Approved June 4, 2018

Item # 3 b

Finance Committee

Minutes- Wednesday May 23, 2018 Finance Committee Meeting
PLACE: Central Office

1. **Meeting called to order 4:30 PM**

Members present: COMMITTEE MEMBERS:

Michelle Gorra, Chair   Peter Tagley   John Buonaiuto
Absent – Anthony Amato   Stephanie Kolnick

Also present were Robert Giesen, Director of Finance
Absent - Patricia Cosentino, Ed.D, Supt

2. **Pension Plan Performance review-**

a) Wells Fargo, Pension Performance -
Presented by Joseph De Palma and Eric Chernoff

Joseph DE Palma reviewed the support services offered by Wells Fargo to the district and the day to day operation of the local staff in servicing the account.

The performance of the non-certified pension plan was reviewed by Eric Chernoff as of both the end of December and the March quarter. It was pointed out that the allocation of assets have been performing well against the benchmarks and has maintained the funding level of the assets has performed well in matching the actuarial requirements of the Pension Services in order to meet the current and future projections.

b) Latest interest rates on Ban and Bond sales in the state by Municipalities and Boards

Phoenix Advisors, Bonding Market Barry J. Bernabe Managing Director LLC, reviewed possible funding options on the building projects. He explained differences between BANS (Bond Anticipation Notes) as well as Bonds (Permanent financing for a building project).
In the analysis a strategy of minimizing any large increases that would affect the future budgets was the object of the proposals.
Realizing that based upon the district's portion of funding these projects is approximately $9,000,000 and we would need to borrow thru a ban this level of funding within the next 45 days for a nine month term the market is favorable at about 2+% which is where the 18/19 budget was based upon.

Three scenarios were reviewed for placing permanent Bond issues in place:
#1 Two Bonds - $6,000,000 and $3,000,000
This would only cause a single year increase in the budget of $88,750 with all other years showing a decline.
2 Two Bonds - $5,000,000 and $4,000,000
This would impact three years but no single year would increase by more than $49,875
#3 A single Bond of $9,000,000
This would cause a single year increase of #137,636.

It was pointed out that a decision on the sizing of the permanent issue would be needed after the district secures a bond rating in late fall early summer and prospective would be developed.
At the moment the BAN for $9,000,000 for a nine month maturity would satisfy the capital needs to move the project forward.

Lastly the timing of the expiring loan in the 18/19 budget will allow the district to fund this with a near zero impact on the future budgets.

The procedure for applying for state reimbursement was again distributed so everyone would understand

3. **Adjournment –** 6:35 pm

Submitted,

Michelle Gorra