



Kenilworth Board of Education

Special Meeting Agenda –Annual Budget Hearing - April 29, 2020

I. Meeting Called to Order: 5:30 p.m. (Virtual Meeting Details)

This meeting is being held in accordance with the schedule of meetings adopted at the organizational meeting held January 6, 2020. Adequate notice of this Regular Meeting of the Kenilworth Board of Education has been provided to the Home News Tribune, The Star-Ledger, and the Local Source. A copy has been filed with the Kenilworth Borough Clerk, posted in the Board Office, the Kenilworth Borough Hall, Brearley and Harding Schools, as is provided by the Open Public Meetings Act. The meeting time has been changed to 5:30 p.m. via notice on April 2, 2020.

A copy of the proposed school budget has been on file for review on the district's website and a copy of the budget appeared in the April 16, 2020 edition of the Local Source.

In accordance with the Open Public Meetings Act, and in consideration of Executive Order No. 107 issued by Governor Murphy, the Kenilworth Board of Education does hereby notify the public that to limit public gatherings and to mitigate any person to person exposure, this Kenilworth BOE meeting will be conducted using Zoom Video Conferencing.

The public will be able to view live via You Tube Live Stream. The link will be available at 5:30 p.m. by clicking on the 'Watch the Meeting Live' icon on the Kenilworth District homepage.

Public comment will be accepted only during the public comment period in the meeting, via email publiccomments@kenilworthschools.com or by calling 908-931-9696 ext. 2325.

II. Salute to the Flag-Roll Call.

III. Purpose: Present the 2020-2021 Annual School District Budget to the community and adopt the budget.

IV. Meeting Opened to the Public for Comment: The Board of Education sets the limit for the public to speak at the Board meeting to five (5) minutes per person unless prior permission has been granted by the Board for extended time (pursuant to Kenilworth Board of Education By-Law 0167). E-mail public comments to: publiccomments@kenilworthschools.com or call into the meeting at 908-931-9696 ext. 2325.

V. Close Meeting to the Public for Comment.

VI. ROLL CALL ON THE FOLLOWING RESOLUTIONS:

2020-2021 Budget Adoption

RESOLUTION #1: Adoption of the 2020-2021 Annual School Budget:

**Adjustment
Enrollment**

RESOLVED that the Kenilworth Board of Education includes in the proposed budget the adjustment for enrollment in the amount of \$0.

**Adjustment
Health Benefits**

RESOLVED that the Kenilworth Board of Education includes in the proposed budget the adjustment for increased costs of health benefits in the amount of \$0.

**Adjustment
PERS Pension**

RESOLVED that the Kenilworth Board of Education includes in the proposed budget the adjustment for deferral of the PERS pension cost and the additional interest incurred in the amount of \$0.

**Adjustment
Responsibility Transferred**

RESOLVED that the Kenilworth Board of Education includes in the proposed budget the adjustment for increase (decrease) of costs associated with the transfer of responsibilities in the amount of \$0.

**Adjustment
Banked Cap**

RESOLVED that the Kenilworth Board of Education is seeking to use banked cap in accordance with N.J.A.C. 6A:23A-10.3(b) in the amount of \$42,885.

Budgeted Fund Balance

RESOLVED that the Kenilworth Board of Education use budgeted fund balance (unassigned) in the amount of \$458,529.

Capital Reserve Account Withdrawal

RESOLVED that the Kenilworth Board of Education requests the approval of a Capital Reserve withdrawal in the amount of \$0.

Maintenance Reserve Account Withdrawal

RESOLVED that the Kenilworth Board of Education requests the approval of a Maintenance Reserve withdrawal in the amount of \$90,000, for work including tennis court rehab, Harding School Bathroom renovations, and Brearley outside classroom renovations.

Emergency Reserve Account Withdrawal

RESOLVED that the Kenilworth Board of Education requests the approval of an Emergency Reserve withdrawal in the amount of \$0.

Debt Service Reserve Account Withdrawal

RESOLVED that the Kenilworth Board of Education requests the approval of a Debt Service Reserve withdrawal in the amount of \$1.

Adoption of the 2020-2021 Budget

BE IT RESOLVED that the budget be approved for the 2020-2021 School Year:

	General Fund	Special Revenues	Debt Service	Total
2020-2021 Total Expenditures:	\$28,094,237	\$606,000	\$1,211,763	\$ 29,912,000
Less: Anticipated Revenues:	<u>\$ 7,533,910</u>	<u>\$606,000</u>	<u>\$ 399,773</u>	<u>\$ 8,539,683</u>
Taxes to be Raised:	<u>\$20,560,327</u>	<u>\$ -</u>	<u>\$ 811,990</u>	<u>\$ 21,372,317</u>

BE IT FURTHER RESOLVED, That the supporting documentation of this budget also contains an itemization of certain expenditures required under administrative regulations, and

BE IT FURTHER RESOLVED, That the Board of Education authorizes the Superintendent and Business Administrator, after consultation with the Board President, to make any technical adjustments necessary in order to submit the final budget and certify the taxes.

Lease Purchase Financing for Equipment (Chromebooks)

RESOLUTION #2: WHEREAS, The Board of Education of the Borough of Kenilworth in the County of Union, New Jersey (the "Board") is created and is charged by law with the responsibility to provide a system of public education within the school district over which it has jurisdiction and to acquire and install equipment therefor; and

WHEREAS, the Board has determined to fund the acquisition of Instructional Technology Equipment (Chromebooks) for school purposes including financing and incidental or related costs (the "Equipment") by means of an equipment lease purchase financing for a term that does not exceed five (5) years pursuant to the provisions of N.J.S.A. 18A:20-4.2(f) and N.J.S.A. 18A:18A-1 *et. seq.*; and

WHEREAS, the Board has selected the Hunterdon County Educational Services Commission as financial advisor (the "Financial Advisor") and Porzio, Bromberg & Newman, as special counsel (the "Special Counsel") for the purpose of advising and assisting with the proposed lease purchase financing of the Equipment; and

WHEREAS, in accordance with the procedures set forth in N.J.S.A 18A:18A-1 *et. seq.* (the "Public School Contracts Law") and the regulations promulgated thereunder, a notice of the bid

will be published if required and bids or quotes (hereinafter simply referred to as bids) are scheduled to be returned to the Business Administrator, who, with the assistance of the Special Counsel and the Financial Advisor, will determine the lowest responsive and responsible bidder to purchase the Lease (as hereinafter defined) from the Board (hereinafter referred to as the "Purchaser"); and

WHEREAS, the Board will enter into a lease purchase agreement (the "Lease") and other related documents with the Purchaser in an amount not to exceed \$400,000 to finance the Equipment; and

WHEREAS, the Board desires to authorize the delegation of the award of the bid to the Business Administrator and further authorizes the Board President, Business Administrator/Board Secretary, Financial Advisor and Special Counsel to prepare and to execute the Lease and certain other documents and agreements necessary or incidental to the transactions contemplated thereby;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE BOROUGH OF KENILWORTH IN THE COUNTY OF UNION, as follows:

Section 1. The Board hereby determines to finance the Equipment by means of a lease purchase financing in a principal amount not exceeding \$400,000 in accordance with the requirements of the Public School Contracts Law. The lease shall be for a period not to exceed five years and the interest portion of rent shall be calculated at a rate per annum not in excess of the rate set forth in the legally responsive bid producing the lowest yield. The Business Administrator/Board Secretary, the Financial Advisor, the Special Counsel and other appropriate representatives of the Board (the "Professionals") are hereby authorized to prepare the necessary timetables, bid documents and other related documents as may be necessary and to take other steps necessary to prepare for and to implement the proposed financing.

Section 2. The Board hereby authorizes the publication of a request for bid if required in accordance with the Public School Contracts Law or the solicitation of quotes in order to prepare for the proposed transaction.

Section 3. The Board President and/or the Business Administrator are authorized to award the bid and the Lease in accordance with the terms of this resolution to the lowest bidder in accordance with the bid proposals or quotes submitted to the Business Administrator, which winning bid proposal or quote will be retained on file in the office of the Business Administrator/Board Secretary. The Purchaser's interest rate will be held fixed for a period of thirty (30) days from the date of the bid or such longer period as recommended by the Financial Advisor. If the closing does not occur within such thirty (30) day or longer period from the date of the bid, the interest rate will be calculated in accordance with the index rate recommended by the Financial Advisor as set forth in the bid specifications.

Section 4. The Board President and/or the Business Administrator/Board Secretary are hereby authorized to execute and deliver the Lease, an agent or an escrow agreement, an

assignment agreement, if necessary, and such other documents as may be necessary to consummate the transaction in a form approved by Special Counsel. Specifically, the Board authorizes the Board President or the Business Administrator to establish an escrow account for the deposit of the Lease proceeds and to direct the deposit and investment of the Lease proceeds in the escrow in accordance with the requirements of law. The Business Administrator is also authorized to pay any agreed upon fees in connection with the transaction including any escrow agent fee. The Board President and/or Business Administrator are also authorized and directed to take on behalf of the Board such other actions as shall be necessary and appropriate to accomplish the lease purchase financing for the Equipment in accordance with the terms of the Lease and this resolution and pursuant to the terms of the agreements and instruments authorized to be prepared hereby and to accomplish the performance of the obligations of the Board in respect thereto.

Section 5. The payment of rent or other monies due under the Lease shall be made only from the General Fund of the Board. Neither the Board, nor any agency, department or political subdivision thereof, shall be obligated to pay any sum due under the Lease to the Purchaser from any taxing source unless an appropriation is made in a duly approved budget of the Board. The obligations of the Board shall not constitute indebtedness of the Board or of the Borough of Kenilworth or of any department, agency or political subdivision thereof. The Lease shall set forth the term of the lease purchase agreement for the Equipment, the rental payments to be paid by the Board in respect thereof and the dates on which such rent shall be due and payable.

Section 6. The Board hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exemption from taxation of interest on the Lease, including the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Lease, if applicable. The Board authorizes the Business Administrator to act and determine on behalf of the Board whether the Lease will be designated as "bank qualified" within the meaning of Section 265 of the Code. The Board hereby declares its intent to issue the Lease in the expected maximum principal amount of the Lease set forth herein and to use the proceeds of the Lease to pay or to reimburse expenditures for the costs of the purpose for which the Lease is authorized herein. This resolution is a declaration of intent within the meaning and for the purposes of Treasury Regulations Section 1.150-2 or any successor provisions of federal income tax law.

Section 7. The reference to officers of this School District herein and in actions taken on behalf of this Board of Education includes any interim, acting or successor officers holding those positions.

Section 8. This resolution shall take effect immediately.

COVID-19 Related Resolutions

FSMC Agreement Modification due to COVID-19

RESOLUTION #3: Whereas, effective March 19, 2020 an Emergency Meal Service has taken place between the Kenilworth Board of Education and Maschio's Food Services, Inc., and

Whereas, the district chose to operate under a Seamless Summer Operation (SSO) program as a result of the COVID-19 health emergency in an effort to better serve the needs of the free and reduced lunch student population, and

Whereas, this introduces a change to the district's current Food Service Management Company Cost Reimbursable Contract,

Whereas the NJ Department of Agriculture requires a contract modification form to outline changes to the existing contract,

Now Therefore Be It Resolved that the Board of Education approve the modifications to the Food Service Management Company Agreement (#3902420) for the 2019-20 School Year and approve the letter of understanding between Maschio's FSMC and the Board along with NJDOA Form 232 Emergency Procurement Contract Modification.

- VII. **RESOLUTION:** Be It Resolved by the Board of Education of Kenilworth that the Board of Education meet in private session, from which the public shall be excluded, which private discussion is being held pursuant to Section 7b and 8 of the Open Public Meetings Act. The matters under discussion will be disclosed to the public as soon as final decisions are made and voted upon.
- VIII. Take any necessary action upon returning from closed executive session.
- IX. Adjournment.

THE PUBLIC IS INVITED TO VIEW VIA LIVE STREAM
Kenilworth, N.J.