

DEMAREST BOARD OF EDUCATION

COW and REGULAR MEETING MINUTES

LUTHER LEE EMERSON - GYMNASIUM FEBRUARY 9, 2021 6:30 P.M.

I. OPENING

- A. The meeting was called to order by President Holzberg at 6:30 pm.
- B. Present: Choi, Governale, Lee, Verna, Holzberg.
Absent: Cantatore, Schliem
Also present: Mr. Fox, Superintendent and Ms. Kelly Business Administrator/ Board Secretary

II. ADJOURN TO EXECUTIVE SESSION

- A. The Board determined it will enter into Executive Session for the following reasons:
 - 1. Legal issues
- B. It was moved by Verna, seconded by Choi and approved by unanimous voice vote of those present to approve the following resolution to enter the Executive Session:

WHEREAS, in order to protect the personal privacy and to avoid situations wherein the public interest might be disserved, the Open Public Meetings Act permits public bodies to exclude the public from that portion of a meeting at which certain matters are discussed;

WHEREAS, the length of the closed Executive Session is estimated to be thirty minutes, after which the Regular Public Meeting will reconvene and proceed with business where formal action may or may not be taken;

NOW THEREFORE BE IT RESOLVED, that consistent with the provision of N.J.S.A. 10:4-12(b), the Board of Education will now adjourn to executive session to discuss items stated above; and

BE IT FURTHER RESOLVED, that the Board hereby declares that its discussion of the aforementioned subjects will be made public at a time when the public's interest in disclosure is greater than any privacy or governmental interest being protected from disclosure.

- C. It was moved by Choi, seconded by Governal and approved by unanimous voice vote of those present to convene executive session at 6:30 P.M.

III. REOPEN PUBLIC MEETING

- A. It was moved by Verna, seconded by Choi to reopen the Regular Meeting to the public at 6:50 P.M.

B. President Holzberg read the following announcement:

The New Jersey Open Public Meetings Law was enacted to insure the right of the public to have advance notice of and to attend the meetings of public bodies at which any business affecting their interests is discussed or acted upon.

In accordance with the provisions of this Act, the Demarest Board of Education has caused notice of this meeting to be published by having the date, time and place thereof posted at the Borough Hall and at the Middle School and by notifying in writing two newspapers: The Record and The Suburbanite.

IV. FLAG SALUTE

A. President Holzberg led the flag salute.

V. ROLL CALL

Present: Governale, Kirtane, Lee, Verna, Holzberg.

Absent: Cantatore, Schliem

Also present: Mr. Fox, Superintendent and Ms. Kelly Business Administrator/ Board Secretary

VI. APPROVAL OF MINUTES OF THE MEETINGS

A. It was moved by Choi, seconded by Verna and approved by unanimous voice vote of those present to approve:

- January 5, 2021 Reorganization Meeting Minutes
- January 19, 2021 COW and Regular Meeting Minutes
- January 19, 2021 Executive Session Meeting Minutes

VII. CORRESPONDENCE

A. Board Secretary Kelly reviewed this month's correspondence.

- Resident letter regarding noise from snow blower and garbage removal was discussed.

VIII. BOARD PRESIDENT'S REPORT

A. Board President Holzberg discussed the 2021/2022 proposed preliminary budget and thanked Ms. Kelly for her work to prepare the budget.

IX. SUPERINTENDENT'S REPORT

A Superintendent Fox commented on the following:

- The students and families had fun with the snow sculpture contest. There were 115 entries and strong feedback. The PTO was terrific.
- Demarest recreation camp program to use facilities during summer
- Vikings request for facility use will be discussed at the next work session.
- District Goal update: Re-opening of school/Virtual platform
In September we opened school five days a week at half days each day for all students and provided virtual Wildcat office hours in the afternoon.

Starting in January we launched our Academic Enrichment sessions in the afternoons. These remote sessions included but are not limited to: Mastering Middle School for 5th grade, Basic Business and Finance for 6th grade, and Spanish Instruction for the 7th and 8th grades.

X. COMMITTEE REPORTS

A. The Budget Committee report – Ms. Verna, the chair of the budget committee reviewed the highlights of the 2021/2022 preliminary budget. Ms. Verna stated that the proposed 2021/2022 budget includes a 2% tax levy increase. The appropriations include funds for the County Road School addition, a new staff position, and for the summer enrichment program. The anticipated revenues will include \$1,000,000 in capital reserve funds to offset the cost of the County Road School addition. Currently the revenues do not include an increase in state aid. We will have to wait until after the Governor's budget address on February 23, 2021 to determine a state aid funding.

XI. PUBLIC HEARING ON LEASE PURCHASE

A. Public Hearing to discuss financing for the lease purchase agreement for the County Road School addition. Ms. Lisa Gorab of Wilentz, Goldman & Spitzer was unable to attend the meeting, however, Ms. Kelly presented the information for the public hearing.

B. Ms. Kelly stated that the estimated cost of the County Road School addition is \$4,110,000. We are anticipating financing \$3,110,000 through the lease purchase and the remaining \$1,000,000 will be funded with capital reserve funds. We are planning on advertising for proposals in the next few weeks. The lease will be over five years and the interest and principal payments will be paid directly from the budget.

There were no questions from the public as there were no members of the public in attendance.

XII. REVIEW OF AGENDA

A. Board members reviewed the items.

XIII. PUBLIC COMMENT

There was no motion for public comment being no one from the public was present.

XIV. ACTIONS

A. Instruction – Staffing

1. It was moved by Choi, seconded by Governale and approved by unanimous roll call vote of those present to approve to approve paid sick leave for Alexandra O'hara, third grade teacher-Luther Lee Emerson School-account 11-120-100-101-050-00-00, PCR 2030-050-200-00001 from March 1, 2021 to March 23, 2021, unpaid FMLA from March 24, 2021 to April 9, 2021 and unpaid leave from April 19, 2021 to June 22, 2021, with a return to work date of September 2021.

B. Instruction – Pupils/Programs

C. Support Services – Staffing

D. Support Services – Board of Education

1. It was moved by Lee, seconded by Governale and approved by unanimous roll call vote of those present to approve to approve the following requests for facility use on the following dates, in accordance with policy 7510, as recommended by the Chief School Administrator:

Group/Event	Date(s)Time(s)	Location
St. Joseph Parish Summer Programs	6/28-30,7/1,5-8,12-15,19-22,26-29, 8/2-5 9:30-11:00 and 12:30-2:00	DMS field
Demarest Borough/ Recreation Camp	6/24 set up 6/28-8/6 8:30-1:30 Monday- Friday	LLE cafeteria and two classrooms

2. It was moved by Lee, seconded by Governale and approved by unanimous roll call vote of those present to approve to approve authorization to submit to the Executive County Superintendent of Schools and the New Jersey Department of Education a waiver request from participation, per NJAC 6A:23A-5.3, in the Special Education Medicaid Initiative Program (SEMI) for the 2021/2022 budget year. The Demarest Board of Education applies for this waiver due to the fact that it does not project to meet the required minimum of Medicaid eligible classified students, as recommended by the Chief School Administrator.
3. It was moved by Lee, seconded by Governale and approved by unanimous roll call vote of those present to approve to adopt the following resolution to acknowledge the service of Adrienne Ross, as recommended by the Chief School Administrator:

WHEREAS, Adrienne Ross dedicated her time and services to the children of Demarest and the Demarest Board of Education, and
WHEREAS, her dedication served as a model of service to the community,
NOW, THEREFORE BE IT RESOLVED, that the Demarest Board of Education does hereby extend its appreciation and gratitude to Adrienne Ross in recognition of her thirty years of dedicated service to the Demarest Board of Education.

E. Support Services – Fiscal Management

1. It was moved by Governale, seconded by Verna and approved by unanimous roll call vote of those present to approve to confirm the January 31, 2021 payroll in the amount of \$423,891.01.
2. It was moved by Governale, seconded by Verna and approved by unanimous roll call vote of those present to approve to approve the January 2021 in office checks in the amount of \$270,727.32 and February 9, 2021 budget checks in the amount of \$112,791.49 as follows:
 Schilem abstain on Staples check(s) #20162

<u>Subtotal Per Fund</u>	<u>Amount</u>
11 General Current Expense	\$376,503.81
12 Capital Outlay	\$ 7,015.00
Total Bills:	\$383,518.81

- It was moved by Governale, seconded by Verna and approved by unanimous roll call vote of those present to approve to approve the following resolution:

Receipt of Certification from Board Secretary

Pursuant to N.J.A.C 6:20-2.13 (d), I, Antoinette Kelly certify that as January 31, 2021, no budgetary line item account has obligations or payments (contractual orders) which in total exceeds the amount appropriated by the district Board of Education pursuant to N.J.S.A 18A:22-8 and 18A:22-8.1.

- It was moved by Governale, seconded by Verna and approved by unanimous roll call vote of those present to approve to approve the following resolution:

Certification of Board of Education

Pursuant to N.J.A.C 6:20-2.13 (e), we certify that as of January 31, 2021, after review of the secretary's monthly financial report (appropriations section) and upon consultation with the appropriate district official, to the best of our knowledge no major account or fund has been over-extended in violation of NJAC 6:20-2.13 (b) and that sufficient funds are available to meet the district's financial obligations for the remainder of the fiscal year.

- It was moved by Governale, seconded by Verna and approved by unanimous roll call vote of those present to approve to acknowledge receipt of the January Report of the Board Secretary, A148 and Report of the Treasurer, A-149.

- It was moved by Governale, seconded by Verna and approved by unanimous roll call vote of those present to approve to confirm the following budget transfer for January 2021:

To:	Account	Amount
11-000-251-590	Other Purchased Services	\$17,240
11-000-262-520	Insurance	8
		\$17,248

From:	Account	Amount
11-000-230-580	Travel	\$ 2,000
11-000-240-580	Travel	1,000
11-000-251-580	Travel	1,000
11-000-291-260	Workers Compensation	7,317
11-000-310-110	Food Service-Other Salaries	5,923
11-000-262-490	Operations & Maint.-Custodial-Other Purch.Services	8
		\$17,248

- It was moved by Governale, seconded by Verna and approved by unanimous roll call vote of those present to approve to approve the following resolution, as recommended by the Chief School Administrator:

RESOLUTION OF THE BOARD OF EDUCATION OF THE BOROUGH OF DEMAREST IN THE COUNTY OF BERGEN, NEW JERSEY, AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH A LEASE PURCHASE TRANSACTION

February 9, 2021

WHEREAS, The Board of Education of the Borough of Demarest in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) has determined to undertake: (a) a capital improvement project pursuant to N.J.S.A. 18A:20-17, consisting of the construction and equipping of an addition at the County Road School for an estimated cost of \$4,110,000 and (b) the \$450,000 potential refinance of the balance of the outstanding lease purchase dated August 15, 2018 in order to produce interest savings in light of reduced tax-exempt interest rates (the "Project"); and

WHEREAS, the Board desires to finance all or a portion of the Project pursuant to a lease purchase agreement as permitted by N.J.S.A. 18A:20-4.2(f) (the "Lease Purchase") in an amount not to exceed \$4,560,000; and

WHEREAS, pursuant to N.J.A.C. 6A:26-10.3, the Board is required to conduct a public hearing on the Project and the proposed Lease Purchase; and

WHEREAS, notice of such public hearing was advertised on January 26, 2021 in The Record; and

WHEREAS, the Board has conducted such public hearing on the date hereof; and

WHEREAS, the Board now seeks to take certain steps to authorize such Lease Purchase.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE BOROUGH OF DEMAREST IN THE COUNTY OF BERGEN, NEW JERSEY (by the affirmative vote of at least two-thirds of the full membership of the Board), as follows:

Section 1. The Board hereby endorses the financing all or a portion of the Project through a lease purchase financing and approves a maximum funding level of \$4,560,000 for the Lease Purchase.

Section 2. Wilentz, Goldman & Spitzer, P.A., Bond Counsel and Phoenix Advisors, Municipal Advisor are hereby authorized to advertise for proposals for the selection of a lessor for the Lease Purchase

Section 3. Wilentz, Goldman & Spitzer, P.A., Bond Counsel and Phoenix Advisors, Municipal Advisor are hereby authorized and directed to prepare and submit an application to the New Jersey Department of Education ("NJDOE") to obtain approval of the Lease Purchase.

Section 4. Upon receipt of NJDOE approval, the Business Administrator/Board Secretary, is authorized to award the Lease Purchase to the lessor which proposed the most economically advantageous proposal to the Board. The term of the Lease shall not exceed five (5) years. In consultation with Bond Counsel, the Board President, the Board Vice President, the Superintendent and the Business Administrator/Board Secretary are each hereby authorized and directed to execute all documents including, but not limited to, a lease purchase agreement, a ground lease, if required, an escrow agreement, as applicable, and all closing documents in connection with the Lease Purchase and are hereby authorized to take any other action necessary therefor or incidental thereto.

Section 5. To the best of its knowledge, the Board hereby confirms that the annual lease payments and any operating expenses related to the agreement can be included within the School District's net budget spending growth limitations and will not result in the need for approval by the voters of additional spending proposals to maintain existing instructional programs or extracurricular activities.

Section 6. The Board hereby covenants that it will comply with any conditions subsequently 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, if necessary, the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Lease Purchase.

Section 7. The Lease will be designated as a "qualified tax-exempt obligation" for purposes of section 265(b) (3) (B) (ii) of the Code.

Section 8. The Board reasonably expects to reimburse its expenditure of Project costs paid prior to the issuance of the Lease with proceeds of the Lease. This resolution is intended to be and hereby is a declaration of the Board's official intent to reimburse the expenditure of ESP Costs paid prior to the issuance of the Lease with the proceeds of the Lease, in accordance with Treasury Regulations §150-2. The maximum principal amount of the Lease expected to be issued to finance the Project is \$4,560,000. The Project costs to be reimbursed with the proceeds of the Lease will be "capital expenditures" in accordance with the meaning of Section 150 of the Code. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The proceeds of the Lease used to reimburse the Board for Project costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of the Lease or another issue of debt obligations of the Board, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1). All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Lease is paid, or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

Section 9. This resolution shall take effect immediately.

F. Other

1. It was moved by Verna, seconded by Governale and approved by unanimous voice vote of those present to adopt the following resolution:

BE IT RESOLVED THAT the Demarest Board of Education will convene in a closed Executive Session on Tuesday, March 9, 2021 and March 16, 2021, if necessary, to discuss personnel, student and/or legal matters.

BE IT FURTHER RESOLVED THAT the nature of the discussion is expected to be disclosed to the public at a future date.

XV. PUBLIC COMMENT

There was no motion for public comment being no one from the public was present.

XVI. NEW BUSINESS

XVII. EXECUTIVE SESSION

- A. There was no motion to enter the Executive Session.

XVIII. ADJOURNMENT

- A. It was moved by Choi, seconded by Governale and approved by unanimous voice vote to adjourn the meeting at 7:38 P.M.

Sincerely,



Antoinette Kelly
Business Administrator and Board Secretary

