

BERNARDS TOWNSHIP PUBLIC SCHOOLS

FINANCE COMMITTEE MEETING MINUTES THURSDAY, OCTOBER 12, 2023 8:00AM

Attendees:

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

Administration: Nick Markarian, Jim Rollo

Free & Reduced Lunch NJ vs Federal

Under the current policy, the district does not participate in the Federal Lunch Program. The reason behind this is due to the quality of the food options available under such programs and the district can provide better food options by operating our own cafeteria system. Additionally, the program can generate food waste.

That said, historically, the district needed to comply with the Federal law related to the free and reduced-price lunch guidance. Since the District does not participate in the Federal Lunch program, the cost of the lunches is covered by the district and is negligible to the district.

New Jersey has put in place a different set of [income eligibility standards](#) that expand the potential population of students in the district. The change is expected to add about \$1200 to the district's cost for the free lunch program. Note that if we participated in the state program we would be reimbursed for the cost, however, the same issues with food quality and options would exist. Overall it is more advantageous for the district to stay out of the national school lunch program.

The district uses these income eligibility standards to cover other things related to in-school activities (e.g., field trips, subscription bussing) and to provide reduced cost of before and after care options.

Follow-up items:

- Legal opinion on what is required to be provided by the district on "pay-to-play" options (e.g., sports, mini-units, before and aftercare, school clubs)
- Estimated cost to the district for budgetary purposes
- Aramark providing an additional lunch entrees for eligible students
- Breakfast options for the elementary/middle school students

Committee Recommendation: Subject to the belief that the NJ guidelines are mandatory, the committee recommends adopting the NJ guidelines in the same manner these guidelines have been used for district services that are currently being provided to these students (61 in total for the last school year) and recommends reviewing these practices with the advice of legal counsel.

Ridge High School ADA Walkway

It is expected that the bids for the construction of a wheelchair accessible walkway from the school down to Lee Field will come on October 12th around 1pm. Our engineers re-estimated the total cost based on the revised specifications to be approximately \$178,850.

As of today, eight contractors picked up the specifications for the bid process, however, only one contractor submitted a bid for \$267,921. The district will follow up with the architect and contractors to obtain additional information related to the bid or why they didn't bid.

Committee Recommendation: Due to the bid exceeding the project budget, the committee recommends rejecting all (only) bids and determining next steps once more detailed information is received.

Cafeteria Equipment Bid

This project has been put out to bid and an update on the results of the bid will be available next meeting. The first set of specifications was to complete the project in its entirety. Edvocate advised that they had seen other districts create piecemeal bids for the projects and the pricing was not as favorable. Therefore, the District followed Edvocate's advice based on recent experience and submitted the entire project out for bid.

The anticipated total cost for this project is \$250,000 to be paid out of the cafeteria fund. If the bids prove to be in excess of this amount, the Board will reevaluate the option to create bids based on a piecemeal approach.

Capital Projects Approved by Facilities & Operations Committee for 24-25 Budget

Liberty Corner Direct Install

The Small Business Direct Install Program offers incentives and 0% financing for up to 5 years to upgrade things such as energy-efficient lighting, HVAC, refrigeration, controls, VFDs, demand-controlled ventilation and HVAC tune up. Eligibility for the program is based on a school's energy consumption.

The district reached out to Vanguard Building Solutions to take advantage of this program. As a result, the district can achieve significant benefits at the Liberty Corner elementary school by replacing light fixtures, bulbs, rooftop units, split condensing units and electronic fuel use economizers, as documented in Vanguard's analysis [here](#) and summarized below:

	Initial Investment	Monthly	Annually Year 1-5	Total 5yr Cost
Cost	\$614,500			
Incentive	(415,600)			
Balance	\$198,900			
Monthly Payment		\$3,315	\$39,780	\$198,900
Energy Savings		(1,838)	(22,056)	(110,280)
O&M Savings		(310)	(3,720)	(18,600)
Net cash flow		\$1,167	\$14,004	\$70,020

The district received initial notification that the HVAC portion of this job would be covered under the ROD grant. However, bids for the project could not be submitted until the district receives the final grant award from the state, which could take a significant amount of time based on feedback from the state. If the timing aligns, the district could receive an additional \$59,400 for the grant reimbursement resulting in a net 5-year cost of \$10,620.

To quantify the opportunity cost of proceeding immediately versus waiting until the ROD Grant is approved, see below (note that of the \$614,500, \$488,500 is HVAC ROD grant eligible and the balance is lighting. \$195,400 is 40% of \$488,500):

	ROD Grant	Monthly	Annually Year 1-5	Total Cost Year 1-5
Cost	\$614,500			
ROD Grant	(195,400)			
Balance	\$419,100			\$419,100
Monthly Payment		\$0	\$0	\$0
Forgone Interest @5.5% on gross		\$2,816	\$33,798	\$168,990
Energy Savings		(1,838)	(22,056)	(110,280)
O&M Savings		(310)	(3,720)	(18,600)
Net cash flow		\$668	\$8,022	\$459,210

Key to note: For ROD grant projects the district needs to fund the entire \$614,500 up front and wait for reimbursement of the funds from the state based on certain project milestones.

Committee Recommendation: Based timelines, necessity and cost benefits, the committee recommends proceeding with the direct install option without waiting on ROD grant approval. The committee also suggests a careful analysis of other schools in the district to see if they might also be eligible for the direct install program

Both ROD grant projects and Direct Install projects require the district to follow the public bidding process.

Ridge PAC House Lighting \$90,000

Other – to be discussed further in November

- Lee Stadium sound system upgrade
- District phone system upgrade

Budget Calendar

The Capital Improvement portion of the budget is in draft form and will be in flux as the budget progresses. In the next month, the staffing number (position control roster) will be evaluated based on the October 15th results reported to the state.

Once October 15th passes, the demographer can begin its study and the expectation is the study will be received in December. This gives the district time to review the first review of staffing and program requirements and make any adjustments based on the results of the demographer's report.

The committee requested data on administrative responsibilities and how they compare to like districts.

Next Meeting: November 16th, 8:00am

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kirsten Light". The signature is written in black ink and is positioned below the text "Respectfully submitted,".