ridge High School.

Committee recommends proceeding with this project.

5. Maintenance Staffing Discussion

The Committee requested that Mr. Rollo evaluate the cost to hire maintenance personnel rather than outsourcing this service. Upon research, this path forward would not be cost-effective for the District and the Committee recommended not to proceed with this at this time.

Aramark was finally able to hire maintenance personnel as required by the District's contract and currently the District has the contractually required headcount plus one additional Aramark employee. The account with Aramark will be reconciled in August to determine the net amount due back to the District related to the staffing challenges experienced.



6. **Maintenance Work Order System Update**

The District received a demonstration and access to the FMX Asset Management System/Work Order System. District personnel that would be impacted by the change in process and software tested the system and recommended licensing this solution. The cost to the district is \$6,000 annually and a one-time implementation fee of \$1,500, including training. This reduces the District's cost by half and will provide better insight on asset repairs, maintenance and replacement that should reduce the District's overall capital maintenance costs.

Next steps:

- a. Request FMX to record any trainings and provide recordings to the District to reduce future training costs for new personnel and refresher training.
- b. Gather requirements for the facilities inventory documentation exercise.
- c. Evaluate and engage vendor to prepare the facilities inventory.

Committee recommends moving forward with this project.

7. **Boswell Engineering on Varsity Complex**

The evaluation of the wetlands designations have been completed and flagged. Based on the results, the engineers may need to explore buffer averaging. Areas that were expected to be wetlands were not and there is the ability to install bleachers on the hill.

The drains will need to be rebuilt and extended to tie into the county drainage system across South Maple Avenue. This will require work with the township and county engineers. Due to this, consideration of the batting cages will be given when determining the placement of the drainage basin.

The typical size of a field is 195 ft. wide x 300, 330 or 360 ft. long. Currently, the plans contemplate a field that is 208 ft. wide and 330 ft. long including 10 ft on each

side for each team. The district will include the largest size field possible so that the District is covered for all possibilities when seeking the letter of interpretation (LOI) from the DEP to permit the project.

Committee requested that the field be large enough to accommodate multiple sports.

The District wants to start bidding for this project in the winter. It is anticipated that the drawings required for permitting will be completed by August and the LOI will be received back from the Department of Environmental Protection (DEP) in November. The optimal timeline is January for the bidding process with bids returned in March for construction to commence during the Summer of 2024.

The engineer feels that we will have a good feel on the way the DEP will rule on the District's LOI in September and then the permit documents should be prepared.

Next Steps:

- a. Issue LOI for the wetlands designation, transition area waivers and permits.
- b. Confirm the size of the new turf field with the Athletic Director

The Committee recommends authorizing the vendor to proceed to Phase II and prepare the LOI for the DEP. In September, depending upon the DEP's ruling, the Committee will determine whether to proceed with the preparation of the permitting documents as this will keep the District in line with the anticipated schedule.

8. Extraordinary Aid Award

For the 2022-2023 school year, the district budgeted revenues of \$1.7 million for Extraordinary Aid received from the State. The final allocation was received in the amount of \$4.2 million (71.735% of \$5,904,142 applied for) leaving the district with an additional unappropriated fund balance of \$2.5 million for that school year. Last year the district received 83.886% of \$5,614,825 applied for. Two years ago the district received 90.094% of \$5,615,592 applied for.

In the 2023-2024 school year, given the historical allocation, revenues were budgeted in the amounts of \$3.7 million. Therefore, it is likely that the allocation for this past school year will not result in a material amount of budget overage and is more likely to reflect actual allocations. However, there will also be less revenue to appropriate for unanticipated costs.

9. Food Service Question

During COVID in the hybrid schooling period, Aramark shifted to weighing certain food items versus a fixed price. That methodology was anticipated to reverse back to pre-COVID years and due to turnover, that did not occur. Upon an audit of the food service portion of the Aramark contract, this situation was discovered and it has since been rectified resulting in a reduction on certain Ridge student meal prices.

In addition, there have been requests from the community for Halal and Vegan options. Aramark is currently researching the costs and various options and will report back with a plan to provide this for the District's school population.

10. Demographic Study Update (Dr. Richard Grip)

When the original proposal was received, it was contemplated that the vendor would use the most recent 2020 census data. However, given the timing, the vendor recommends waiting to proceed with this study until the October enrollment data is out.

The Committee reviewed the proposal and recommended moving forward with the Base Proposal (Option 1 with in person presentation). Additionally, based on changes in the housing market that appear to be outside normal conditions, the Committee recommends adding a Detailed Housing Analysis (Option 2 \$4,500) and a Housing Turnover Analysis (Option 5 \$6,800) for a total cost of \$21,800. The original resolution was approved for \$26,000. Therefore, the District will move forward with the study.

11. Bus Purchase

An opportunity to purchase used busses from the Somerset County ESC has been identified. There is an auction next month and is being managed by Hunterdon ESC. Typically, a used bus could be acquired for \$60,000. A new bus usually costs \$100,000 and could take up to a year to receive.

The Committee referred this to the Facilities and Operations Committee to evaluate the benefits of purchasing buses for the district to help mitigate current bussing challenges.

12. Next Meeting: August 24, 2023 at 8:00am

13. Reports

- a. June 2023 Preliminary Transfers Report
- b. June 2023 Wire Transfer Report available July 24th meeting
- c. June 2023 Investment Report available July 24th meeting
- d. June 2023 Secretary Report available July 24th meeting
- e. June 2023 Treasurer Report available July 24th meeting
- f. June 23,2023 to June 30,2023 Ratify Bills List
- g. July 2023 Bills Preliminary Bills List available July 24th
- h. Draft of July 24, 2023 Finance Agenda Items