

Finance Committee Meeting
June 14, 2018
8:30am

In Attendance: Nicholas Fiocchi (Chairperson), Cedric Holmes (Board Member), Eugene Medio (Board Member), Dr. Mary Gruccio (Superintendent), Helen Haley (Business Administrator), Scott Musterel (Assistant Business Administrator), Keith Salerno (Executive Director of Purchasing).

1. Alternate Counsel RFPs - review the six proposals and the scoring process
 - a. Mrs. Haley distributed the RFPs that were received for Alternate Counsel so each committee member could review them.
 - b. Mr. Salerno and Mrs. Haley went over the scoring process. The Committee recommended: Capehart & Scatchard, P.A., Frank DiDomenico and Grace, Marmero & Associates, LLP

2. State Aid and Other Budget Related Topics - Mrs. Haley distributed a packet of information and discussed the following:
 - a. Bill S2 - School Funding Modifications -
 - i. Mrs. Haley handed out a chart prepared by the Education Law Center that had the proposed state aid cuts under Senate Bill 2 where Vineland would be cut \$8,238,006 phased in over a 7 year period. The first year reduction (FY 19) is \$411,900 on the chart.
 - ii. Mrs. Haley shared the letter from Brick Township regarding a meeting that she will attend on June 19th with other districts that face the same reductions from the S2 bill.
 - iii. Other Articles on the S2 bill were in the packet
 - b. State School Aid Anticipation Note, Cash Flow and Surplus
 - i. Mrs. Haley explained that school districts receive their June state aid payment in July. The state allows districts to borrow funds to cover the delayed state aid payment for approximately one month and the state pays the interest. Vineland's state aid payment is over \$15 million, so that would be the maximum to borrow. The application for the state school aid anticipation note involves projecting cash flow for the month of June. Based on our calculation, we applied to borrow \$7,000,000 from Newfield Bank. This amount plus interest will be repaid on July 12th when the June state aid is received.
 - ii. Mrs. Haley stated that due to tightening the budget each year, our budget surplus has decreased. In addition, a large amount of the anticipated surplus for FY 2018 was applied as budgeted surplus for FY 2019. Surplus also equates to cash flow so that will be tighter going forward. Mr. Musterel has prepared a cash flow spreadsheet that he and the accounting staff update on a daily basis so he can monitor cash flow.

3. Results of Lease Purchase Financing Bid Opening - Mrs. Haley went over the results of the Lease Purchase financing bid.
 - a. U. S. Bancorp will be awarded the bid. We have used them for all of the lease purchase financing to date.
 - b. The interest rate for the five year term is 3.039%
4. Upcoming dates:
 - a. 6/19/18 - Settlement on Oak & Main School
 - b. 6/28/18 - Tentative Settlement Date on the Reber Building