

BERNARDS TOWNSHIP PUBLIC SCHOOLS

FINANCE COMMITTEE

MEETING MINUTES

THURSDAY, FEBRUARY 22, 2024

IN ATTENDANCE: KIRSTEN LIGHT, TIM SALMON, DAVID SHAW, JEN WHITE, JIM ROLLO,
NICK MARKARIAN, SEAN SIET, KRISTIN FOX

AGENDA

1. Athletic team funding - *This item was tabled for a future meeting*
2. [Fund 11 Operating Budget](#)
 - a. Position Control Roster
 - b. Operating Budget Drivers
 - Salaries (including open positions)
 - Benefits
 - Transportation
 - OOD Tuition
 - Aramark Renewal 6.1%
3. Budget Gap Analysis & Options

Almost all of the meeting time was dedicated to discussing the primary drivers for the budget (items 2 and 3 above). Mr. Rollo explained the contractual obligations the district had for personnel and the projected health benefits costs increases. Transportation costs for to-from school bus transportation was explained with various scenarios as it related to different school times that would allow for a variety of anticipated costs to bus students. Out of District placement costs were reviewed as were the labor costs driving the Aramark renewal. The total estimated cost of the operating budget was then compared to anticipated revenue and what the revenue assumptions were.

The committee had some discussion about the budget gap between expenditure and revenue and ultimately determined that the best course of action was to wait to make final recommendations on how to close the gap until after such time that state aid figures were known at the end of month. An extra finance committee was scheduled on March 5, 2024 for this purpose since state aid figures would be known by then.

4. [2023 Annual Audit](#)

Mr. Rollo shared that the final audit report had been formally published by the auditor and included the electronic copy.

5. Confirm Next Meeting Date & Time, March 21, 2024 at 8am

In addition to the extra March 5 meeting, the committee agreed on its regular meeting for March.

6. Reports

[January, 2024 Transfer Report](#)

[January, 2024 Wire Transfer Report](#)

[January, 2024 Investment Report](#)

[January, 2024 Board Secretary Report](#)

[January, 2024 Treasurer Report](#)

[February 26, 2024 Bills list](#)

[Draft of February 26, 2024 Finance Agenda](#)

BERNARDS TOWNSHIP PUBLIC SCHOOLS

FINANCE COMMITTEE

MEETING MINUTES

TUESDAY, MARCH 5, 2024

IN ATTENDANCE: KIRSTEN LIGHT, ROBIN McKEON, TIM SALMON, DAVID SHAW, JIM ROLLO, NICK MARKARIAN, SEAN SIET, KRISTIN FOX

AGENDA

1. Budget Gap Solution Selection

The committee returned to the discussion of the budget gap now that final state aid figures were known.

Conversation focused on banked cap and triple tiered busing. The committee came up with the solution to close the budget gap highlighted by the below table.

GAP	\$4,085,089.20	Banked Cap Avail	\$2,978,855.00	
Measure (Either Reduced Appropriation or Increase Revenue)	Green = Options for Revenue Increases	Red = Options for Expense Reduction	Finance Committee Meeting 3-5-24 Recommendation:	
Used Banked Cap to Offset SLEO & Security Services - Levy	\$600,000.00	\$600,000.00	Total Increases to Revenue:	
Use 22-23 Banked Cap - Levy	\$1,153,558.00	\$1,153,558.00		
Ex Aid Increase - State Aid	\$200,000.00	\$100,000.00		
Use up to \$2,649,841 of Additional Fund Balance	Suggested No More Than \$1,000,000	\$202,808.00	\$2,056,366.00	
Triple Tier Bussing	\$1,400,000.00	\$1,300,000.00	Total Expense Reduction:	

Reductions in the Personnel Budget		\$1,590,000.00	\$795,000.00	\$2,145,000.00
Restructure Maintenance Staff		\$100,000.00	\$50,000.00	Gap
		Total Rev. Inc. + Exp. Red.	\$4,201,366. 00	-\$116,276.80

The committee recommended closing the budget gap of \$4,085,089 with a roughly 50-50 split between increased revenue, \$2,056,366 (see green) and decreased expenses, \$2,145,000 (see red). The green revenue increases of \$600,000 and \$1,153,558 use some of the district’s banked cap in order to build up the tax base which the committee agreed was very important going forward in sustaining programs. The committee also talked about the tax relief that had been achieved in the last two budgets. Given projected increases in extraordinary special education costs, the committee was also comfortable in raising revenue from Extraordinary Aid by \$100,000. Since we anticipate significant fund balance at the end of the 2023-2024 school year driven largely by current interest rates, the committee was comfortable moving the total fund balance appropriation up to \$4,000,000. Since the *required* use of fund balance identified in our last audit is \$3,797,192, we would use an additional \$202,808 (\$4,000,000 - \$3,797,192) to bring the total use of fund balance to \$4,000,000 which is a great accomplishment as it brings the use of fund balance down to near pre-pandemic levels (this year we had about \$6 million in fund balance to sustain our budget). Using minimal fund balance next year is also important because it will allow us to take some of this year’s fund balance and deposit it into capital reserve. Given the district’s plan to fund 12 to 13 ROD grant projects with capital reserve AND to use capital reserve to offset future increases in annual debt service, everyone agreed it was important to keep looking to fund capital reserve.

On the expense side the committee recommending going for the triple tier schedule below

TRIPLE TIERED - version 2

School Level:	School Starts:	School Dismissal:	Length of Day:
Annin* *Shortens day by 5 minutes	7:30 AM	2:00 PM	6:30
Ridge* *Shortens day by 12 minutes	8:20 AM	2:58 PM	6:38
Elementary	9:00 AM	3:30 PM	6:30

The committee reviewed that these times would require elementary student bus riders to have a sort of brief aftercare while waiting for buses to come. The committee asked for extra thought to be put into the best way to eliminate or minimize any need for elementary students in our self-contained programs to have to wait on an elementary bus in the afternoon. Recognizing that having to pay staff to monitor students after dismissal would dip into some of the savings, the committee agreed to estimate a budget savings of only \$1,300,000 instead of the projected \$1,400,000. The committee encouraged the bus bid to go out as soon as possible and everyone agreed it was a goal to get bus bids back by the end of April, before the public hearing on the budget in May.

The second expense reduction will come from reductions in staffing costs through the spring with a need for the administration to demonstrate \$845,000 in personnel savings as noted in the sheet above.

The committee felt that it was important that for now our position with the public should be to describe our budgeted savings in the area of personnel generically. Such as *staff turn-over, retirement, attrition, non-instructional assistance and realigning class sizes in grades 6-12 with reduced enrollment*. As BOE counsel reminded us, we can not discuss specific positions/people publicly.

By the end of the committee meeting we actually came out with \$116,277 more than we needed to close the gap. Given that we don't yet know how our transportation bids will work out and the fact that health benefits are budgeted tightly, we feel we should raise the budget by that amount and put the money into one of those two cost centers to give a little cushion.

The preliminary budget presentation for March 11 will be based on the above. Mr. Markarian will let the public know in this week's SOS express that Monday's budget presentation includes the triple tier scenario (I will give them the school times above). The committee felt that the plan we came up with was even handed and fair in its overall pressure points. The estimated tax impact is shown below. Note the added 1.92% (above 2%) is the banked cap. You can also see the tax savings generated by the last two years. It is worth mentioning that the 3.92% is actually going to be lower overall when the General Fund is combined with Debt Service for the total school tax since we will not increase the Debt Service need because we offset any increases in our annual debt schedule using Capital Reserves.

In summary, while this budget does conceive of some personnel reductions and a change to busing and start times, it does not eliminate any programs AND it achieves the opportunity for added sleep for our high school students. Monday's BOE meeting will have a resolution to vote on the tax levy and submit the budget to the state for review. With that action, the direction will be set to arrange triple-tiered buses and the new schedule of start times.

ACTUAL LEVIES						IF 2% LEVY HAD OCCURRED					
2013-2014 until 21-22 went 2%											
	General Fund (GF)	GF %incr	Debt Service (DS)	DS %incr	School Tax per Avg Home		General Fund (GF)	GF %incr	Debt Service (DS)	DS %incr	School Tax per Avg Home
21-22	\$90,655,316.00	2.00%	\$5,105,651.00			21-22	\$90,655,316.00	2.00%	\$5,105,651.00		
22-23	\$91,314,864.00	0.73%	\$5,115,001.00	0.18%	\$8,862.19	22-23	\$92,468,422.00	2.00%	\$5,115,001.00	0.18%	\$8,915.38
23-24	\$91,314,864.00	0.00%	\$5,115,001.00	0.00%	\$8,934.33	23-24	\$94,317,790.44	2.00%	\$5,115,001.00	0.00%	\$9,126.88
24-25*	\$94,894,719.28	3.92%	\$5,115,001.00	0.00%	\$9,099.94	24-25	\$96,204,146.25	2.00%	\$5,115,001.00	0.00%	\$9,299.71
3 YR TOTAL	\$277,524,447.28				\$26,896.46	3 YR TOTAL	\$282,990,358.69				\$27,341.97
Levy Savings	\$5,465,911.41		Per Avg Home Savings		\$445.51						
* Assumes use of 1.92% of banked cap. Available banked cap detailed below.											
Budget Year	\$	%									
22-23	1,153,558	1.27%	Generated in 2022-23, Expires 25-26								
23-24	1,826,297	2.00%	Generated in 2023-24, Expires 26-27								
Total	2,979,855	3.27%									
The 1.92% of banked cap comes from using the 22-23 banked cap of \$1,153,558 plus another \$600,000 for school security for a total of \$1,753,558 (1.92%).											

2. Budget Timeline

a. Levy Resolution Adoption Mar 11, 2024

Mr. Rollo explained that at the Board of Education meeting on March 11 the Board would be voting on the tax levy and approving the budget to be submitted for state review.

The committee confirmed its next meeting date of March 21, 2024 at 8am