

Finance Committee Meeting

January 13, 2022



COUNCIL ROCK
SCHOOL DISTRICT

Agenda

- Cornerstone/Banking RFP update
- Credit Rating
- General Fund Audit Review
- Transportation Discussion: Vans/Vendor Contract
- Substitute Pay Increase
- Technology Purchase
- Food Service Purchase
- Policy Update Request



Cornerstone Update

Finance Committee Meeting

January 13, 2022



COUNCIL ROCK
SCHOOL DISTRICT

Banking Recommendation

Kevin Karpuk, Cornerstone

- Requested Board Action:

Motion to award Banking Proposal to TD Bank.

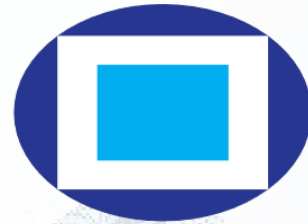
- Current Treasury/Local depository.
- Part of agreed-to processes with local tax collectors.



COUNCIL ROCK
SCHOOL DISTRICT



PROUD TO BE
100%
EMPLOYEE
OWNED



C O R N E R S T O N E

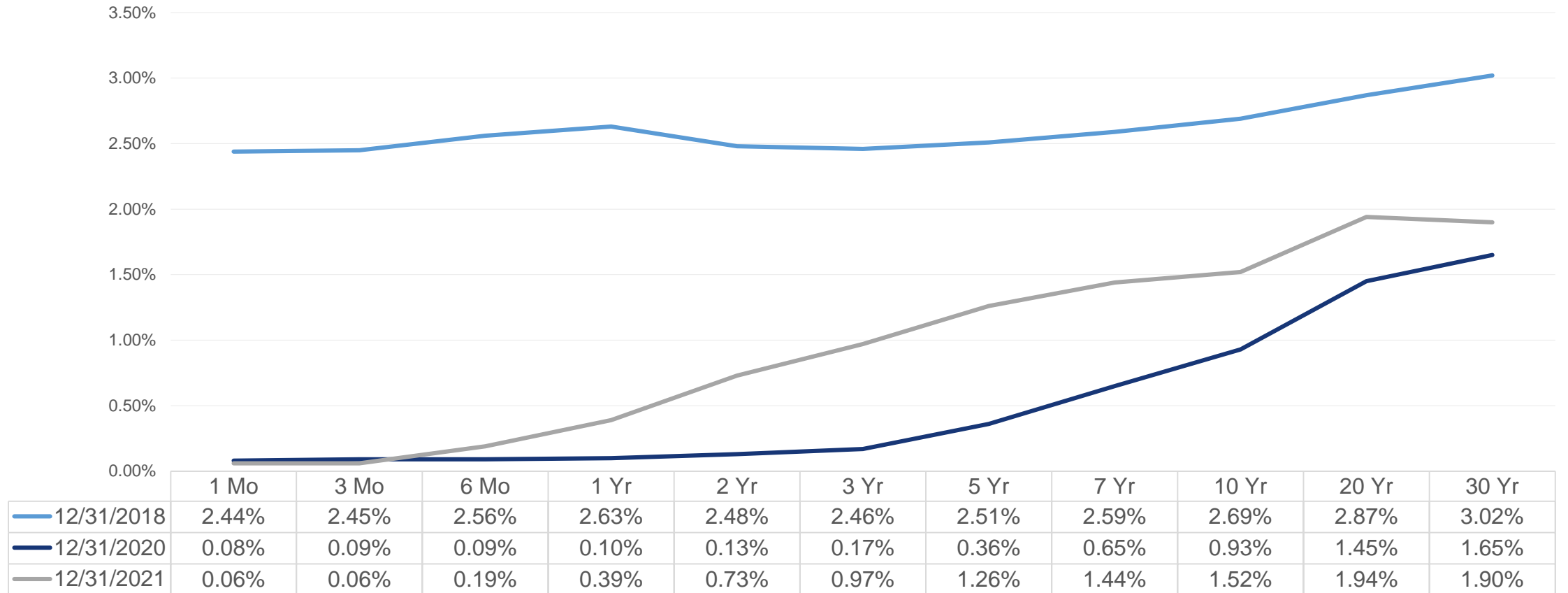
Independent Asset Management

CASH MANAGEMENT UPDATE

January 2022

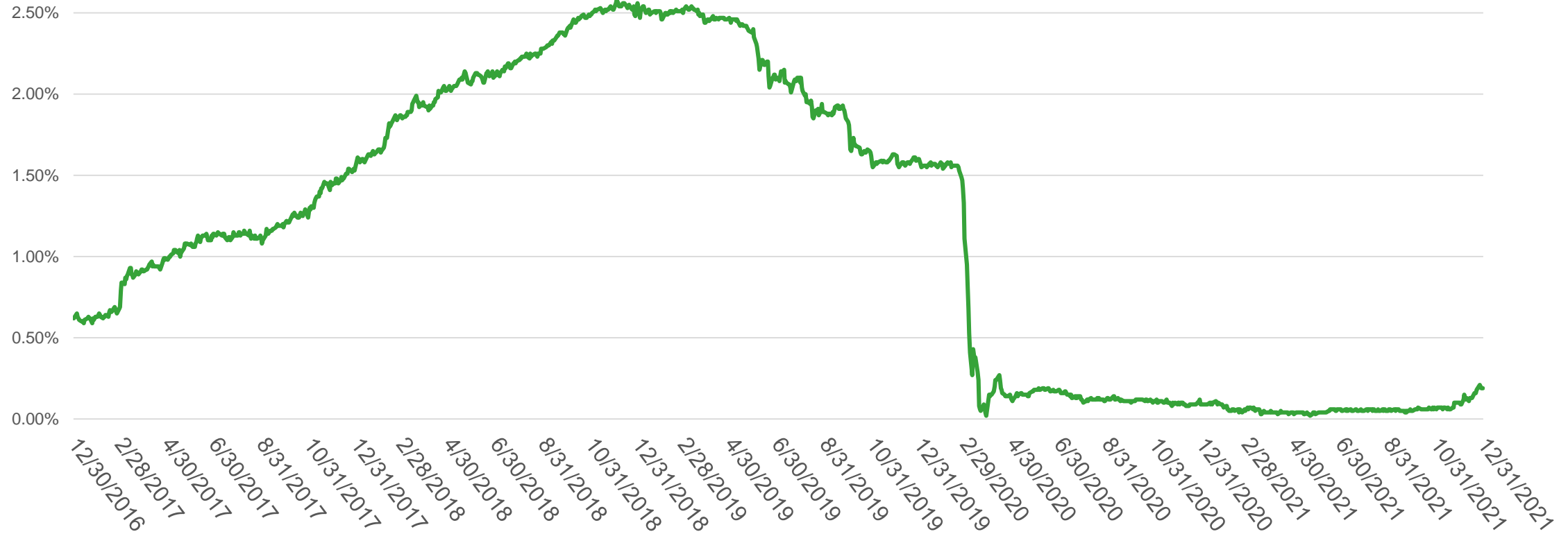
Kevin Karpuk, CFA
Chief Investment Officer

TREASURY YIELD CURVE



Source: US Department of the Treasury

SIX MONTH TREASURY



Source: US Department of the Treasury

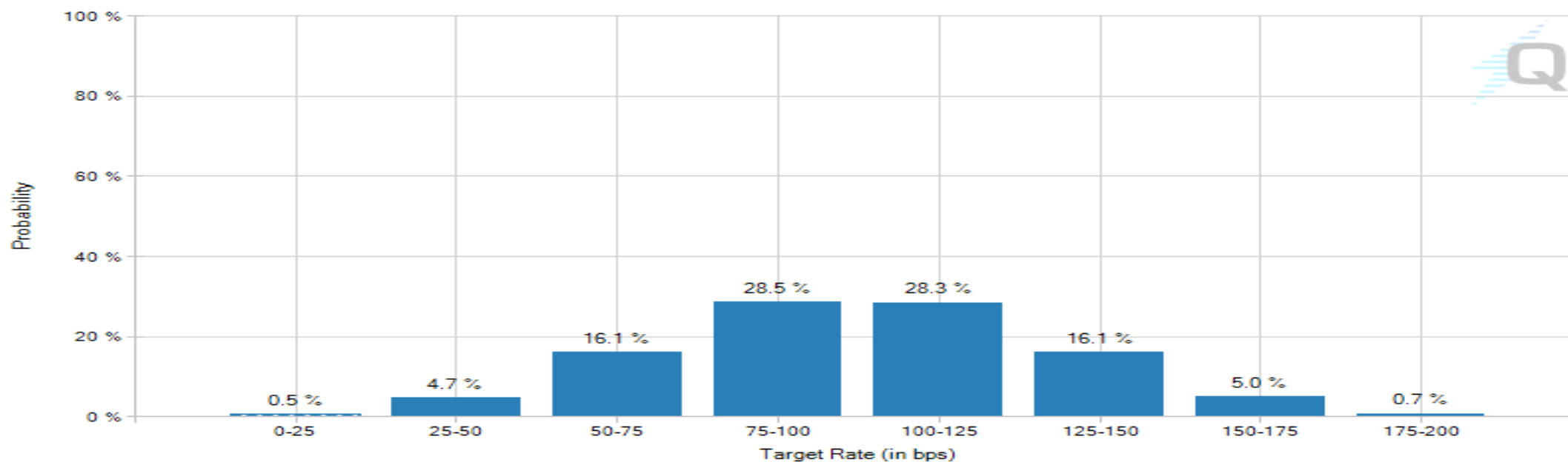
FUTURE RATES

26 Jan22	16 Mar22	4 May22	15 Jun22	27 Jul22	21 Sep22	2 Nov22	14 Dec22	1 Feb23
----------	----------	---------	----------	----------	----------	---------	----------	---------

MEETING INFORMATION						PROBABILITIES		
MEETING DATE	CONTRACT	EXPIRES	MID PRICE	PRIOR VOLUME	PRIOR OI	EASE	NO CHANGE	HIKE
14 Dec 2022	ZQ22	30 Dec 2022	99.1350	2,367	25,419	0.0 %	0.5 %	99.5 %

TARGET RATE PROBABILITIES FOR 14 DEC 2022 FED MEETING

 Current Target Rate of 0-25



Source: CME Group as of 1/7/2022

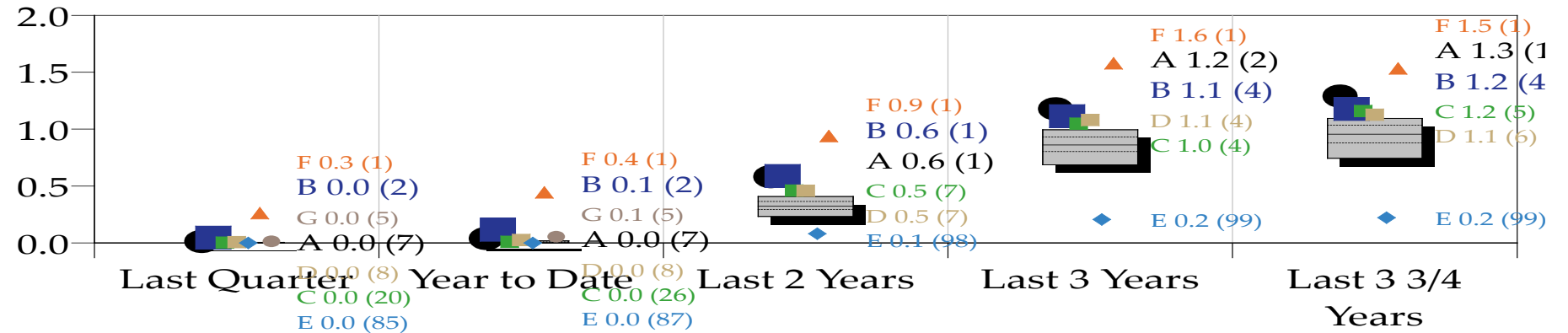
ASSET LOCATION

9/30/21-11/30/21

Manager - Mandate	Beginning Market Value	Income	Deposits	Transfers	Expenses	Withdrawals	Change in Market Value	Ending Market Value
M&T - Wilmington Trust Portfolio	\$11,367,697	\$13,200	\$0	\$0	(\$2,270)	\$0	(\$46,088)	\$11,332,539
StoneCastle Portfolio	\$10,006,247	\$1,003	\$0	\$0	\$0	\$0	\$0	\$10,007,250
TD - General Fund	\$131,419,335	\$21,906	\$13,410,864	(\$3,500,000)	\$0	(\$38,823,684)	\$0	\$102,528,422
PLGIT - General Fund	\$36,736,923	\$1,011	\$10,590,363	\$0	\$0	(\$26,698)	\$0	\$47,301,599
TD - CRSD Compensating Balance	\$5,709,333	\$603	\$0	\$0	\$0	\$0	\$0	\$5,709,936
Total General Funds	\$195,239,535	\$37,724	\$24,001,226	(\$3,500,000)	(\$2,270)	(\$38,850,381)	(\$46,088)	\$176,879,747
TD - Capital Reserve	\$2,645,575	\$407	\$0	\$3,500,000	\$0	(\$320,573)	\$0	\$5,825,409
Total Capital Reserves	\$2,645,575	\$407	\$0	\$3,500,000	\$0	(\$320,573)	\$0	\$5,825,409
PLGIT - GO Bonds Series of 2021	\$14,620,682	\$421	\$0	(\$6,000,004)	\$0	\$0	\$0	\$8,621,098
PLGIT - 2012 - Northampton TWP - Holland Elem	\$1,270,531	\$52	\$0	\$0	\$0	\$0	\$0	\$1,270,583
PLGIT - Escrow - Newtown Township	\$101,072	\$4	\$0	\$0	\$0	\$0	\$0	\$101,076
PLGIT - Northampton TWP - Holland MS	\$688,086	\$28	\$0	\$0	\$0	\$0	\$0	\$688,114
PLGIT - Newtown TWP - Newton MS	\$359,279	\$15	\$0	\$0	\$0	\$0	\$0	\$359,293
PLGIT - Escrow - Rolling Hills Elementary	\$1,296,470	\$53	\$0	\$0	\$0	\$0	\$0	\$1,296,523
PLGIT - Sol Feinstone Elementary - Escrow	\$2,844,056	\$116	\$0	\$0	\$0	\$0	\$0	\$2,844,172
PLGIT - CR High School South Turf - Escrow	\$1,553,433	\$63	\$0	\$0	\$0	\$0	\$0	\$1,553,496
PLGIT - Hillcrest Elementary - Escrow	\$894,496	\$36	\$0	\$0	\$0	\$0	\$0	\$894,533
Total Bond Funds	\$23,628,105	\$788	\$0	(\$6,000,004)	\$0	\$0	\$0	\$17,628,888
TD - Capital Projects	\$238,488	\$167	\$264,363	\$6,000,004	\$0	(\$5,821,646)	\$0	\$681,376
FNBN - Cafeteria Account	\$221,281	\$33	\$748,560	\$0	\$0	(\$435,901)	\$0	\$533,973
PLGIT - Cafeteria Account	\$1,144,358	\$29	\$580,406	\$0	\$0	(\$350,000)	\$0	\$1,374,794
PLGIT - Scholarship Account	\$23,009	\$1	\$0	\$0	\$0	\$0	\$0	\$23,010
PLGIT - Ellen Cohen Scholarship	\$2,339	\$0	\$0	\$0	\$0	\$0	\$0	\$2,339
FNBN - Student Activities	\$809,170	\$0	\$973,992	\$0	\$0	(\$416,610)	\$0	\$1,366,552
Total Miscellaneous Funds	\$2,438,645	\$229	\$2,567,321	\$6,000,004	\$0	(\$7,024,157)	\$0	\$3,982,043
Aggregate Portfolio	\$223,951,861	\$39,148	\$26,568,548	\$0	(\$2,270)	(\$46,195,111)	(\$46,088)	\$204,316,087
General Fund FYTD Income	<u>\$85,842</u>							
Bond Fund FYTD Income	<u>\$2,225</u>							
Aggregate Relationship FYTD Income	<u>\$88,483</u>							

QUARTERLY PERFORMANCE

Net of Fee Returns for Various Periods Ending 9/30/21
 Callan Taxable Money Mkt
 3 Month T-Bill



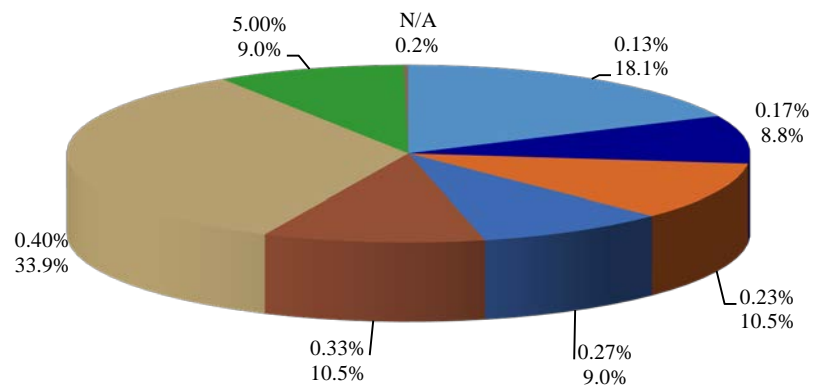
	Last Quarter	Year to Date	Last 2 Years	Last 3 Years	Last 3 3/4 Years
Median	0.00	0.01	0.32	0.86	0.96
3 Month T-Bill ● A	0.01	0.04	0.58	1.18	1.29
CRSD Cash Aggregate ■ B	0.05	0.12	0.59	1.12	1.18
PLGIT Portfolio ■ C	0.00	0.01	0.46	1.05	1.16
TD Portfolio ■ D	0.01	0.03	0.46	1.08	1.13
FNBN Portfolio ◆ E	0.00	0.00	0.08	0.21	0.22
Wilmington Trust Portfolio ▲ F	0.26	0.44	0.94	1.58	1.53
StoneCastle ● G	0.02	0.06	--	--	--

Data as of 9/30/2021

WILMINGTON TRUST

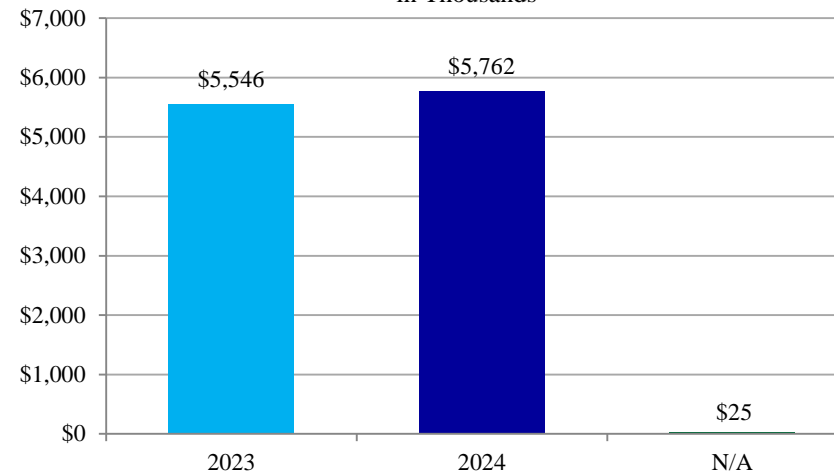
INVESTMENT SUMMARY

Holdings by Coupon



Coupon	Market Value	% of Portfolio
0.13%	\$2,047,677	18.1%
0.17%	\$994,912	8.8%
0.23%	\$1,194,678	10.5%
0.27%	\$1,020,839	9.0%
0.33%	\$1,188,592	10.5%
0.40%	\$3,847,046	33.9%
5.00%	\$1,014,276	9.0%
N/A	\$24,520	0.2%
	\$11,332,539	100%

Holdings by Maturity Date
in Thousands



Maturity Year	Market Value	% of Portfolio
2023	\$5,545,549	48.9%
2024	\$5,762,470	50.8%
N/A	\$24,520	0.2%
	\$11,332,539	100.0%

WILMINGTON TRUST HOLDINGS

Asset Description	Quantity	Cost	Market Value	Market Value + Accrued Income
FHLB 0.400% 5/24/24	1,500,000	\$1,500,000	\$1,489,650	\$1,489,767
FHLB 0.400% 6/28/24	1,060,000	\$1,057,668	\$1,053,036	\$1,054,838
FHLB 5.000% 7/12/24	1,000,000	\$1,000,000	\$994,970	\$1,014,276
FFCB 0.270% 10/05/23	1,025,000	\$1,024,231	\$1,020,408	\$1,020,839
FFCB 0.125% 5/03/23	1,035,000	\$1,034,224	\$1,032,578	\$1,032,679
FFCB 0.170% 11/03/23	1,000,000	\$999,500	\$994,780	\$994,912
FFCB 0.330% 4/05/24	1,200,000	\$1,198,500	\$1,187,976	\$1,188,592
FFCB 0.230% 11/13/23	1,200,000	\$1,199,100	\$1,194,540	\$1,194,678
FHLMC MTN 0.400% 6/30/23	1,300,000	\$1,300,000	\$1,300,260	\$1,302,441
U.S. TREASURY NOTES 0.125% 1/15/24	1,025,000	\$1,023,042	\$1,014,514	\$1,014,998
Wilmington US Treasury Money Mkt Sel	24,520	\$24,520	\$24,520	\$24,520
Total:		\$11,360,785	\$11,307,232	\$11,332,539

Holdings as of 11/30/2021

TD BANK

Effective March 24, 2020, TD has replaced the asset-backed securities historically used as collateral with a letter of credit backed by the **Federal Home Loan Bank of Pittsburgh**.

PLGIT ACCOUNT

Issuer	PLGIT Portfolio	PLGIT/PRIME Portfolio	PLGIT/TERM Series DEC 21
BNP Paribas (NY) ⁽¹⁾	6.50%	8.40%	<5.00%
Collateralized Commercial Paper			
FLEX Company LLC	-	<5.00%	5.64%
Cooperatieve Rabobank (NY)	-	<5.00%	9.32%
CRC Funding LLC	-	-	9.19%
Crown Point Capital Company LLC	-	<5.00%	5.25%
Exxon Mobil Corporation	-	-	6.56%
Federal Farm Credit Bank	17.86%	-	-
Federal Home Loan Bank	9.64%	-	-
Goldman Sachs & Co. ⁽¹⁾	5.69%	<5.00%	-
International Bank of Reconstruction and Development	5.37%	-	-
Manhattan Asset Funding Company	-	-	5.25%
MUFG Bank LTD (NY)	-	<5.00%	9.98%
Sumitomo Mitsui Bank (NY)	-	6.35%	
Toronto Dominion Bank (NY)	-	<5.00%	8.94%
Toyota Motor Credit Corporation	-	<5.00%	10.51%
U.S. Treasury	36.23%	10.34%	<5.00%

⁽¹⁾ These issuers are also counterparties to repurchase agreements entered into by the PLGIT and PLGIT/PRIME Portfolios. These repurchase agreements are collateralized by U.S. government and agency obligations.

DISCLOSURES

Securities offered through M Holdings Securities, Inc., MEMBER FINRA/SIPC

Investment Advisory Services are offered through Cornerstone Advisors Asset Management, LLC, which is independently owned and operated.

Investments in securities involve risks, including the possible loss of principal. When redeemed, shares may be worth more or less than their original value.

Performance quoted is past performance and is no guarantee of future results. Unless otherwise noted, data obtained from Callan Associates.

All indices are unmanaged and not available for direct investment.

Cornerstone Advisors Asset Management, LLC and Cornerstone Institutional Investors, LLC have exercised reasonable care in the preparation of this presentation. Several portions of this presentation are obtained from third party sources. While we have attempted to verify all information within, we disclaim all responsibility for any errors that may occur due to third party information and data.

The information is provided solely for informational purposes and therefore should not be considered an offer to buy or sell a security. Except as otherwise required by law, Cornerstone shall not be responsible for any trading decisions or damages or other losses resulting from, this information, data, analyses or opinions or their use.

Investors should consider the investment objectives and horizons, income tax brackets, risks, charges, and expenses of any Investment carefully before investing. This and other important information about the investment company is contained in each fund's offering memorandum. Please read it carefully before you invest.

As an investment adviser, we are required by SEC Rule 206(4)-2 to verify annually that our clients are receiving at least a quarterly account statement from their custodian or record keeper. As previously communicated, this requirement is designed as a checks and balance system to make sure that information provided by advisors with respect to their reports is actually what is held in the client's account.

If for any reason you are not receiving a statement at least quarterly from your custodian or record keeper, please notify us immediately so we can contact the custodian on your behalf to request that statements be sent according to the current regulation. Please call Christopher McKinley, our Chief Compliance Officer, at 1-800-923-0900 or 610-694-0900 if you have any questions or need to report that you are not receiving account statements. Thank you for your assistance.

Credit Rating

Finance Committee Meeting

January 13, 2022



COUNCIL ROCK
SCHOOL DISTRICT

Credit Rating: AA

Jason Harris

- **Upside scenario from S&P:**

- We could raise the rating if the district were to increase and maintain a materially higher level of available reserves, assuming no deterioration of other credit factors.

- **Downside scenario S&P:**

- We could lower the rating if increasing pension contributions, significant capital spending, or additional budgetary pressure results in a material decline in the district's available reserves.



COUNCIL ROCK
SCHOOL DISTRICT

General Fund Audit

Finance Committee Meeting

January 13, 2022



COUNCIL ROCK
SCHOOL DISTRICT

Review of General Fund Audit

Carl Hogan, BBD

- Requested Board Action:

Motion to accept the 2021-2022 General Fund Audit, as presented.

- Discussion with representatives from BBD, LLP.



COUNCIL ROCK
SCHOOL DISTRICT

Transportation Update

Finance Committee Meeting

January 13, 2022



COUNCIL ROCK
SCHOOL DISTRICT

Recommendation to Award Transportation Contract

Matt Adams, CRSD Transportation

- **Requested Board Action:**

Motion to award Transportation Contract, per scenario 2a

Direction needed regarding purchase of vans

- Discussion



COUNCIL ROCK
SCHOOL DISTRICT

Recommendation to Award Transportation Contract

Matt Adams, CRSD Transportation

Post Vendor Interview Proposals							
	Vendor	Depot		Rate	Amount	% increase	
Scenario 1a	First Student	Both	135	\$479.82	\$11,659,626.00	4.0%	over 21-22 SY
				Total	\$11,659,626.00		
Scenario 2a	First Student	Newtown	91	\$487.44	\$7,984,267.20	5.7%	over current rate
	Durham	Wrightstown	55	\$527.81	\$5,225,319.00	14.4%	over current rate
				Total	\$13,209,586.20	8.9%	over current at 146 buses
Scenario 3a	First Student	Newtown	55	\$487.44	\$4,825,656.00	5.7%	over current rate
	Durham	Wrightstown	91	\$512.26	\$8,390,818.80	11.0%	over current rate
				Total	\$13,216,474.80	9.0%	over current at 146 buses



Van Purchase Update

Matt Adams, CRSD Transportation

- Only one response to RFP. Used vehicle with over 85k miles!
 - Supply chain for new vehicles is dire.
 - Available supply of gently used vans is non-existent.
 - Price wars...few bids...sellers market!
-
- Discussion



COUNCIL ROCK
SCHOOL DISTRICT

Proposal for Professional Substitute Rate Increase

Finance Committee Meeting

January 13, 2022

Substitute Teacher Rates

Christine Taylor, Director, Human Resources

- Discussion Item:
- Consider increasing professional substitute rates of pay

Rationale for Increase

- Last increase to our professional substitute rates of pay was in August 2020
- Rates were increased from:
 - \$100 per day to \$115 per day for daily substitutes and,
 - \$125 per day for building substitutes
- Since August 2020, rates in the county have increased thus causing our rate to become less than competitive
- Substitute placement is critical to keeping our schools open. Absences are above the norm due to illness.
- Aside from pandemic related reasons, it is essential for CR to remain competitive in this arena as the county competes for the same pool of available candidates



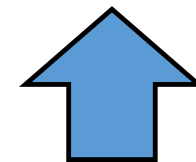
CR Professional Substitute Program

- CR has a successful professional substitute management program through our partner, ESS
 - 76% Fill rate for 2020-2021
- 2021 – 2022 Fill Rates:
 - 92% September
 - 73% October
 - 75% November
 - 73% December
- Average Bucks County ESS program fill rate for current school year: 56%



Historical CR Fill Rates

Month	2021-2022	Difference in Fills	2020-2021	Difference in Fills	2019-2020	Difference in Fills	2018-2019	Difference in Fills
September	92%	8% Decrease	100%	7% Increase	93%	4% Decrease	97%	24% Increase
October	73%	11% Decrease	84%	1% Decrease	85%	2% Decrease	87%	20% Increase
November	75%	4% Increase	71%	11% Decrease	82%	12% Decrease	94%	34% Increase
December	73%	13% Increase	60%	20% Decrease	80%	6% Decrease	86%	24% Increase



Pre-pandemic fill rates

Bucks County Pay Rates

<u>District</u>	<u>Daily Rate</u>	<u>Building Based Substitute Daily Rate</u>	<u>Comments</u>
<i>BCIU</i>	\$130	\$140 (after day 61)	
Bensalem	\$120	\$140	
<i>Bristol Boro</i>	\$120	\$125	
Centennial	\$130	\$150	
Council Rock	\$115	\$125	
Morrisville	\$110	\$120	
Neshaminy	\$120	\$132	
New Hope	\$150	\$165	
Palisades	\$100	\$115	
<i>Pennridge</i>	\$155	\$165	<i>Scheduled for January approval</i>
<i>Pennsbury</i>	\$120	\$130	<i>Seeking January approval for increase (rates not shared yet)</i>
Quakertown	\$120	\$140	
<i>Central Bucks</i>	\$225	\$225	<i>Temporary with no end date</i>
County Averages	\$132	\$144	

CR Proposed Increase to Rates

Scenarios	Proposed Rates	Estimated Increased Annual Costs
Scenario 1	\$170 Building Substitute \$160 Daily Substitute \$180 Long Term Substitute	\$449,944
Scenario 2	\$160 Building Substitute \$150 Daily Substitute \$170 Long Term Substitute	\$350,915

Discussion & Questions

- Which increase scenario aligns with CR's goals and needs?

Food Service Purchase Request

Finance Committee Meeting

January 13, 2022



COUNCIL ROCK
SCHOOL DISTRICT

Food Service Equipment Needed

- Point of Sale (POS) machines
- Fryer
- Other Equipment (refrigerators, hot boxes, etc)
- Total cost: \$38,828.89
- Funding sources: Maintenance/Food Service Surplus



Food Service Equipment Needed

Fund	Org	Object	Food Service Equipment Equipment	QTY	Cost	Total Cost
50	50000010	610	POS system. CZ Series 15" Zero Bezel Intel i7 AIO Terminal 16GB, WIFI & Bluetooth, Cat5 Cables, 3 year depot warranty	5	\$ 2,150.00	\$ 10,750.00
50	50000010	610	Estimated S&H	-	\$ 165.00	\$ 165.00
50	50000010	610	Estimated Setup of POS	-	\$ 310.00	\$ 310.00
50	50000010	610	REACH-IN REFRIGERATOR Traulsen Model No. G20010	1	\$ 5,338.91	\$ 5,338.91
50	50000010	610	REACH-IN HEATED CABINET - Delfield Model No. GAH1-S	1	\$ 5,218.26	\$ 5,218.26
50	50000010	610	PASS-THRU HEATED CABINET - Delfield Model No. GAHPT2-S	1	\$ 10,779.44	\$ 10,779.44
10	91260001	610	ELECTRIC FLOOR FRYER - Pitco Frialator Model No. SE18	1	\$ 7,892.28	\$ 7,892.28
						\$ 40,453.89



Technology Upgrade Request

Finance Committee Meeting

January 13, 2022



COUNCIL ROCK
SCHOOL DISTRICT

Use of COVID-19 Fund Balance for Technology

- Requesting of COVID fund balance
 - What:
 - Upgrade networking equipment
 - Replace switches at HS and MS
 - Relocate switches from MS to ES
 - Implement port level security at HS and MS
 - Why:
 - HS switches are 18 years old (has constantly been deferred for budget reasons)
 - DHS stated that last year 94% of network breaches occurred via compromised end-points
 - Accommodate increase in end-point devices (approximately 8,000)

Use of COVID-19 Fund Balance for Technology

- Requested Board Action:

Spend COVID-19 fund balance for technology upgrades.

- How Much

- Initial budget (2022-2023) - \$1.7 million
- Negotiated with COSTAR vendor (bid)

CRN	\$	326,585.74
CRS	\$	296,871.74
NMS	\$	46,665.06
HMS	\$	54,101.36
Core	\$	48,556.00
Licensing	\$	56,618.23
FortiNAC	\$	177,697.59
Total	\$	1,007,095.72

Policy Update Request

Finance Committee Meeting

January 13, 2022



COUNCIL ROCK
SCHOOL DISTRICT

Policy 211, Student Accident Insurance

- Motion to amend School Board Policy 211 as recommended.
- Board acted to eliminate Student Accident Insurance coverage from book of business (cost reduction)
- Policy needs to match board intent. Not congruent at this time.

