BERNARDS TOWNSHIP PUBLIC SCHOOLS

Finance Committee MEETING MONDAY, June 5, 2023 2:45PM

Administrators Present:	Nick Markarian, Jim Rollo
Board Members Present:	Kirsten Light, Larry Rascio, Tim Salmon,
	Robin McKeon

Meeting Minutes

1. Parent Transportation Contracts

The district is permitted to pay parents to transport their own special needs child up to \$20,200 state legal limit adjusted annually. Typically, this costs the district \$82,000-\$150,000. Therefore, the average net savings to the district would be a minimum of \$61,800. The offer went out to the parents of thirty (30) qualified students.

2. Banking Proposal Review

Mr. Rollo worked with the varying different banks to get the best possible interest rate and rate of return on our assets. The committee discussed the various different options and decided on the following:

- NJ Cash Management approximately \$9 million with a rate of return in excess of 4.94%
- Affinity Credit Union approximately \$3.5 million at 4.75% with no fees;
- Peapack Gladstone remainder of the operating funds using the higher interest rate sweep account at 4.8% with no fees

This arrangement is forecasted to increase revenue by approximately \$1.25 million, assuming current interest rates hold for the next 12 months, and with the elimination of fees, it will save the district approximately \$7,500/month for a total of \$96,000. The business office is targeting the month of July to begin the process of migrating bank accounts.

The committee supports this course of action.

3. Capital Reserve Motion for Cedar Hill Roof

The roof at the 300 Wing of Cedar Hill School was evaluated and was found to be 50% saturated. The district has tried to remedy the situation three times with minimal success. At this time, the district needs to prevent mold issues and perform a replacement of this section of the roof. Mr. Rollo reached out to the district's Co-op and received a bid for \$560,500. The bid was sent to the County Superintendent for approval and the bid was accepted. The work will be completed over the summer and will be funded through the Capital Reserve.

The committee supports this course of action.

4. Capital Reserve & Maintenance Reserve Deposit Authorization Motions/Preliminary Fiscal Year End Analysis

In June, the Board has the opportunity to place unappropriated fund balance amounts into the Capital and Maintenance Reserve accounts. Currently, the district is forecasting about \$6 million of unspent funds to return to the district's fund balance.

The maintenance reserve is near the maximum allowed for the district. The emergency reserve is at that maximum allowed already. The capital reserve is limited to the amount of the capital projects in the long range facilities plan (LRFP). Currently, the district has \$20 million in capital projects for roofs and HVAC replacements that we have applied for ROD grants. ROD grants, if received, will cover 40% of the costs and the district needs to demonstrate they have the funds available for the entire amount of the grant application. The current capital reserve account has about \$8 million.

Therefore, Mr. Rollo recommended that the district authorize up to 0.5% of operating budget to be deposited into the maintenance reserve account and authorize up to 2% of the operating 2022-23 budget to be deposited in the capital reserve account. The final amount will be determined once the fiscal year closes and the district financial audit has been completed.

The committee supports this course of action.



5. Jun 12, 2023 Finance Agenda Items

- 7. Confirm Next Meeting Date & Time
 - Thursday, July 13th, 8:00am Google Meet
 - Thursday, August 24^h, 8:00am Google Meet
 - Thursday, September 14th, 8:00am Board of Education Office
- 8. Reports:

May 2023 Preliminary Transfers Report May 2023 Wire Transfer Report will be available at next meeting May 2023 Investment Report will be available at next meeting May 2023 Secretary Report will be available at next meeting May 2023 Treasurer Report will be available at next meeting June 12, 2023 Bills Preliminary Bills List Draft June 12, 2023 Finance Agenda Items