

Budget & Finance Committee Notes
Friday, October 17, 2014, Noon

Attending: Board Members Ms. Garrity, Mr. Hammer and Mr. Sockol; Administrators Mssrs. Petrizzo and Mikos. Guests: Mr. Solimine of MS&B; Mr. Richter and Ms. Eilinger of Edvocate. Absent: Board Member Mr. Desario and Superintendent Mrs. Duncan.

1. New Federal Nutrition Standards “Smart Snacks” - Update: These new federal standards apply to all schools, and are focused on reducing the caloric and sodium content of snack foods on school menus. Artificial sweeteners are permitted only for high school students. Mr. Richter, our food service consultant, recommends the following menu changes to comply with the new standards:

- a. At VS and IH, remove Rice Krispy Treats, Yoo-Hoo and Gatorade from the menu offerings.
- b. At Satz, remove the same items as in the elementary schools, plus fruit bites and chews, Powerade, ice tea, vitamin waters and lemonade; add Sabra salsa and Izza sparkling juice as menu options.
- c. At HHS, remove the same items as at Satz; add the salsa and sparkling juice mentioned above, plus diet ice tea, Snapple diet ½ tea ½ lemonade, Diet Snapple (20 oz.), Snapple Straight Up tea, Bai drinks, Naked Juice, and Glaceau Fruit Water.

After discussion, the committee recommends making the menu changes proposed, and continuing to make soda available only after school hours. The committee will monitor the impact of these changes on our food service program.

2. Securities and Exchange Commission Municipalities Continuing Disclosure Cooperation Initiative - Update:

Mr. Solimine, bond counsel, reported on the results of the financial disclosure audit of our outstanding bond issues since 2002. We are in substantial compliance with the law, and our bond underwriters have found no material misstatements of fact in our reports. The committee recommends that Acacia, our financial advisors, handle our required EMMA (Electronic Municipal Market Access Data Port) filings from now on. The reporting requirements extend beyond simply filing our annual financial reports and audits, e.g., changes in any guarantor’s bond rating. Given their complexity, it would be best to have our professionals responsible for recognizing reportable events and reporting them as they occur. The cost is modest -- a few hundred dollars per year.

3. 2013-14 Audit - Update: The committee reviewed our unaudited surplus calculation from the 2013-14 fiscal year. Our maximum allowable undesignated fund balance is roughly \$2.1M. At present, we are projected to have \$1.52 million as undesignated fund balance. That’s in addition to \$905K in maintenance reserve and \$2.1 million designated to fund the 2014/2015 budget.

4. District Fuel Tanks - Update: Mr. Petrizzo reported that we have been purchasing our fuel via state contract, and can stop at any time without penalty. The cost to shut down the tanks, remove them and test the soil for any leakage would be about \$27K, not much more than the maintenance work and tracking software upgrade required to continue using the fuel pumps. The funds are available in our maintenance budget. An alternate fuel source is through the Monmouth County Shared Services program that offers fuel, snow removal chemicals, public works material and supplies, etc. We can join for free with no obligation to use its offerings. Gas pump locations include Middletown, Freehold, Colts Neck and Hazlet. Mr. Petrizzo will investigate other possible fuel sources. BG&S is also reviewing this matter.

5. 2015-16 Budget: Budget planning is getting underway. Administrators will receive their information packets next week.

6. Other Matters: The committee briefly discussed Ebola preparedness, and the need to review our infectious disease policies for implementation in the highly unlikely event they become needed.

Next Meeting: Friday, November 14, 2014 at noon

Respectfully submitted,
Barbara Garrity
B&F Chair