

# BERNARDS TOWNSHIP PUBLIC SCHOOLS

## FINANCE COMMITTEE MEETING MINUTES THURSDAY, AUGUST 24, 2023 8:00AM

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### **Attendees:**

**Board Members:** Kirsten Light, Larry Rascio, Tim Salmon, Robin McKeon

**Administration:** Nick Markarian, Jim Rollo

### **Aramark Reconciliation Update**

The year end reconciliation was performed. The contract is finally full staffed. Aramark will owe the District approximately \$143K and that will cover the additional maintenance person (cost of approximately \$89,000) that was hired to catch the District up on the open work orders. The remaining balance of \$54,000 can be refunded or put into an overtime pool. The general feeling is there is still a lot of work to be done in the District and that the District will burn through the overtime pool next year.

The Committee requested to get the balance back and put it into the District Fund Balance so that it can be used to replenish maintenance reserves during the next budget cycle. The district will receive a bill for the additional maintenance person this year which may require a contract amendment.

**Followup items:** The Committee requested that an evaluation be performed as to how much overtime the District paid last year as a result of failure to staff open positions on a timely basis.

### **Ridge ADA Update**

The specifications changed at the last minute and resulted in an increased cost of approximately \$240K, therefore the original bid was not out of line. The specifications were re-engineered to use porous asphalt in order to address impervious coverage issues and resulted in a reduction in cost to approximately \$178K. The increase in price was due to soil disturbance and drainage requirements and a removal of a staircase. Anticipating is to go out to bid in September/October timeframe for project start in November. The estimated timeline to complete this project is 2 months.

### **Followup items:**

- Jim Rollo to determine logistics related to snow fencing, closing exit from the school and disruption to school/track schedule.

- Determine if any drainage issue arise and how it would effect the other drainage project for the new turf field?
- Discussed possibility of bidding with two different substantial completion dates if work could not be performed during the school year.

### **Summer Construction Update**

- The Cedar Hill roof project has been mostly completed and went smoothly. The leaks have been fixed.
- Ridge Parapet wall has been problematic with the contractor and the District is being diligent in bringing this project to completion. Substantial completion was scheduled for August 25<sup>th</sup> and the contractor is on track to achieve this phase.

### **Maintenance Reserve Drawdown**

Jim has been inspecting district buildings and grounds and wants to continue to focus on more maintenance work to address his observations. Therefore, he has advised the Committee of the need to draw down on the maintenance reserves during the year.

### **Liberty Corner PTO Donation Request**

The Liberty Corner PTO wants the Board to approve a donation of an outdoor classroom in the amount of \$80K. This is a complicated task as the administration needs to thoroughly review for additional maintenance costs and how that would affect the budget going forward.

Additionally, the Board needs to determine who would hire the contractor. Based on the project value, the District would be required to go out for bid. However, if the PTO hires the contractor, there may be other issues related to school construction requirements if not overseen by the District.

The Committee recommends reaching back out to the PTO to get more details related to the project around logistics, continuing costs and the proposed contractor that supplied the bid prior to approving. Additionally, if a resolution is brought up for vote, that resolution must be contingent upon being fully funded by the PTO and approved by our facilities department.

### **Boswell Update**

- Varsity field construction: The District received the project timeline and it was a month later than what was originally agreed to. Boswell Engineering was put on notice for allowing the project timeline to slip

twice. After many discussions with multiple personnel at the engineering firm, the owners promised better service going forward.

**Followup items:**

- Jim Rollo will follow up with the engineering firm to see what can be done to push the receipt of the bid package back to the original due date of January 2, 2024.

**Pre-Audit General Fund Balance**

The annual Audit will be conducted in October, 2023. The preliminary unaudited results as of fiscal year end June 30, 2023, show the following:

- **General Fund:** Fund balance increased by \$4,659,243.28.
  - 4.2% of operating budget: Anywhere between 2-5% is typical
  - Areas of savings
    - Health Insurance (\$1,018,858)
    - Out of District Tuition (\$648,379 - \$556,828 due to tuition being charged against ACERS grant)
    - Energy/Custodial (\$451,479)
  - Areas of additional revenue sources
    - Interest (\$491,110)
    - Into District Tuition (\$326,223)
    - Miscellaneous Revenue (\$260,365)
    - Facilities Rentals (\$118,928)
- **Cafeteria Fund:** 2022-2023 profit of \$253,423
  - New Fund Balance: \$1,695,541
  - Anticipated use of fund balance
    - Kitchen Equipment Replacement Project (\$216,099)
    - Serving Line Reconfiguration Project (\$1,000,169)
    - Note: Spiezle has been engaged for these projects and the recommendation is to proceed with the Kitchen Equipment replacement project immediately, as is able, during the school year and over breaks and to proceed with the serving line reconfiguration over the summer of 2024