

Budget and Finance Committee Notes
Friday, September 12, 2014, 1:30 PM

Attending: Board Members Garrity, Hammer and Sockol; Administrators Duncan, Mikos and Petrizzo.
Absent: Board Member Desario

1. **2013-14 Audit:** The district's auditors will begin their on-site field work on September 22, 2014. It is expected to take roughly three weeks to complete the field work.
2. **2013-14 Extraordinary Aid – Revised:** Our Extraordinary State Aid was increased by \$13K to roughly \$1.3 million. We will review our “surplus” calculation in October.
3. **New Federal Nutrition Standards “Smart Snacks”:** These new federal standards apply to all schools, not just those on the School Lunch Program. It appears we may need to swap out a few snack items for others. We will get the details in October.
4. **MRESC Participation Agreement for Cooperative Pricing of Environmental Insurance:** The Middlesex Regional Educational Service Commission (MRESC) is offering insurance coverage for mold and other environmental hazards, issued by American International Group (AIG). It is a better plan than our current coverage. The deductible is reduced from \$200K to \$100K, and the policy offers individual, rather than pooled, coverage. The annual premium is approx. \$10K, plus a 4% participation fee (about \$400), and is covered in our current budget. The committee recommends purchasing this coverage, which will be on the 9/24/14 Board agenda.
5. **Securities and Exchange Commission Municipalities Continuing Disclosure Cooperation Initiative:** We have been advised that, as local government bond issuers, we should have been filing our financial statements with “EMMA”, the Electronic Municipal Market Access Data Port, in addition to with the NJ DOE. The SEC has offered a safe harbor for local governments to correct the situation by conducting a disclosure audit. Those who don't conduct such an audit will be subject to fines and penalties. The audit will cost about \$1,500. Ideally school districts would like the NJ DOE to provide EMMA an electronic link to district financial filings. However this does not seem to be happening. Going forward, we will make filing with EMMA a standard part of our financial reporting. The committee recommends undertaking a disclosure audit, which will be on the 9/24/14 agenda.
6. **District Fuel Tanks:** The committee began assessing the economics of our existing on-site district fuel pumps, now that transportation outsourcing has deeply cut our usage. The administration will gather additional information for our next meeting.
7. **Other Matters:** The committee asked our administration to review our donations policy to be sure it requires close coordination between would-be donors and the district to insure that the gifts meet the district's needs. This is especially needed in the rapidly changing arena of technology.

Next Meeting: Friday, October 17, 2014 at noon

Respectfully submitted,
Barbara Garrity
B&F Chair