

Finance Committee Meeting

Agenda

12/1/15

6:00pm

Present: Christopher Jennings (Chairperson), Joseph Pagano (Board Member), Brian DeWinne (Board Member), Dr. Joseph Rossi (Executive Director of Personnel), Helen Haley (Business Administrator) and Scott Musterel (Assistant Business Administrator)

Guests: Nancee Bleistine, Vickie Silva and David Hart for #1 (ECPA)
Richard Allen, Dina Murray and Frank Forcinito from Allen Associates for #2 (Health Insurance)
Bryan McGair and Weston Ernst from Schneider Electric for #3 (ESIP)

Started at 6:08pm

1. ECPA Budget – FY 2016-2017
 - a. Vickie Silva, David Hart, Nancee Bleistine discussed the FY 2016-17 ECPA budget
 - b. Decrease in enrollment by 75 students

2. Allen Associates – Health Insurance for FY 2016-2017
 - a. Dina Murray and Rich Allen arrived to discuss health insurance
 - b. Rich handed out packets to go over the claim analysis
 - i. Claims were running around 95%, but now are at 90%
 - ii. Estimated renewal rate is 8-12% for health insurance
 - iii. Renewals 3/1 –if we could change the premium year to the budget year, that would be easier. It happened because we left the state health benefits in December and they needed a 60-day notice.
 - iv. Could get a short contract to get to 7/1
 - v. Perhaps look into a health alliance with the city and others
 - vi. Allen Assoc will look into changing to a 7/1 plan year.
 1. Will buy us some time to discuss other options in the future
 2. Will work on the 3/1 and the 7/1 Aetna number for now.
 - c. Reconvene in January or February
 - d. Wellness Program – Frank Forcinito joined the meeting
 - i. Presented the pilot program for twenty-five employees for twelve weeks
 - ii. Would like us to give them a chance to see if it works. The program will not cost the district anything.
 - iii. Brian said to take a school maybe as a reward as a pilot. Would not need Board approval since it does not cost anything. The Committee is for it. Talk to the Superintendent to see what location should be chosen.

3. Schneider Electric – Discussion of ESIP (Energy Savings Improvement Plan)

- a. Bryan McGair and Weston Ernst gave a presentation on ESIP
- b. ESIP is governed by law. It is an alternative procurement method to get capital energy completed in a cost neutral and possibly positive cash way.
- c. ESCO – work to develop a project; go and do that project; they bid the project like the SDA does.
- d. In SDA the state pays for the project. In an ESIP must be cost neutral. Verified by BPU and 3rd party that there must be net zero in cost vs. savings. 15 years is the maximum on the ROI in the state of NJ. Most of their projects have a 12 year pay back. Do not be concerned to incur debt – tax exempt lease usually 15 years. HVAC equipment, roof top units, boilers, lighting (LED) throughout the facility. Short payback period. The savings helps to pay for the leasing expense.

Scott asked how the savings is calculated. Scott would calculate in a reduction of KWH hours. Weston said the goal is to reduce real usage. Calculated by industry standard modeling programs.

Joe asked how this differs from Cenergistic. Weston said the big differences are Cenergistic is based on behavior modifications. Change the behaviors. Joe said that you could partner with them. Bryan said you could compliment them.

Bryan said that when he was a BA they had Cenergistic. Started off good, but died off. Were not getting the savings that we anticipated by the end.

Joe said that long term it would have to be infrastructure. Helen gave an example of LED lights being financed and that payment would be offset by the savings.

Weston said that it is harder to track the behavior modifications than it is to calculate the savings on an ESIP project.

BPU does oversight on the project.

LLI – they come in and do a preliminary review. Would come back to us with a business case. A high level view of what could be done. Weston the first step would be are we a good candidate. Bryan said that they get their money if they win the RFP. They are the GC and we have a say. Bid laws are relaxed. Still prevailing wage. Brian asked if solar is one of their projects

Wayne was asked why it wasn't pursued before. He said that a former board did not want debt service.

Brian gave his background on various energy projects. Lets say we lease a project and the savings are less, but payments are more. Bryan said that we sign a construction contract up front with the savings. Bryan – we are the only major ESCO that has not been involved in any major litigation or sued because we stand behind our guarantee.

Worked on school districts in NJ – have not been aggressive in the energy savings industry. Only in the last two years. 80% complete at Salem Cty Community College. Savings of \$280,000 range a year. Leased with annual payment that is less and then kicked in some capital to do extra work.

Chris said that he is not for borrowing. Bryan said it has to be cost neutral. The savings must equal the lease purchase payment.

Brian asked how the project at the HS would have benefited with an ESIP. Wayne said it is a good way to get projects done if SDA does not fund.

Would help us get ready for the LGEA with no cost. There are 19 approved ESCOs.

Weston said that he knows that we haven't earned your trust since we have not worked together year. We can contact some of their customers.

It came to finance because it got stopped at finance before.

Wayne asked how the ESCOs are evaluated. It is an RFP process, but with a grading criteria.

5 engineering firms are approved to do the LGEA. There is a set RFP for these 5 firms. No harm in taking the lowest one. When you go out for the RFP you use the LGEA as the baseline. The state pays for the LGEA.

Brian asked what Wayne and Helen thought of the project and then what the Committee members thought. Cost neutral is the selling feature.

Brian asked why we need the letter of interest. Weston said that it allows us to do the business case. It allows them to shepherd us through the project. The LGEA documents are limited. Schneider's evaluation would be more purposeful.

Helen will contact them regarding the January meeting. Discussed Bob's email regarding the Letter of Interest.

Ended at 8:30pm

4. Timeline of Budget Meetings with Administrators & Principals
 - a. Helen presented the schedule of upcoming budget visits
 - b. Helen went over the Maintenance budget and transportation budgets

5. Revised Budget Calendar with actual dates
 - a. Helen went over the updated calendar with dates for the budget presentation

6. Other 5 minutes Helen went over the fund balance and food service reports from the 10/26 meeting.
Joe Rossi talked about the bus garage
Brian went over the draft of the audit:
 - Total expenses
 - Gasb 68
 - Instruction – pie chart
 - Charter school jumped up.
 - Brian will ask the auditor lots of questions; did not see a management report