

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u> Dana Krug (Chair) Anthony Fleres; arrived 7:18 Yu "Taylor" Zhong	<u>Administration:</u> Dave Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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July 15, 2014

The meeting was called to order at 6:30 PM at the Central Office. Topics covered included:

District Goals: The Superintendent discussed the revised 2014-2015 district goals. He highlighted changes in response to points made at the retreat.

Merit Goals: The Superintendent discussed merit goals, timelines, and evidence of completion for the 2014-2015 school year.

Closed Session: The meeting moved to closed session to discuss personnel matters. The meeting returned to open session at 7:49 PM.

Review Agenda Items: The committee reviewed agenda items including the Omega default resolution based on the recommendation of district architect and attorney; changes to transportation items; selling the district's remaining 2014 Solar Renewable Energy Credits; and, three change orders relating to construction projects. The bill lists were noted.

2013-2014 Year Ending: The Report of the Secretary for June 2014 was utilized as a basis for discussion of the past year. June's report is in draft form. The district is currently finalizing its financials in order to share it with the auditors. It is expected that the numbers will change.

Revenues in excess of budget are favorable for the 2013 – 2014 school year. While revenues are favorable, they are \$0.6 million less than a year ago. The available balance on expenditures is \$9.1 million. However, this is \$1.1 million less than a year ago.

Preliminary figures relating to benefits are noteworthy: social security employer contributions were flat for the year; PERS pension contributions were up 5.6%; and, workers' compensation costs were up 5.0%. With increased employee contributions, health benefits costs to the district increased by only 0.5% to the district. Overall, employee benefit costs were down 2.2% this year due to last year's contribution to replenish the district's unemployment compensation account not being repeated in the just concluded year.

Audit Status: Larry LoCastro described the audit progress and described the anticipated timeline for the auditors BOE report. This process should lead us to a committee discussion with the auditor in mid-October or November and Board acceptance of the Comprehensive Annual Financial Report for submission to the State at a November board meeting. Internal business office work for the audit is nearing completion and the auditors will soon be in for two-weeks of on-site work.

Buildings & Grounds: A transition plan for the department was discussed.

Village Addition: Village Addition continues close to schedule. Steel is being erected. Overall, performance by the contractors has been good. Enclosing the addition by the time winter weather arrives remains a major goal for 2014. Progress reports continue to be posted on the district website.

Summer Construction: A variety of projects are proceeding, with several projects already substantially completed. After the summer it is anticipated that the remaining seven round 4 ROD projects will be prepared for advertisement and bid; the target is to have these awarded well in advance of summer 2015. This will allow long lead-time equipment to be obtained along with permits so that the most can be made of the summer weeks.

2015-2016 Budget Progress: The draft 2015-2016 preliminary capital project list was reviewed and discussed. The Finance Committee will continue to review the capital project list throughout the fall in order to determining a capital outlay budget amount for the 2015-2016 budget and to inform capital reserve allocations. The A&F Committee will be screening the large number of capital projects. As the most likely projects emerge, the architect will be asked to review project cost estimates and revise them as appropriate.

The district is periodically approached by companies to evaluate the districts energy issues. Recently, the district has been approached by a new vendor who believes they can assist us secure grant funding for lighting projects. It was discussed that one of the potential nominee projects is lighting in open areas of High School South; it was agreed that the district would provide data and an opportunity for the vendor to develop this project for consideration. There is no financial obligation to the district should the vendor fail to obtain the grant funding.

Safe Guarding HSN MDF Room: The district heavily depends on its technology and internet capacity. In recent periods, our utility company has contributed to service disruptions. Steps are being taken for preliminary engineering estimates for the HSN MDF emergency power project for the 2014-2015 school year. The administration believes it prudent to act as soon as practical.

Future Committee Dates: The Committee reviewed the meeting dates and agreed to meet on the following: August 19th, September 16th, October 14th, November 11th, December 15th (Monday), and January 21, 2015. Review of the CAFR with the auditor is targeted for the October or November committee meeting. This will allow Board of Education action in November, prior to the December state required submission date.

2013-14 Extraordinary Special Education Aid: The State looks at costs in three categories: students educated in public programs with non-disabled peers notes an amount equal to 90% of costs in excess of \$40,000; students in public programs educated with only disabled peers, notes 75% of the costs in excess of \$40,000; and, students educated in a private school note 75% of the costs in excess of \$55,000. The total of these three numbers are prorated by 63% to arrive at the payment amount that will be observed by the State of New Jersey. The cash is to be received during the 2014-2015 fiscal year. The cash amount is to be just under \$1.5 million.

The meeting adjourned at 9:10P.M.

NEXT MEETING: Tuesday, August 19, 2014, 6:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
Round Four ROD grants
Construction
2015-2016 Budget
Direct Install Program at HS South

Future Topics:

Impact of Recent Legislation
Policies
Transportation
Oct/Nov: public audit

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u> Dana Krug (Chair) Anthony Fleres	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Laura Bond
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August 19, 2014

The meeting was called to order at 6:30 PM at Central Office. Yu “Taylor” Zhong was absent. Topics covered included:

Review Agenda Items. The Committee supports the agenda. Areas that received discussion at some length: changes orders in support of Village addition construction progress, the helpfulness of Beth Chaim to the request to allow district access of their easement in support of a better sewer connection, and the capital project submission to the State for HS North’s MDF Room Emergency Power. It was noted that the agenda includes action by the transportation department to secure an acceptable quote for the Notre Dame/Lawrenceville nonpublic route.

2013-2014 Audit. Larry LoCastro described the audit progress to date and the anticipated timeline that should lead us to a committee discussion with the auditor in mid-October and board review and acceptance of the Comprehensive Financial Report for submission to the state at the last October board meeting.

Village Addition & Summer Construction Update. Village Addition is taking shape as the contractor pours concrete for the second floor. Near completion are the site storm drainage system and the underground plumbing work. Presently, substantial completion is on schedule and is anticipated for August of 2015.

Summer construction is wrapping up; most are either completed or near completion. Flooring projects in five schools have been completed. The pavement work at High School South is completed. Completion issues still remain on Dutch Neck’s boiler replacement and cafeteria HVAC upgrades; these are being addressed.

SREC Auction Results. The district’s sale of 110 Solar Renewable Energy Certificates last month, netted the district \$16,811.30; \$152.83 for each certificate.

Unemployment Compensation. The figures for the NJ Unemployment Compensation Benefit charges to the district and the district’s unemployment trust fund balance were reviewed for the periods 2009 through 2014. The first half claims for 2014 are at the lowest level in recent years.

Round Four ROD Grants. It was noted that the district received executed agreements for two more Round Four ROD projects. In total, seven of the 12 have now been executed and can be acted upon without risk to state funding. Five remain to be secured.

Direct Install Program at HS South. NJ Clean Energy’s Direct Install agency periodically selects a new contractor to run that program. Each time that new contractor approaches the district with the possibility of funding 70% of HVAC and lighting projects. The most recent contractor was given the opportunity to get the timely approval of the upcoming two CMS air handler projects. They came back and said that they could not respond in less than 4-5 months – by which time the district expects to be out for bids so as to meet the completion requirements for Round Four ROD grant projects.

Among the nominee 2015-16 capital outlay projects is a lighting project at South; this was suggested to the contractor. The contractor indicated that this too would not be eligible.

Meritorious Budget Award (MBA) Submission. Last year's budget was awarded the Association of School Business Officials International MBA. It is the intention of the district to submit the recent 2014-15 budget for consideration. It was noted that only one other New Jersey district has received this award to date.

Aramark Process. The Committee was comfortable with the agenda item appointing Edvocate, Inc., for consulting services and preparation of the Request For Bid process for facilities management services.

Transportation. Bussing information will be posted on Infinite Campus between August 20th and 25th. For the past several years, distribution of the bus passes in this manner has been successfully done. Contractors are doing the required "dry" runs to insure that they have had a chance to experience the route in advance of the school opening.

2015-2016 Budget. The Committee engaged in a discussion on the district budget goals and the proposed capital projects. Topics touched upon included: tax relief, surplus, capital and maintenance reserves, and capital spending. The Committee noted that the current process is producing sound budgets. Should changes be sought, the need is for early specification of the change and the specific tradeoffs recommended.

Omega – DN Boiler Replacement. The last meeting saw the district terminate the contractor. The bonding company seeks to move the project forward and the district seeks a memorandum of agreement that can lead to successful completion of the project. Our attorney recommends that we suspend the termination as we see what the bonding company gets done. Language is on the agenda to allow this action to proceed.

D.A. Nolt – HSS/WI Roof Replacement. A court date is approaching at the end of September. Our attorney has informed the district that before that date the court will try mediation. The contractor's expert report's conclusions were reviewed as were the district's expert. Then, the three year history of the dollars sought/offered was reviewed. The Committee is comfortable that the district's position on payment need not be adjusted.

The meeting adjourned at 7:45P.M.

NEXT MEETING: Tuesday, September 16, 2014, 6:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
Round Four ROD grants

Future Topics:
Impact of Recent Legislation
Policies
Transportation

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u> Dana Krug (Chair) Anthony Fleres Yu "Taylor" Zhong	<u>Administration:</u> David Aderhold Larry Shanok	<u>Guest/Public:</u>
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September 16, 2014

The meeting was called to order at 6:30 PM at Central Office. Topics covered included:

Review Agenda Items: Upon review, the Committee is in support of the finance agenda.

Budget Process Review Committee Guideline: The Committee reviewed the former Committee's suggestion that the Board should discuss values and priorities for the upcoming budget cycle. The Board will have an opportunity to review the underlying concepts, process, and timeframes and provide their relevant thoughts on the budget at a Board retreat.

2013-2014 Audit Update: All field work has been completed; and, the auditor is compiling the information. The various elements for the Comprehensive Annual Financial Report are moving forward. It is anticipated that the Committee will receive the draft auditor's report in October with the presentation to the full board thereafter.

Summer Construction Update: Largely, most projects are completed or in the punch list stage. Two projects will be shifted due to timeline issues: new pavilion at Millstone River to September-November and cafeteria HVAC upgrades at Dutch Neck to next summer. Village Addition continues to move forward well; consideration is being given to find ways to gain schedule time.

It was noted that at Village the milling application of the paving finish coat needed to be rescheduled due to weather; and, that the cost reductions and finalization of the deceleration land proposed change order is in progress.

Start of School: Overall, between the number of contracted routes and Aramark, the opening of school went well. Edvocate's inspection found the schools in good shape. There is always room for continuous improvement, we will continue to fine tune the process. Bus passes through Infinite Campus went well.

2015-2016 Proposed Capital Projects: The Committee viewed the updated proposed 2015-2016 capital project lists. Consideration was given to the level of funding for capital outlay in the next budget cycle especially with the level of allotment to technology expenditures. Once the estimates are confirmed, the Administration & Facilities Committee will consider the individual projects that are to be nominated with the input from the building principals, buildings and grounds, and the athletic director.

Round Four ROD Grants: The district has recently received execution letters for the five remaining Round Four ROD Grants. All twelve grants have been executed and can be acted upon without risk to State funding. To meet the current rules, any accepted project has to be done within a two-year period. So that these projects can be completed with the designated timeline, we will notify the architect to proceed with the remaining projects for the summer of 2015.

Nolt/Omega Update: September 16th was the mandatory settlement conference with regard to Nolt's legal action. We are moving forward with Capital (bonding company) and Omega on the Dutch Neck boiler project; Omega worked on Saturday, September 6th.

NJ QSAC: The district's three-year monitoring cycle by the State of New Jersey was last year. Year two and three require the Statement of Assurance documentation. However, there is a vast number of DOE required paperwork in the fall period and the Statement of Assurance must be completed by November 15th.

The meeting adjourned at 8:25P.M.

NEXT MEETING: Tuesday, October 14, 2014, 6:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
Round Four ROD grants

Future Topics:

Impact of Recent Legislation
Policies
Transportation

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u> Dana Krug (Chair) Anthony Fleres Yu "Taylor" Zhong	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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November 11, 2014

The meeting was called to order at 6:30 PM at the Central Office. Topics covered included:

Review Agenda Items. There was discussion of some additions to the agenda. The Transportation Department suggests the disposal of a bus as it has a high cost of repairs needed and a limited remaining life. In addition there will still be four spare busses of that size to service the district. A couple of times each year the district sells its SRECs: Solar Renewable Energy Certificates. Recently, SREC prices have had a modest bump upward and it appears a reasonable time to sell the current inventory of 128 certificates. The committee supports the proposed agenda.

2014-2015 Budget Progress. A wide ranging discussion on the early formulation of the budget was held. Earlier discussions have highlighted the likely pressure for additional budget dollars: health premiums, wages, costs associated with movement of classrooms and staff in preparation of next year, and rising special education costs (in district, out of district tuition and transportation costs).

The committee discussed assumptions for the beginning our budget process. Based upon anticipated increases the committee endorsed the assumption that the BOE would authorize the full utilization of the increases allowed by the general fund cap. At the upcoming Board retreat we will discuss the parameters of the budget with the full Board as well as additional financial drivers that would further impact the development of the budget such as increasing co-curricular activities, class sizes, and advancing the time table for 1:1 technology rollout.

Furthermore, the Finance Committee reviewed the capital projects list. Currently we anticipate holding our capital spending consistent with last year's allocation of \$2.2 million. In the long term, moving the budgeted capital outlay to the six million dollar level would be prudent as it would honor the philosophical approach of placing our facilities on a 40 year replacement cycle (with 240 million in depreciable assets). The capital outlay projection of \$2.2 million currently does not include the monies to do capital projects associated with moves at Town Center and Millstone River; the architect is still working on estimates of those. When the dollars are better known, the Finance Committee and A&F Committee will have to review the project list and consider if the district should remove other projects on the capital project list or utilize capital reserve dollars in the budget to fund these projects

Construction. The board of education earlier approved a change order to allow the administration, in conjunction with the district architect, to authorize actions to maintain the momentum of the Village addition project. A change in weather will clearly come before the masons would be able to complete their work and for all windows to be in place. Without a reasonable exterior in place, a change in weather will delay interior work. The district has been presented with a \$28,940 plan to erect a temporary enclosure of the window and door openings of the project. This will allow interior work to proceed regardless of when the masonry and windows are complete. This is a cost effective insurance policy for maintaining momentum on interior work and is being actualized under the previously approved change order.

Meeting Dates. December 15 and January 21 are the upcoming finance committee meeting dates.

The committee moved to closed session at 7:27 p.m. and returned to open session at 7:35 p.m.

The meeting adjourned at 7:37 P.M.

NEXT MEETING: Monday, December 15, 2014, 6:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
Round Four ROD grants
Financial Advisor

Future Topics:

Impact of Recent Legislation
Policies
Transportation

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



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December 15, 2014

The meeting was called to order at 7:56 PM at the Central Office. Topics covered included:

Review Agenda Items. The first item discussed was the appointment of a district financial advisor. The district's long standing relationship with Municipal Capital Management is ending.

The district issued a Request For Proposals to the financial advisor community and received responses from three of the most active firms in New Jersey. Each has many New Jersey clients. One is especially well represented among similar New Jersey districts. Phoenix Advisors serves Princeton, Hopewell Valley, Montgomery, and Cherry Hill among many others and is the administration's recommendation. The committee supports the agenda items.

An examination of the Report of the Secretary shows that available balance is at a healthy level, but well below the level of a year ago. Expenditures are closing the gap with revenues. This will continue to have implications for excess surplus, as well as the levels of tax relief and capital reserve that can be sustained from excess surplus

2015-2016 Budget Progress: The committee discussed many of the financial issues covered at the recent BOE Retreat. One is the need to raise total revenues from among existing fund balance (tax relief), tax levies, state aid, and grant monies. If state aid and grants are stable, then any decline in total tax relief has to be balanced by tax levy dollars.

This was followed by a discussion of district full time equivalents (FTEs). Another observation covered at the retreat was the budget as a planning tool. As such, tradeoffs are made throughout the year as the needs of children are reassessed. Nonetheless, the pressure for services cannot always be balanced by reductions elsewhere. Current FTE levels are close to the 2014-15 budget level. Overall the budget total of 1196.5 is presently exceeded by 4 FTEs; basically, this is found in increases in special education staffing that were not balanced by reductions elsewhere in the district.

The administration will be applying the financial parameters developed during the BOE Retreat to a more detailed 2015-2016 budget over the coming 6-8 weeks.

Reorganization Meeting: The draft agenda was reviewed, as was last year's agenda. It was observed that the process is well established and the district is prepared for the January 6, 2015 reorganization meeting.

Unemployment Compensation Payments Update: Claims paid through the third quarter of 2014 are in hand. The third quarter payments were the lowest in six years. 2014 year-to-date is shaping up as the lowest total claims payout in six years. As we saw in the recently issued CAFR, the unemployment compensation trust fund is in good financial shape.

Meritorious Budget Award. Last May the Association of School Business Officials (ASBO) International published a list of all North American districts awarded the designation. It was the first time for the district. Only two districts in New Jersey are on the list and the total number of districts was 115 last year. The district has just been notified that the recent budget submission earned the MBA designation once again - two in a row now.

ASBO notes that to earn the award a district must follow rigorous guidelines. The rigor reflects a district's commitment to sound fiscal management practices and represents a significant achievement.

The meeting adjourned at 9:02P.M.

NEXT MEETING: Tuesday, January 21, 2015, 6:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u> Louisa Ho (Chair) Anthony Fleres Yu "Taylor" Zhong	<u>Administration:</u> David Aderhold Larry Shanok	<u>Guest/Public:</u>
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January 21, 2015

The meeting was called to order at 6:40 PM at Central Office. Topics covered included:

Review Agenda Items. The agenda items were reviewed and supported. At the January 6, 2015, Reorganization Meeting we approved the 2015 professional services under Public School Contracts Law (*N.J.S.A. 18A:18A-5*). It was noted that this statute covers for a variety of specialized services such as "professional services" or "extraordinary unspecifiable services." At the February meeting, an updated resolution to explicitly include both services will appear on the February 17th agenda. Recent state enforcement actions with the Deptford School District have brought new levels of attention to this subject.

Business Office financial reports were distributed. It was noted that the financial "tightening" often referred to in budget discussions shows in the draft Report of the Secretary. The December 31, 2014 general fund available balance is at a solid \$12.6 million level; these are the dollars that potentially provide excess surplus for the year. However, a year ago the available balance was at the \$15.7 million level; and two years ago, the level was \$17.2 million

2015-2016 Budget Progress: The budget calendar was reviewed; the public hearing will be April 28, 2015. Submission of the budget to the county office is no later than March 20, 2015. Last year the township officials indicated that the joint meeting had value and they wanted to continue the practice. The meeting will occur before the public hearing on April 28th. It was noted that the first budget presentation will be on Tuesday, January 27, 2015.

The process for setting a capital outlay amount for the budget was reviewed. As the budget is being developed, capital spending priorities are reviewed and discussed by the Administration & Facilities Committee of the Board of Education. A first draft of 2015-2016 projects as currently planned was distributed.

Areas with potential increased expenditures include: special education, facilities, the improvement of instruction, and transportation. Also, among the difficulties in moderating the increase in the budget are: upcoming contract negotiations and increases in medical premium costs. With millions more needed for these expenditures, a total budget-to-budget increase of about 2% will be targeted by the administration as the budget is developed.

Advocate's December Inspection: December inspection results found conditions improved over those of a year ago. In general, the inspections have found improving results over the past five years. These inspections aid in focusing effort by both in-district and contractor personnel.

Promedia Technology Services: The Promedia Technology Assessment was discussed. It was noted that the consultant indicates several positive facts related to our existing technology network. More detail on recommendations is being developed.

ASBO Meritorious Budget Award: It was noted that the district received notice from the Association of School Business Officials International, that our submission of the current year's budget earned the district the association's Meritorious Budget Award for the second year in a row. After review of the submission it was decided that it should be posted on the district website.

Committee Meeting Dates: The committee dates were reviewed along with the other committees' dates and keeping in mind negotiations. The dates from March through August were agreed upon.

HS Solar Projects: With the recent sale of SRECs, the overall financial analysis of the solar projects at the high school was reviewed. All but about \$200 thousand of the original investment of almost \$1.2 million has been recouped through rebates, sale of SRECs, and the value of electricity generated. The district will breakeven in about three more years. This leaves about another seven years of SREC sales and about 17 years of "free" electricity to be generated.

HSN New Technology Emergency Generator: The bid opened that afternoon, with bids from nine contractors; several within a close range of dollars. The architect is reviewing the submitted documents and will forward the potential bidder documents to our attorney for his review and recommendation. This item will be placed on the January 27, 2015, agenda if the review has been completed. Otherwise, it will be on the February agenda.

Village Addition Plaque: The Superintendent reviewed the plans for a wall plaque for the Village Addition. Based upon past practice, the list of names to be included on the plaque was discussed.

The meeting adjourned at 8:10P.M.

NEXT MEETING: Wednesday, February 11, 2015, 6:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2015-2016 Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



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February 11, 2015

Board Member Zhong was absent. The meeting was called to order at 6:32 PM at Central Office. Topics covered included:

Review Agenda Items. The Committee supports the agenda items. It was noted that the professional services resolution originally approved at the January 6, 2015, Reorganization Meeting, has been revised and will appear on the agenda for approval as “Professional and Extraordinary Unspecifiable Services.” The specified statute covers both “professional services” and “extraordinary unspecifiable services.” The resolution has been revised to explicitly encompass both functions. This is more in line with current practices that have evolved since the Deptford School District case of a year ago.

An examination of the Report of the Secretary shows that the district is in good financial shape. However, finances are getting tighter. A year ago, revenues to date were well ahead of budget. This year, revenues are a small amount under budget to date. On the expenditure side, available balances at this time are healthy, but \$2.2 million lower than a year ago. Overall, this suggests that while there will be excess surplus at year end, it will be lower than in the past.

While the dollars are not huge compared to the entire budget, the impact of this year’s cold weather can be seen in spending for natural gas year to date – it is up 26% compared to a year ago.

2015-2016 Budget Progress. The Committee has been working on the budget since early fall. At the recent February retreat, Board discussions focused on the allocation of expenditures and holding the budget-to-budget growth to about \$3.4 million; approximately a 2.1% budget increase. This will be within the tax cap provisions. It was noted that one of the major budget unknowns is the level of state-aid the district will receive. As of yet, the State of New Jersey has not notified districts. That information will probably not be available until the end of the month. Many spending categories remained relatively flat. But, larger increases are seen in the following areas: special education tuition; improvement in instruction; operations; transportation; and, employee benefits. Work on the budget will continue as we finalize the details.

Budget Process Review Committee Recommendations. The BPRC guidelines were reviewed and discussed. The Committee feels that the budget reflects the important elements of this process. The board retreats have been a positive for bringing budget discussions to the entire Board of Education.

Capital Projects. The Administration & Facilities Committee formulated the capital projects supported by the proposed \$2.2 million capital budget; this budget includes \$1 million for technology. Capital reserve will be used to support some of the necessary reconfiguration projects essential for the coming grade level conversion.

FTE Chart. A draft of the “full time equivalent employee” chart was reviewed. There will be some shifts due to enrollment changes at particular schools and grades. Evaluations of program effectiveness may lead to some realignment of staff.

Enrollment Projections. Dr. Aderhold reviewed the likely enrollment numbers. One of the larger changes occurs with the large graduating class of seniors. High school enrollment may decline by approximately 100 students. Naturally, numbers will vary over time and will be watched as plans for the coming year develop.

RFP Update – Facilities Management Services. A Request For Proposals (RFP) for Facilities Management Services was advertised on January 26, 2015. Sealed RFPs are due February 20, 2015.

Audit Services Letter. A discussion was held around the many details included within the “understanding of services” letter between the district and its auditor. The Board approved the appointment of the public auditor at the January 28, 2015, Board Meeting. The range and breadth of actions that must be done because of generally accepted accounting principles plus requirements of the State of New Jersey consume a dozen pages.

Administrator Contract – Merit Goal. As the Board of Education knows, the superintendent and assistant superintendents have merit goals previously approved by the Board and the Executive County Superintendent. The assistant superintendent of finance has met his 2014-15 goals and the next step is a board resolution in recognition of that fact. The board resolution is sent to the Executive County Superintendent who then affirms that all State of New Jersey requirements associated with the merit goals have been met. The same process will occur again later in the year as the other administrators meet their merit goals.

Refunding. The Committee discussed the possible refunding opportunity of the district’s 2005 & 2006 Refunding School Bonds, 2007 School Bonds, and the 2008 School Bonds. A year ago, rising interest rates might have been expected to lessen the probability of a financially successful refunding occurring. Year to date, that rise in rates has not occurred. If that continues, the district may soon be starting the lengthy process in conjunction with its financial advisor and bond counsel. Should all the above mentioned bonds be refundable, there is the potential of reducing the annual debt service of the district by a couple of hundred thousand dollars – this would be very similar to what the district achieved in its September 2012 refunding.

Princeton 2013-2014 Special Education Tuition. By state law special education providers can later reassess their costs and require a district to pay more for previously provided services. The district has been advised by the Princeton School District that their final calculation for special education tuition for two district students attending their program in the 2013-2014 school year has been revised from \$77,240 to \$95,334. The 23% difference will have to be paid.

Village Addition Building Plaque. The board committees have reviewed the format for the plaque. The Finance Committee also supports this decision. The architect will be advised to proceed.

Student Information System. The Superintendent provided background and updated the Committee on the need to purchase a new proprietary student information system. The present system has not been servicing district needs well. An agenda item will be forthcoming.

The meeting adjourned at 8:00P.M.

NEXT MEETING: Wednesday, March 18, 2015, 6:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2015-2016 Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



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March 18, 2015

The meeting was called to order at 6:37 PM at Central Office. Topics covered included:

Review Agenda Items. The Committee reviewed the agenda items and supported them. It was noted that a revised budget resolution is necessary to include required language for an adjustment for increase in health care costs. This wording change has no impact on budgeted amounts for 2016.

2015-2016 Budget Progress. Mr. LoCastro described the efforts made for the 2015-2016 budget submission via the Department of Education software. It will be ready for county review before the March 20th deadline.

June Reserve Actions. Mr. LoCastro indicated that the State allows transferring funds into capital, maintenance, and emergency reserves in June. As in the past, this action will be considered as near year end available balances allow.

Transportation. It was noted that the transportation supervisor is not expected to return from an illness related absence. The shorthanded staff will need to be brought back to its normal level by filling this anticipated vacancy.

First Presbyterian Church. In response to the recent letter received from the church, the Superintendent provided the historical background with the church and the township regarding use and maintenance of the church parking lot, which adjoins Wicoff School. It was acknowledged that both the church and school routinely utilize each other's parking without conflict during a given week. In the letter, the church stated that it has spent \$20,000 over the last two years; the agreement calls for the township to "maintain and improve a stone parking lot with accessory drives on a portion of property owned by the Church and the Board..." The church seeks to end the agreement immediately. The agreement dates back to 1981 and has been renewed in five year increments, which currently ends in June 2016. Various options, concerns, and considerations were discussed. We are also awaiting legal opinion concerning the district's position.

Update: Village Addition. Anticipating work associated with opening the Village addition as well as relocating 120 moves in classroom and office space in various buildings, the Committee discussed options for obtaining contingent resources to assist in the effort. These include temporary utilization of our two former directors of buildings and grounds as well as current and former WW-P students. Reference was made to the rate sheet containing various non-salaried pay rates. In addition to moving activities, resources could also be applied to painting and computer disassembly and set up.

Update: Capital Projects. Dr. Aderhold noted that the administration is recommending the award of two construction projects that will take place during the Summer of 2015. These projects are the Metal Roof Replacement project at HS South and the Clock System Replacement at Community Middle School.

Update: Buildings & Grounds. Completion of the competitive contracting bid award for the RFP for Facilities, Custodial, Maintenance, Grounds and Management Services to Aramark is being finalized. The board attorney has reviewed the Aramark two-year agreement with an opportunity for three one-year extensions. The agreement has been sent to Aramark. We anticipate awarding the RFP at the April 14, 2015 BOE meeting along with the execution of an agreement with Edvocate to provide contract monitoring services.

Update: Litigation/Legal Action. Adjourned to closed session at 7:51 PM

Returned from closed session 8:05 PM.

Other Business.

Waiver Request Originally, not thought to be necessary, a partial waiver relating to reducing the number of evaluations of tenured staff from three to two is being sought from the county superintendent. PARCC testing has put greater strain on school administrators than anticipated. A resolution will be considered by the Board at the March 24, 2015 meeting.

Tech Refresh The Superintendent met with Martin Smith and Rick Cave to consider suggested refresh projects for consideration in the remaining year. The scope of the prioritized refresh items was pared down somewhat to fit into an anticipated level of \$579,000. This in addition to the \$1M specifically earmarked for expansion of the one to one program.

The meeting adjourned at 9:02P.M.

NEXT MEETING: Tuesday, April 21, 2015, 6:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2015-2016 Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u> Louisa Ho (Chair) Anthony Fleres	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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April 21, 2015

The meeting was called to order at 6:30 PM at Central Office. Topics covered included:

Review Agenda Items. The Committee reviewed the agenda items and supported them. There was a brief discussion about the four capital project bids that will be opened on April 22nd. If the bids are straightforward and dollars are in a reasonable relationship to expectations, then they will appear on the April 28th agenda contingent upon attorney review.

A discussion centering on figures from the report of the secretary show that finances, while strong, are eroding from the even stronger position of a year ago. For example, transportation costs year to date are higher by nearly \$400,000 – largely due to spending related to special education bussing. With the expanded “Eyes on the door” program, year to date associated expenditures are more than doubled.

2015-2016 Budget Progress. The official County Office approval of the 2015-16 tentative budget was received. The Public Hearing will take place on April 28, 2015. Legal notices on the 2015-2016 budget will appear in The Times on April 22nd, The Home News on April 23rd, and The Princeton Packet on April 24th.

Within the past week the State of New Jersey issued a new Taxpayers Guide to Education Spending. It shows 2013-14 actual per pupil spending for the first time. Compared to 2012-13: Hopewell Valley’s per pupil cost increased by \$549; Princeton’s by \$748; and, Montgomery’s by \$930. West Windsor-Plainsboro’s increased by \$14. The continuing attention to squeezing the rate of increase in expenditures as shown in per pupil spending numbers is now very distinct and favorable to the district.

Lunch Pricing. USDA Food and Nutrition Service regulations favoring the use of more nutritional choices are depressing ala carte sales in the district and raising the cost of food selections. In addition, the Child Nutrition Price Lunch Equity worksheet indicates we must increase our lunch prices. Food Service has requested a small increase at all grade levels (\$.05-\$.10). Our lunch prices will still be below that of Princeton, Hopewell Valley, and Hamilton school districts. For example, after two years at \$2.30 for an elementary school lunch, the price would move to \$2.35.

Bond Refunding. State accountability regulations require districts to refund eligible outstanding bonds when the economics favors it. In New Jersey, bond refunding is an involved process; therefore, the district has commenced the process. Should current financial conditions continue as they are today, solid savings can be attained. The first of the necessary resolutions will soon come forward for action.

Village Addition. The project is moving forward as planned. Progress has been good to date.

Transportation. With the appointment of the new coordinator, the process will begin for the selection of an assistant coordinator.

Litigation. Progress is being made on two of the three outstanding cases. However, no final agreements are in hand at this time.

Mr. LoCastro and Mr. Shanok left the meeting.

Non-affiliates. The Superintendent reviewed the recent history and discussed the next step for this year.

The meeting adjourned at 9:02P.M.

NEXT MEETING: Tuesday, May 19, 2015, 6:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items

2015-2016 Budget

Bond Refunding

Future Topics:

Impact of Recent Legislation

Policies

Transportation

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u> Louisa Ho (Chair) Anthony Fleres Yu "Taylor" Zhong	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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May 19, 2015

The meeting was called to order at 7:30 PM at Central Office. Topics covered included:

Review Agenda Items. The agenda items were reviewed and supported. In past June agendas, the district has added to the capital reserve account as allowed by New Jersey regulations; the committee expects that once again the district agenda in June will include an addition of \$1.75 million to capital reserve.

2014-2015 Budget – What Worked/What Did Not. Budget Process Review Committee Recommendations were reviewed and discussed. Any board members with specific budget suggestions should communicate with the committee chair or with the board president.

Health Broker Agreement. The committee suggested that the Human Resources Director be added to the list of district contacts; but, otherwise recognized the need for such documentation with the advancing implementation of the Affordable Care Act. With this change, the administration will submit the completed document.

Solar SRECs Update. The district was able to act on the sale of 88 SRECs during the current rise in SREC pricing. This sale achieved a \$215 per SREC price as compared to recent past prices in the \$150-190 range.

First Presbyterian Church Update. The committee is sympathetic to the concerns expressed by the church about the cost of parental use of their areas. The administration has been asked to frame an agreement between the two organizations that fairly deals with the issues raised.

Advocate May Inspection. The May inspection is so recent that no numerical report is yet available. However, the post inspection meeting found Advocate responding positively to the physical conditions found in the buildings. Recent scores have been the highest in the five year history of the Aramark/district partnership.

Legal Disputes Updates. No substantive events have occurred. It is taking considerable time finalizing even the one dispute that had an outline of a settlement reached. A new court date will be set for the Nolt dispute if no settlement is soon reached. The bonding company in the Omega dispute has been unresponsive and the district's attorneys are contemplating formal action against the bonding company – a rather unusual occurrence with bonding companies.

CMS Value Engineering. Demand for construction services appears to be high this summer as seen in the results of recent bidding. The lowest responsible bidder for the Community project is higher than expected and the architect is exploring possible value engineering tactics. However, any changes must have little impact on the project's deliverables. The district is in discussion with the County Office on any needed action on the project; a possible action is the creation of a board resolution for a future agenda. With the several higher bids this bidding cycle, similar action may be needed on other projects.

Misc. The Superintendent noted that a trial BOE email will be conducted in June. The admonitions of the recent presentation by NJSBA's Jesse Adams again emphasized the usefulness of a BOE email strategy. If the trial goes well, it would be launched in July.

Currently, there is only one board meeting scheduled in September; this could make hiring somewhat ineffective at a critical personnel decision point. Either an extension of the Superintendent's summer hiring authority or scheduling additional September BOE meetings would allow the situation to be handled adequately. The committee noted that special meetings can be scheduled as in the past, especially in conjunction with board committee meetings.

The oldest group of School Development Authority projects number ten projects. The Hawk roof project from the summer of 2004 has met the last SDA request for information and a payment of \$90,910.57 is expected to be sent soon. This will bring eight of the ten projects to a paperwork completion.

Larry Shanok and Larry LoCastro departed.

Non-Affiliate Salary Review Process. The Superintendent discussed salary actions for the group.

The meeting adjourned at 9:45 PM.

NEXT MEETING: Tuesday, June 16, 2015, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2015-2016 Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation
Refunding

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



BOE Committee:
Louisa Ho (Chair)
Anthony Fleres

Administration:
David Aderhold
Larry Shanok
Lawrence LoCastro

Guest/Public:

June 16, 2015

The meeting was called to order at 7:30 PM at Central Office. Committee Member Zhong was absent. Topics covered included:

Review Agenda Items. The finance agendas were reviewed and supported. Key areas of focus were: refunding of district bonds; capital reserve resolution relating to three projects; and, reporting of contracts. The first of two board actions associated with the refunding will be on the June 23, 2015, agenda; at the July 21, 2015, board meeting will be a public hearing and board vote on the refunding. Volatility in interest rates has added uncertainty to the process. The target for executing the refunding is late July. If interest rates do not rise in the interim, present value savings associated with the refunding should exceed one million dollars.

School construction activity is heavy this summer throughout New Jersey as evidenced by higher bids and some no bid situations. Our architect feels that bids on recent projects are as reasonable as can be found under these market conditions; the agenda takes steps to authorize going forward with these projects.

Refunding. Mr. Shanok reviewed the district's upcoming process for refunding 2005, 2006, 2007, and 2008 bonds. There are two broad approaches to implementing a refunding: competitive and negotiated; each have advantages and disadvantages. Historically, the district has gone the competitive route, but our financial advisors feel that in the present interest rate environment that a negotiated refunding will be best. If refunded by itself, the 2008 series is not an attractive refunding candidate. However, if done at a later date, fixed costs of a transaction makes it unlikely that any positive value can be found in the near future – doing 2008 along with the other bonds makes economic sense. The first agenda item on refunding will be at the June 23rd meeting; a public hearing and vote will be at the July meeting. The actual refunding will follow that vote in July.

Capital Reserve Resolution. As we proceed with the approved 2015-2016 capital projects that were funded through capital reserve, it was realized that due to the volume of school construction in New Jersey that bids have escalated in price. With timeline constraints and the present market condition, the district architect has indicated that rebidding could result in higher dollars and create issues with the school calendars. By increasing the original capital reserve dollars, we would be able to keep the capital projects on schedule. Projects affected are: HSS Elevator work; CMS HVAC work; and, Wicoff HVAC Cafeteria.

Reporting of Contracts. With the recent adoption of Chapter 47 to *N.J.S.A. C.18A:18A-42.2 et seq.* on May 7, 2015, a district is required to report to the Board of Education on school district contracts by July 1st of each school year. The list includes contracts awarded during the past 12 months which would be indicative of the contracts likely to be awarded in the coming 12 months. The list will be included in the agenda of the next board meeting.

Nolt Litigation. As discussed in board closed sessions, a settlement is forming at \$400,000. This settlement will include change orders for both Wicoff and High School South roof projects. It is anticipated that there will need to be two change orders: Wicoff with a credit for the unused balance; and, the entire \$400,000 to be applied against the HS South projects based on their schedule of values with the condition that all paperwork must be provided to close-out all projects. We expect the change orders and any agreement to be approved at the June 23rd meeting; if not, they will appear for the July 21st meeting.

Church Parking. A draft contract regarding parking between the district and the First Presbyterian Church of Plainsboro was reviewed and discussed. The administration will approach the church with the draft. When terms are agreed upon, the contract will come to the Board of Education for approval.

2014-2015 Audit Status. Mr. LoCastro indicated that the internal preliminary work has already begun; the auditors will be arriving next week. In July, the major four-week by the auditors will follow. As before, the district seeks to complete the audit process well in time for the December state deadline.

Village Addition. Progress continues. Photos of the project are on the district website.

Summer Construction. Construction has a large number of projects underway including several recently awarded by the Board of Education. The Town Center Site Improvements has had two bid openings with no bidders; the architect will pursue co-op vendors or negotiation with independent contractors to perform the work. This week a meeting is scheduled with the architect and Middlesex County engineering to discuss the “requested” improvements along the rights-of-way for both Dey Road and Scudders Mill Road where they abut the Town Center Elementary School property.

ROD Grants Update. In May the SDA sent \$90,910.57 associated with the completion of all documentation of the Hawk roof project from 2004. Out of the original ten ROD grants, two sets of documentation remain to be completed and accepted.

B&G Inspection Update. Edvocate’s May spot inspection report indicated that Aramark is doing a sound job for the district. At this time of year, special attention is paid to developing effective summer cleaning schedules; last summer’s effort had the schools at a very high readiness level by the end of August. With the volume of moving and preparation needed this summer, scheduling will need to be coordinated with a variety of contractors and district staff.

Committee Meeting Dates. The Committee will review future meeting dates at the next committee meeting:

The meeting adjourned at 8:15P.M.

NEXT MEETING: Tuesday, July 14, 2015, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2015-2016 Budget
Bond Refunding

Future Topics:

Impact of Recent Legislation
Policies
Transportation
2016-2017 Budget