

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
---	---	----------------------

**July 24, 2012**

Committee Member Xu was absent. The meeting was called to order at 7:25 PM at Central Office in the conference room. Topics covered included:

Review Agenda Items: The agenda items were approved at the BOE Special Meeting that had just concluded.

Close-Out Phase I Solar: Larry LoCastro described the process to be followed in 2012-2013 to close out the project officially. The process will result in funds being returned to capital reserve due to receipt of the solar rebate and the fact that the unit cost of solar declined between the time of the original estimate and the award of the construction contract. This process will require a BOE resolution later in the fiscal year.

2011-2012 Year Ending: The expectation for excess surplus associated with the year ending June 30, 2012, is excellent. Spending discipline was strong and when funds were not needed in a budgeted area, those funds regularly fell to excess. Examples include: PIACS did not open and the \$1.0 million budgeted falls to excess; the January 1, 2011, increase in the School Employees' Health Benefits Plan was 10% and not the 25% of the year before and the prescription plan had zero increase July 1, 2011 – both contributing to nearly two million dollars to excess surplus; additionally, utility bills for the year were three quarters of a million dollars lower than the year before. Overall, excess surplus will exceed that of a year ago. Budgets are formulated so administrators can be expected to meet or exceed their educational goals; during the year they make an effort to accomplish those goals with less spending or by securing outside funds. Kudos to the administrators that conserved their spending so effectively in 2011-2012. On the revenue side, with the budget formulated months before the State commits to state-aid, the just concluded year was helped with the increase in state-aid in comparison to budget (over three million dollars favorable; lest we get too grateful, the total state-aid of \$8 million equals the amount cut in the 2010-2011 fiscal year and is well below the \$11.6 level of 2008-2009).

Taxpayers' Guide to Education Spending: The new data was made public July 20, 2012. The numbers are generally good on the financial side due to the continued pruning done by the district. Not unexpectedly given that squeezing on resources, key ratios continue to erode: student teacher ratio is reported as 13.7 compared to 13.1 a year ago; student/support ratio is 91.2 versus 85.9 a year ago; and student/administrator ratio is 257.6 versus 217.8 a year ago. Using our long standing time series of per pupil costs, the overall number was \$12,262 for 2010-2011 versus \$12,388 for 2009-2010. Per pupil spending in the classroom was \$7,793 both years.

Summer Construction: A variety of projects are proceeding, but some have disappointing aspects. One project received no bidders and is slated for a second bid opening July 26, 2012. Another got an acceptable bid, but the bidder failed to submit all documents properly; the project had to be rejected by the Board and will have to wait until next summer. The HSS MDF room work has a HVAC contractor lined up under shared services agreements, but needs to find a similar electrical contractor. HSS Project Adventure has just been advertised and the timetable targets completion in the fall. The HSS bleacher project was awarded at the July 17, 2012, BOE meeting and the first construction meeting is next week. Roof work at Wicoff is proceeding well.

Transportation: Another successful year was accomplished in 2011-2012. In each of three years (2009-2010, 2008-2009 and 2007-2008) expenditures were approximately \$8.2 million; in 2010-2011 costs were held to \$7.6 million. Despite increasing pressures costs in 2011-2012 were at the \$7.8 million level.

Charter Schools: July 16, 2012, DOE declined to give yet another planning year to PIACS. On the horizon are issues associated with virtual charter schools.

HR Document Scanning: With HR in the annex and most documents residing in the central office basement (and such documents often stressed by moisture), handling HR requirements has been difficult. HR will utilize a contract under our participation with the Middlesex Regional Education Services Commission to scan critical documents so they can be available electronically. HR had priced this effort prior to MRESC and savings are likely to exceed \$5,000 in relation to an estimated cost of \$32,000.

Quarterly Unemployment Compensation Costs: The district's underlying quarterly cost has been running about \$50,000. Then, the government implemented Extended Benefits (EB) at the employer's cost. Earlier it had been noted that EB determinations had been served on the district totaling over \$420,000. This quarter EB costs were over \$140,000 out of a total unemployment charge for the quarter of \$159,000. The underlying experience was good, but the impact of EB was large.

The meeting moved to closed session at 8:18 PM and returned to open session at 8:24 PM.

It was decided to change the date of the August committee meeting.

The meeting adjourned at 8:25P.M.

**NEXT MEETING: Monday, August 20, 2012, 6:30 PM @ Central Office**

Topic for Next Meeting  
Review Agenda Items  
Audit Progress

Future Topics:  
Impact of Recent Legislation  
Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> None
---	---	------------------------------

**August 20, 2012**

The meeting was called to order at 6:35 PM at Central Office in the lower level conference room. Topics covered included:

Review Agenda Items: It was noted that finance item 1b requires correction to a bill list total of \$4,145,504.47. The Committee supports the agenda.

2011-2012 Budget: Excess surplus from the year just ended is a very favorable nearly \$11.8 million. A number of areas all broke favorably, among them: A) The district budget is finalized well before the State of New Jersey commits to a final level of state aid. Ultimately, the State increased general fund state aid by \$3.4 million over the amount budgeted. B) Health benefit expenditures increased by a modest half a million dollars from the year before; indeed expenditures were only \$122k higher than in 2009-10. Virtually flat health benefit spending over a three-year period is remarkable and the health category contributed \$2.1 million to the excess surplus. C) Utility expenditures fell by 21%. Such expenditures have not been lower than this since the 2005-06 fiscal year! This category contributed nearly \$1.2 million to excess surplus. D) Transportation expenditures in 2007-08, 2008-09 and 2009-10 were in a tight range of \$8.1 to \$8.3 million; expenditures last year were \$7.8 million and the favorable balance in the department was \$1.1 million. E) PIACS Charter did not open and the nearly one million in the budget for that eventuality fell to surplus. F) General fund special education tuition rose by almost 14%, but other than 2010-11 which was aided by federal funds, expenditures in this category have not been at the 2011-12 level since the 2003-04 fiscal year; this generated \$0.8 million toward excess surplus. Just these six areas make up over 80% of the total excess surplus. As in past years, fiscal discipline by budget area administrators led to this very favorable result.

The Committee and the Board of Education will have to give careful consideration as to implications for the next budget round.

Audit: The audit is proceeding nicely. It is in line with previous years, a few audit adjustments will be necessary. While no serious findings are anticipated there may be some best practice recommendations relating to Community Education (some day-to-day changes are already in progress).

Bond Refunding: This process had major milestones in the past few weeks. Conference call separately with Standard and Poor's and Moody's led to each rating agency rating the district at their highest level. At the bond sale of August 14<sup>th</sup>, bidders had to advance \$425,000 to enter the bidding as "earnest money." Eight strong bidders submitted bids. The winning bid provided nearly \$2.8 million in present value savings and a percentage savings of refunded bonds of 12.68% (both excellent figures for two key bond issue criteria). Annual calendar year savings of about \$350k will be realized for each of the eight years 2013-2020. Work continues on the details of the bond process which will conclude with a September 4, 2012 closing.

Summer Construction: A number of projects have had complicating issues. On August 16<sup>th</sup> the bid opening for HSS's Project Adventure was stalled when there were no bids; a second bid cycle will be pursued. It required a second bid cycle to provide the agenda item for HSN's stair tower door hardware. Second bid cycles are about to be realized for the pool filtration projects. The GMS coating project is

complicated by erratic contractor performance. Getting all the details set utilizing shared service options have slowed progress on projects such as HSS MDF room. Bids for the Wicoff driveway restoration were unsatisfactory and the disruption of the delay means this will not be done until next summer – as is the case for DN’s boiler replacement.

On a positive note, the Wicoff roof project is nearly completed, as is the CMS air handler effort, and GMS carpet installation. Work is in progress on the HSS bleacher project, HSS tennis court repair, CMS sidewalk replacement, and MRS paving restoration. The MH air conditioning projects are to be awarded August 21<sup>st</sup>.

Unemployment Compensation: As anticipated when the government adopted Extended Benefits (EB), the district’s unemployment compensation expenditures have skyrocketed in 2012. Second quarter was at nearly \$159k with 88% of it for Extended Benefits for 33 former employees. The first quarter was \$175k with 85% of the total Extended Benefits. Excluding EB the first quarter had \$27k of benefits paid; the second quarter \$18k, so other than for Extended Benefits the district’s unemployment compensation expenditures have fallen to low levels. In contrast, the first quarter 2011 was at the \$66k level; second quarter at the \$32k level. It appears likely that the district has already paid about two thirds of its current potential liability associated with Extended Benefits.

ROD Grants: The SDA has been rather gracious, allowing the district to “hold” open three ROD grants without committing matching funds in place. The district originally submitted 44 third round grant projects by the January 2010 deadline; two projects were rejected; one was dropped after its inclusion in another. Last Fall the district dropped one that had emerged as not needed after some maintenance had been done. That left 40 third round active projects.

A discussion with our architect and Buildings & Grounds about the three uncommitted projects leads the district to conclude that they be dropped. Two are roof projects at North: when the district expectation was that Phase II solar would be implemented, early replacement of the gym roofs seemed sensible – avoid placing solar on the roof and then in a few years remove it to do the roofs. Without solar, work on the roof is likely five or more years in the future. The third project anticipated replacing pipe insulation at South; however, in the nearly three years since the project was first conceived, the insulation has demonstrated no need of replacement after all. The Committee agreed with the administration’s analysis and the three projects will be withdrawn. That leaves 37 round three ROD projects, still the most of any district in the State.

2013-2014 Budget: While no policy or regulation applies, the district has observed the recommendations of the Budget Process Review Committee for many years. October will be a board retreat discussion on the budget, which conforms to the spirit of the BPRC. The Finance Committee should give thought to what it may want to suggest going into that discussion.

The large excess surplus as of June 30, 2012, will provide opportunities in the upcoming budget. Continuation of the long standing tactic of utilizing general fund dollars through capital reserve and then to debt service may lead to there being no call for debt service tax levy. To avoid a problem in the following year, the utilization of tax relief has to be moderated. It can provide opportunities such as in the current budget in which total tax levy declined by \$1.5 million. The current budget also placed funds in capital reserve, maintenance reserve, and into the unemployment compensation account. Similar actions may be good within the 2013-14 budget.

An additional possibility is raising the capital outlay amount in the general fund. With over \$200 million in physical assets, the \$1.5 million level is modest; also, the amount in that budget for technology has often been small. This could be an opportunity to place more funds in the budget for these purposes. Should there also be no need to budget significantly for charter schools, the overall situation may allow little or no increase in tax levy depending on where initiatives are desired and how our expectations form for increasing costs in health premiums, special education related expenditures, energy, insurance, and other volatile cost categories.

Finance Committee Meeting Dates: The Committee finds the present dates satisfactory.

The meeting adjourned to closed session at 7:38P.M. The meeting returned to open session at 8:10 PM and adjourned.

**NEXT MEETING: Tuesday, September 18, 2012, 6:30 PM @ Central Office**

Topic for Next Meeting  
Review Agenda Items  
Budget  
Updates

Future Topics:  
Impact of Recent Legislation  
Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> None
---	---	------------------------------

**September 18, 2012**

The meeting was called to order at 6:35 PM at Central Office in the conference room. Topics covered included:

Review Agenda Items: The Committee supports acceptance of the finance agenda items. Bids opened September 13<sup>th</sup> allow us to move forward with improvements to the filtration of pool water at the high schools. A failure to get bids for the High School South climbing course needs to be ratified by board action.

Budget Process Review Committee Guideline: This former Committee suggested that the Board should discuss values and priorities for the upcoming budget in October. This October the Board will have a retreat to cover this topic.

Past committee discussions have covered the fact that a high level of tax relief in one year can create problems in the following budget year. Too heavy reliance on tax relief from excess surplus can create a problem in the following year: either increase total tax levy to compensate for a decline in tax relief (and once the "savings account" nature of fund balance is spent, there may not be enough to sustain that level of tax relief) or reduce spending in the future. Last budget cycle the district utilized a combination of tax relief, and additions to the capital and maintenance reserves. Similar actions will be necessary in the upcoming budget cycle. An additional possibility for action for the next budget is discussed in the capital spending discussion.

Audit Update: While the district has not utilized the State of NJ's extension of the CAFR deadline to December in the past, this year's meeting schedule suggests that we do so this year. The auditor's field work is nearly done and the substance of the report will conclude by November as in the past. However, the Finance Committee does not meet until November 20<sup>th</sup>; the auditor will meet with the Committee on that day to review the audit. Board of Education acceptance of the audit will occur at the November 27<sup>th</sup> board meeting. This will meet the State of New Jersey's December 5, 2012 deadline.

Bond Refunding Update: The lengthy process that kicked off in March concluded in early September. The successful refunding saves nearly \$2.8 million in debt service payments over the next eight years. As part of the process Standard and Poor's and Moody's each affirmed the district bond rating as the highest they give.

Summer Construction: The projects were noted at the last board meeting by the Superintendent. The largest were the new roof on the Wicoff modular section and the two air handlers in the five-step replacement program at Community. Other significant projects include: sidewalk work at Community, paving at Millstone River, carpet replacement at Grover, cupola replacement and entryway coating work at Grover. Over the next few months work will conclude with: High School South MDF room HVAC work, as well as new bleachers in the old gym, air conditioning work at Hawk faculty room and library, stair door hardware at North, and tennis court repair work at South.

2013-14 Proposed Capital Projects: The Finance Committee will give consideration to the level of funding for capital outlay in the next budget. With over \$200 million of capital assets, the present \$1.5 million a year is low. In the past, the district has sustained operations through use of capital reserve and state grants. In the long run, support from these sources may not be sustainable. In addition, it may be good to have a meaningful annual capital allotment for technology in the annual budget. The 2013-14 budget may be a good time to increase the annual budget to \$2-3 million level with a strong allotment to technology outlays.

An area for consideration by the Board is a need to address two situations: Community Education cannot provide services to all portions of the community that request service due to a lack of space. Secondly, coordination and communication among district administrators is impeded by the distances separating many of them. Sounder management would be facilitated by having more of the administrators located together. An effort will be made to develop action plans for doing so. Funding such construction would not require additional bonds be issued. Balances from community education and from capital reserve could be used for the project.

SRECs: In the past, there has been discussion of possibly selling SRECs in advance for a year or two. With the low dollar value (recently down to \$80 per SREC), it was decided not to do so currently. The district will periodically participate in auctions outlined in State of New Jersey regulations.

It was noted that the district's \$7.5 million Clean Renewable Energy Bond allocation from the Internal Revenue service expires next month. The November 2010 paperwork to the State of NJ still has not been acted upon and continues in a state of limbo. Even if it is approved tomorrow, there is no longer time to go to referendum – a necessary step in utilizing the CREBs. Therefore, this opportunity ends next month.

Back in 2010 the net benefit after all costs of the Phase II solar project was hugely positive, nearly one half million dollars in the first twelve months of operation. The value of SRECs has collapsed reducing the benefits. However, the cost of solar panels and interest rates have declined. If the project had moved forward promptly, the project would still have had a net financial benefit, just not a huge one.

Buildings & Grounds' Start of School: Edvocate's August inspection found conditions in the school noticeably better than the very satisfactory levels of a year ago.

While a score below 59% is below average and a score above 80% is above average, eight of the ten schools earned inspection scores above 90% - this is in comparison to five schools that earned that level score a year ago. The overall district score was 92% - a high score. Schools are assessed on 19 to 23 dimensions. A score in each dimension assesses conditions across the entire school, so there is no score that indicates perfection in each and every room. That is why the process of communication includes monthly meetings between principals and Aramark management (augmenting the day to day contact between building administrators and their building's day head custodian).

Another worthwhile comparison is between a school's score in the May inspection compared to August. Buildings are hard used and by May scores are typically at a low point. The district average in May's inspection was 73%; the August district average was 92%. This shows considerable effort over the summer months at readying the schools for September.

The heavy use of the schools by both the district and community organizations, even in the summer months, makes it difficult to accomplish the cleaning in the most efficient manner. Construction projects further complicate the effort. With the scores of most schools so high, Edvocate is introducing another communication process to facilitate continuous improvement. A principal (and Special services supervisor) survey will go out in October. This will allow some differentiation by school of what is most important to each principal. This will augment the Edvocate dimensions and serve to focus meetings between building administrators and Aramark. This has worked at Edvocate's other clients to improve already high levels of performance. As always, ways to improve specific problem areas are pursued by all: our Building & Grounds personnel, Aramark, Edvocate and building administrators.

NJ QSAC: The State of NJ talks of giving high performing districts relief from mountains of paperwork; however, monitoring shows no evidence of that intention. District monitoring by the state used to be good for a seven year period. Then the DOE reduced it to every three years. Recently, the three year NJQSAC interval moved to annual with the Statement of Assurance documentation required in years two and three of the NJQSAC cycle. There are a huge number of DOE paperwork requirements in the Fall period and the Statement of Assurance must be completed by November 15<sup>th</sup>.

This attitude was demonstrated today in an email from DOE regarding the recently submitted Corrective Action Plan for the Ed Jobs monitoring effort. Nowhere in the findings (which were distributed to all board members) is there a mention of a requirement to submit supporting documentation as a prerequisite for review of the CAP. Yet, the email asks why these documents were not submitted with the CAP; many of these documents are not due according to the schedule included in the CAP for months – yet it is suggested that they are to be provided immediately now that they have sent this email.

Other Business: A reprise of the Committee’s June discussion was made regarding school lunches. The federal requirements that came into effect July 1<sup>st</sup> have aspects that are likely to increase costs of meals and lower lunch participation rates due to smaller portion sizes. The Board can expect to hear complaints as some may assume the district is arbitrarily reducing portion sizes to economize rather than the reality of following federal lunch program rules. To minimize the impact on participation the district has held the basic student lunch price at last year’s level – many districts have increased prices in the face of higher costs mandated by the new regulations.

The district has had difficulty enlisting trained personnel to serve community users of our facilities through Building-Use policies, especially for lighting needs. A wider range of compensation will be brought to the Board for approval so that such personnel can be found more readily. Another building-use related issue stems from there being both long standing users of the buildings and also newer ones. Shall all new users pay following the present policy? Should long time users have to follow those rules now too? The key question for the Board of Education through its committees, will there be standardization of building-use related actions and payments?

The meeting adjourned at 7:59P.M.

**NEXT MEETING: Monday, October 15, 2012, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
Parameters for BOE Budget Discussions

Future Topics:

Impact of Recent Legislation  
Policies

WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT  
BOARD FINANCE COMMITTEE MINUTES



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
---	---	----------------------

October 15, 2012

The meeting was called to order at 6:38 PM at the Central Office conference room. Topics covered included:

Review Agenda Items: The place of the two new job descriptions in the Technology organization was discussed. Technology will have its staff in three board tiers of ascending responsibility/accountability. The agenda item is simply approving the job descriptions. The current thinking is to staff the two new jobs while leaving empty the current vacancy in the MIS manager job description. Thus there will be one additional staff member in technology when all is set.

The committee is okay with the agenda items for Tuesday.

Archway Programs Settlement Offer Query: This organization is again trying to close a trying chapter in its history from many years ago. The district supported an earlier attempt to end the process back in 2003: 67 districts approved the plan while 23 rejected it. Since the DOE insisted that 100% agreement was necessary, no agreement was finalized.

Archway is trying again to settle the outstanding issues. The financial impact on the district is negligible: the full amount is \$5,141.40 and the proposed settlement is for \$1,887.99. Every district is offered 37% of their full amount. The amount owed is from the 1996-97 fiscal year and the district has not sent children to the program in a number of years. The committee again agrees that settling is a good idea. A resolution to this effect will appear on the board agenda for approval.

NJQSAC Statement of Assurance: Despite DOE assurances that paperwork for high achieving districts will decline, this annual process is again due. Many of the Statement of Assurances involve multiple administrators but the process is proceeding toward seeking board approval at the November 13, 2012 board meeting.

NJQSAC Comprehensive Maintenance Plan: In addition to the SOA document, the annual maintenance documents are also required with NJQSAC; these were noted at the committee meeting too. As with many documents submitted each year by the district, they are formulaic but required.

An additional example of DOE's stifling documentation has been playing out with the inaction of DOE on the submitted Corrective Action Plan for the Ed Jobs monitoring. Issues not raised in the findings and required actions have been consuming large amounts of central office administrator time. The administration hopes that this turmoil will soon be resolved in line with the original DOE report rather than the issues raised after receipt of their report.

2011-2012 Audit Update: the audit is proceeding and the committee should have a draft CAFR in hand in time for review prior to the committee meeting of November 7, 2012 with the auditor. The CAFR will be on the agenda for acceptance by the BOE at the November 13, 2012 meeting.

2013-2014 Budget - Parameters for BOE Budget Discussions: The past practices have worked well, providing program consistency in the face of varying challenges. Over the past nine fiscal years the district's per pupil cost has increased by \$1,728 as compared to an increase for the State of New Jersey of \$3,092. With the last state provided actual data the per pupil cost of the district is \$1,028 below the state average (and compares to Princeton's \$3,278 above the state average, or Hopewell Valley's \$1,707 above the state average). The superintendent noted that districts that did not consistently go to the spending cap

have had to curtail programs of significance. WWPRSD has avoided big cuts that would disrupt excellence in instruction while controlling spending. When excellence has been achieved with less spending the funds have gone to excess surplus. From excess surplus solid levels of tax relief have been provided.

One of the sources of lower general fund spending has been our use of capital reserve. This has funded construction to maintain the buildings as positive learning environments. Capital reserve has also allowed the district to earn 40% matching grants on a number of projects, expanding the reach of our dollars. In comparison, the recent \$11 million Princeton referendum bond issue will not receive state matching funds and will be 100% funded by property taxes.

While capital reserve dollars for construction can only be used for construction they have contributed to lower general fund spending over the years. The balances also mean that the board can choose to do necessary construction without always adding to the property tax level.

A year ago the district had to choose the best way to divide the excess surplus from the prior year. Dividing it between tax relief and reserves established a sound basis for both modest impact on total tax levy and the follow on impact on the following year (the heavier the utilization of tax relief in "year one," the bigger the tax increase required in "year two."). The alternative to the large tax increase in the second year would be larger class sizes and fewer co-curricular activities.

It was discussed that for 2013-14 budget cycle, the overall target might be to use tax relief to keep the change in the total tax levy near zero. A combination of tax relief, adding to reserves and capital spending may make this goal achievable. Higher capital spending could formalize a place for technology expenditures within the budget process.

Also possible would be a mixed use addition to Village School: use for expanded Community Education programs to serve the community as well as addressing the deficiencies in district administrative spaces. The opportunity exists to do this at this time without impacting the tax levy.

Other Business: The impact of new federal nutrition requirements had been discussed in some detail at previous meetings. The steps taken in the district have minimized disruptions associated with them – this is in contrast to protests that have sprung up around the country and received coverage by the media including the NY Times.

It was noted that Plainsboro Planning Board was meeting tonight on the High School North field lights and Mr. Marathe left for that meeting at 7:38 P.M.

The meeting adjourned at 8:52P.M.

**NEXT MEETING: Wednesday, November 7, 2012, 6:30 PM @ Central Office**

Topic for Next Meeting  
2011-2012 Public Audit  
Review Agenda Items

Future Topics:  
Impact of Recent Legislation  
Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Scott Clelland, Wiss & Co. Anthony Branco, Wiss & Co.
---	---	--

**November 7, 2012**

The meeting was called to order at 6:38 PM at Central Office in the conference room. Topics covered included:

2011-2012 Public Audit: Mr. Clelland introduced Mr. Branco as the leader of the team that conducted the field work on the audit. He noted that as in years past, the audit has been completed on time and again concludes that an Unqualified Opinion – the most important conclusion that can be reached by an audit – has been given the district’s financial statements. He noted the Certificate of Excellence in Financial Reporting awarded by the independent Association of School Officials International for the prior audit; WWPRSD is one of only about twenty New Jersey districts to earn that designation. His expectation is that the district is likely to achieve that award for a fifth straight time should we submit the new CAFR for consideration.

He noted that the district is in a good financial position. He noted that excess fund balance is \$11.8 million, largely due to unanticipated increases in state aid, lower energy costs, and lower than anticipated increases in health care premiums. He observed that once excess surplus is utilized, it is gone. Thus wise use of the excess surplus is associated with one time actions rather than moves to increase annual operating costs. The district did that the prior year with use of the excess for tax relief and prudent increases to allowed reserves. His experience indicates that districts that increase operating costs enjoy their use that year but often have to curtail the activity in subsequent years when those funds are no longer available.

Often the various fund balance components of the general fund are misunderstood. Mr. Clelland talked of each of the components of the balance as of June 30, 2012. \$9.5 million is committed to the 2012-13 school year; \$11.8 million will be utilized in the 2013-14 school year; \$4.8 million is in the capital reserve (for construction within the district); \$0.5 million is in the maintenance reserve; \$1.0 million is in the emergency reserve; \$1.0 million is encumbered to pay for purchases arriving after June 30<sup>th</sup>. Only \$4.7 million is the true “savings” account of the district – much less than one month’s payroll and smaller than the amount ten years ago.

A substantial number of pages in the Comprehensive Annual Financial Report are dedicated to the Capital Projects fund reporting: few districts have so heavily availed themselves of state grant funding as WWPRSD has done with the use of capital reserve to support local share requirements. By using the grant process the state has paid 40 cents on the dollar for a large number of district projects. It is a lengthy, exhausting process that most districts are unable to successfully utilize to any degree.

Mr. Clelland walked the committee through the Management Report. There are only three findings: one relating to IDEA/Title I reporting and two relating to Community Education. A Corrective Action Plan for these findings will be submitted for acceptance by the BOE at the next board meeting. Mr. Shanok noted that with three findings a large variety of areas were examined and found to be doing well: areas such as payroll, insurance, Treasurer’s records Board Secretary’s records, purchasing, food service, student activities, and the district Application for State School Aid were examined without any resulting findings. During the year the district was subject to a State of New Jersey Office of Fiscal Accountability and Compliance audit and required disclosures have been made; it is noteworthy that in the OFAC report no monetary liability from the district resulted. He walked through the calculation of the maximum unreserved/undesignated fund balance which totals \$4.7 million as of June 30, 2012.

Mr. Shanok noted a number of comparisons and contrasts to the CAFR numbers of ten years ago as the discussion unfolded. While the annual budget is nearly 50% larger today than ten years ago, the cash position of the governmental entities is nearly unchanged; the undesignated/unreserved fund balance is actually

smaller today; while general fund special services expenditures have nearly doubled to \$22 million, special revenue funding from state and federal agencies has increased 17% to \$2.3 million; and the balance in the unemployment compensation fund is smaller today despite higher pay levels. A bright spot is that the district utilizes only a small fraction of its debt capacity; indeed, ten years ago the district had outstanding debt in excess of \$106 million while as June 30, 2012 it is under \$84 million.

Questions from the committee were discussed throughout the evening. The CAFR will be shared with the BOE this Friday and will be on the agenda November 13, 2012.

Review Agenda Items: The agenda is supported by the Finance Committee. The Comprehensive Maintenance Plan is one of many voluminous reporting requirements that the district provides each year; the state requires that the board approve the submittal much as it does for IDEA, NCLB and many other such reports. Among the CMP reporting requirements are five page checklists for each of the district's ten schools.

Other Business: The Archway settlement is on the agenda; for districts not accepting the settlement a mandatory meeting with an administrative law judge is taking place December 11, 2012. On October 26<sup>th</sup> the district received notification from the Schools Development Authority that all documentation for ten district lighting projects has been accepted and the state's bank has been authorized to pay the state share. The project's cost \$229,601, thus the state contribution will be \$91,840. There was a brief discussion of the need for the district to replace the departed board member from Plainsboro within the 65 day state deadline.

The meeting adjourned at 7:53P.M.

**NEXT MEETING: Tuesday, November 20, 2012, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
2013-2014 Budget

Future Topics:

Impact of Recent Legislation  
Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Richard Kaye, BOE Garima Maheshwari at 6:53 PM
---	---	---

**November 20, 2012**

The meeting was called to order at 6:38 PM at Central Office in the conference room. Topics covered included:

Review Agenda Items: The committee supports the finance agenda and offered observations on other agenda items.

2013-14 Budget: A discussion ensued over topics that might be covered when discussing this budget. Topics of interest included: class size, co-curricular, support for instructional initiatives and capital spending. The rollover of personnel from the current year to the proposed budget year was reviewed; this year has no contractual increase to build into next year, in their place a 2% amount would be built into the budget. Notwithstanding this 2% action, the overriding target at this early point into the budget development is to try to achieve a budget with a zero total tax levy increase.

Interview: Garima Maheshwari joined the meeting at 6:53 PM and introduced herself to the board members. A discussion followed concerning the board of education opening that resulted from the resignation of Ellen Walsh. A lively and wide-ranging interchange took place. Ms. Maheshwari departed at 7:14 PM.

D.A. Nolt Mediation: This involves the work the contractor was to complete at High School South and Wicoff by August 26, 2011 but extended into January/February 2012. Recently the contractor opted to send the matter into nonbinding mediation as allowed in the contract. There are a number of perspectives ranging from they are due nothing since the contract called for completion by August 26, 2011 to their position that the \$157k they incurred after the August 26<sup>th</sup> date was not their responsibility. The various perspectives were discussed and the committee supported settling the matter as long as the contractor showed some common sense in its final position. Failure to come to a settlement will likely lead to litigation and additional costs of \$20k to \$45k.

Other Business: The cycle of activity associated with Hurricane Sandy was reviewed. To date the district has spent about \$103k to do near-term repairs – most associated with the blown off roof section at High School North. Some other damage can wait until next summer but may top the spending to date: repairing an additional unglued roof portion at HSN, labor intensive replacement of fireproofing materials at the repaired roof, as well as repairing the central office roof (which lost shingles) and repairing three damaged district vehicles. Initial outlays will likely come from the Maintenance Reserve but the district is working with our insurance adjuster and FEMA to recoup where feasible.

The government's requiring of W-2 reporting of health cost for 2012 is causing consternation among many organizations across the country. The rules are not well understood. Most organizations expected their health providers to provide the final information but to date they have not committed to doing so. Local school districts have met on the topic and manual efforts may be needed to meet the W-2 requirement. It may involve a lot of manual effort at an already busy time of the year.

The meeting adjourned at 8:05P.M.

**NEXT MEETING: Tuesday, December 11, 2012, 6:30 PM @ Community MS**

Topic for Next Meeting  
Review Agenda Items  
Budget

Future Topics:  
Impact of Recent Legislation  
Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
---	---	----------------------

**December 11, 2012**

The meeting was called to order at 6:34 PM at Community Middle School in the media center. Topics covered included:

Transportation & Buses: As has been noted in the past, West Windsor Township will be utilizing the garage area in its redevelopment plans. In addition, fifteen busses age out in 2015. A number of metrics were discussed. The average contractor cost for regular education routes this year is \$20,271; most range between \$17,500 and \$22,500. What do the internally served regular education routes cost? Two perspectives were discussed. One attempts to have additional actions such as kindergarten and field trips carry a full share of all costs and excludes other costs such as secretarial services and lowball costs such as health benefits and amortization of busses. By means of this process, each route is at least \$21,469. The other approach places most costs on the primary routes since it is likely that contractors would provide the additional trips at low marginal costs, much as they do now for late runs. By this process, the route cost is \$30,113. Both approaches do not account for supervisory costs and district costs such as human resources and payroll.

Review Agenda Items: An additional item tonight is a resolution to move forward with six projects with the architect and the State of New Jersey. This has been reviewed and agreed to by the Administration and Facilities Committee. Action allows time for the projects to be done next summer, otherwise they may have to wait until 2014.

The interlocal agreements with each township for cable television related services were discussed. These will be on the January agenda of the board of education. The Committee supports the agenda items.

2013-2014 Budget Progress: Rollover of personnel will kick off the 2013-14 budget efforts. This will provide insight into the feasibility of the budget target: no increase in the total tax levy (the sum of general fund and debt service fund taxes to be divided between the townships). It was noted, that the six capital projects mentioned above will consume \$1.5 million in the budget; if additional projects are desirable, a higher budget may be necessary.

Mixed Use Space: Efforts continue in the development of concepts and plans for the space. It was decided that the architect would be engaged in the project in the same manner as previously done with other district endeavors. The cost is not to exceed \$25,000 for the architect; this will result in a conceptual design and cost estimates.

Support for Instruction, Evaluation, and Data Analysis: The Board of Education has remarked on the combination of fewer administrators (the district has an above average number of students per administrator) and increasing State mandates for reports and evaluations. In the past, the Board has indicated support for additional help meeting these requirements. Adding some temporary supplemental assistance on topics such as OCR reporting and program reviews were discussed; it was noted that the district will engage such help in the coming months.

Class Size: There is broad interest in class size issues and they will be addressed at both committee and Board meetings as the budget cycle moves forward.

Updates: The district is proceeding with both FEMA and our insurers with respect to storm damage. The federal W-2 reporting requirements for health premiums are continuing to be a problem as the State Employees Health Benefits Plan and Horizon have not provided that information to date. It was suggested that since the numbers do not impact individual tax returns that estimates might suffice; the district would prefer to avoid the use of estimates. To date the mediation with D.A. Nolt on the 2011 roof work at South and Wicoff has not borne fruit; the contractor is submitting OPRA requests in lieu of further discussion.

The meeting adjourned at 7:29P.M.

**NEXT MEETING: Tuesday, January 22, 2013, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
2013-2014 Budget Progress  
WWPSA on Transportation Subjects

Future Topics:

Impact of Recent Legislation  
Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro Russ Schumacher	<u>Guest/Public:</u> Jeanette Jones, WWPSSA
---	--	--

**February 19, 2013**

The meeting was called to order at 6:34 PM at Central Office. Topics covered included:

Transportation and Buses: Jeanette Jones, president, West Windsor-Plainsboro Service Association and district bus driver, spoke on two transportation themes: aging district bus fleet and limited availability of the current district bus garage and parking area. Fifteen busses will age out of service in 2017; she suggests buying a few busses each year so as to avoid a large expenditure in any year. The current garage location will be displaced by the West Windsor Township actions in connection with the Transit Village. Ms. Jones suggested building a facility on the grounds of the Millstone River School; she did note that Plainsboro Township has expressed displeasure with busses being located in town and that area traffic on Grovers Mill Road is problematic.

Review Agenda Items: The finance agenda was reviewed and the Committee supports the agenda. It was noted that the State of New Jersey has notified districts that Board approval of the preliminary budget will be acceptable only if done after the State provides budget information on state aid. The State will not provide that information until at least February 28, 2013. The new plan of action is to have a special board meeting to approve the preliminary budget on March 5<sup>th</sup>.

2013-2014 Budget Progress: The frugality exercised by the district in 2011-12 combined with that years increase in state-aid, raises the probability of achieving the district 2013-14 tax levy goal: a zero total tax levy increase for the budget. This does not mean that the split of the tax levy will not change or that individual township tax rates will not change with changed assessed valuations. The overall budget will include dollars for potential safety-related capital projects ; this will be done not by adding to the general fund budget but by allocating capital reserve to the task. Work continues on adding security-related funds to the general fund to cover potential recurring costs.

NJ Unemployment Compensation Benefit: The fourth quarter 2012 unemployment compensation charges from the State of New Jersey were at the lowest level in ten quarters. High expenditures in the first two quarters due to the State and Federal action on Extended Benefits suggests that additions to the district's unemployment compensation fund be made in the future.

BOE Retreat Reflection: There was general satisfaction with the retreat. Calendar issues will require further discussion.

Village Addition: It was noted that the enrollment and class size discussions establish the usefulness of providing additional space for classrooms and special education services. The preliminary architect's work has been completed and it is time to engage the architect on the process of finalizing a design and developing construction specifications. A contract to do this will be done soon. The likely project cost is in the \$10-12 million range.

Ordinarily spaces for classroom and special service requirements would be funded by debt service. Debt service would add to the annual tax levy so as to repay principal and interest for the project. In this case this annual expense can be avoided by utilizing capital reserve. Capital reserve can only be used for capital projects and use for this project minimizes taxes. While there will be no impact on the general fund budget the 2013-14 budget process will allocate \$5 million of capital reserve to the initial phase of this project.

SREC: The district currently has 166 SRECs from its solar panels. A few more will be certified in February. There has been a small recovery in SREC prices and it was agreed to follow the State rules in selling the SRECs in a March auction.

Capital Projects: The 2013-14 general fund capital budget will be \$1.7 million; the increase is associated with technology projects. Due to Storm Sandy and other project needs, there will also be projects funded by insurance/FEMA dollars, maintenance reserve, and capital reserve. In all, over \$3 million of projects will be done as part of the 2013-14 budget cycle.

Buildings & Grounds: A renewal of Aramark for 2013-14 is being finalized.

Food Service: With the new federal nutrition rules this year, the district made no changes to this year's student meal prices. However, the new rules do increase costs. The Committee agreed that with present student meal prices being below many of our sister districts in Mercer County, there would likely be a moderate increase for the 2013-14 school year.

Closed Session: The Committee moved to closed session to discuss negotiation issues and then returned to open session.

Calendar: With the loss of the Sun Bank Center to the Special Olympics, discussion of its impact on the 2013-14 calendar was discussed. Presently, the district has Saturday reserved for high school graduations. At this time Tuesday is also available. Changes that would accompany either the Saturday or Tuesday graduation dates were discussed.

The meeting adjourned at 8:42P.M.

**NEXT MEETING: Tuesday, March 19, 2013, 6:30 PM @ Central Office**

Topic for Next Meeting  
Review Agenda Items  
2013-2014 Budget

Future Topics:  
Impact of Recent Legislation  
Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest:</u> Richard Kaye
---	---	-------------------------------

**March 19, 2013**

The meeting was called to order at 6:30 PM in the guidance conference room at High School North. Topics covered included:

Review Agenda Items: In addition to the usual agenda items there is a memorandum of agreement (MOA) and two capital contract awards of long lead-time items. The MOA is similar to other ones required by the State of New Jersey; in this case, statute 6A:23A-5.3 requires participation in SEMI (Special Education Medicaid Initiative) at the cost of the withholding of state aid. Therefore, this agreement is not voluntary. The district had four bid openings March 19, 2013; two of them are for long lead-time for equipment and by acting soon conserves the three weeks between board meetings subject to board attorney approval. The agenda also includes renewals of several services including Aramark for a fourth year of service as well as Edvocate for the associated monitoring effort.

2013-2014 Budget Progress: The official County Office approval of the 2013-14 budget was on March 15, 2013. The Public Hearing will take place on March 27, 2013.

D.A. Nolt Change Order: Nolt has engaged an additional attorney and seems to be both pursuing his lawsuit as well as hinting at the possibility of a settlement.

June Reserve Actions: The pattern of capital reserve actions of the past years has served the district well and is likely to serve as a good guide for June 2013 too. In some years, there has also been June action for adding to maintenance reserves and for the strengthening of the unemployment fund; these will be watched for possible action this June if warranted.

Professional Services–Auditor: The value of engaging the district’s public auditor for the analysis of the financials for the year-ending June 30, 2013, is recommended; it will be on the April 16, 2013, agenda.

Direct Install: The district had considered participation some years ago. The contractors engaged by the utilities were unable to provide the services discussed at the time. A new contractor has provided new assertions and documentation. Our board attorney has found deficiencies with their standard agreement and the Committee saw no reason to advance with documents not adhering to our attorney’s advice.

Affordable Care Act: The act appears to set a large number of restrictions and costs on employers across the country. The ACA’s implications are complex and not very transparent. It appears that the ACA will either require the addition of many to the benefit rolls or require a severe restriction in the employment of individuals that previously worked several positions as needed through the school year. Substitutes and part time personnel will likely see large changes in how they are utilized due to the requirements of the ACA.

Other Business: Senate bills propose requiring the school districts to use a county co-op and pay the county fees. It appears to ignore the fact that most school districts and municipalities actively utilize a variety of co-ops and shared services to get the most advantageous price on a variety of goods and services. Requiring the use of a county entity will increase costs to districts as no one entity obtains the lowest price on every item. Another bill further complicates outsourcing of services such as custodial and food services and requires that they be brokered by the county at a fee. Both are poor ideas.

The meeting adjourned at 7:36P.M.

**NEXT MEETING: Tuesday, April 23, 2013, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items

Non-affiliated

Technology Refresh

Future Topics:

Impact of Recent Legislation

Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Rick Cave
---	---	-----------------------------------

**April 23, 2013**

The meeting was called to order at 6:30 PM at the Central Office. Mr. Xu was not present. Mr. Xu arrived at 7:00 PM.

Closed Session: Discussed personnel matters.

At 7:15 PM the Committee moved to open session. Topics covered included:

Technology Refresh: Mr. Cave provided background on the refresh candidates, the technology planning effort and the 1:1 Pilot Program. The technology plan is about instruction and not about equipment. The plan and pilot suggest that technology will need to be an integral, continuing part of the annual budget process rather than the past tactic of largely dealing with the technology funding issue through the refresh discussions. The Committee, after discussion, indicated its support of the refresh projects.

The impact of the State of New Jersey's PARCC timetable (taking of tests through use of technology) was discussed. The State appears to have set a time goal that districts will not be able to meet, especially since the goal comes without state dollars to support it.

Review Agenda Items: The upcoming agenda deals with a number of items that arise from the shift of the Board of Education reorganization meeting from April to January. Surprisingly, neither the State of New Jersey nor the New Jersey School Boards Association have commented in a substantial manner on this issue. In general, the agenda seeks to regularize board actions between now and the January reorganization meeting. It generally approves actions for the 2013-14 school year, but avoids decisions relating to the 2014-15 budget. The Committee supports the agenda.

Village Addition Status; Construction Manager Concept: Architectural and engineering work continues on the addition. Recently, the topic of using a construction manager for the project has surfaced. Nationally known construction managers were used 10-15 years ago as the district expanded; results were less than satisfactory. In the past ten years, a substantial amount of construction has been implemented without hiring a construction manager. Close attention by the architect, as well as good work by the involved district personnel, have resulted in fairly good construction experiences for the district. The Committee felt that the district would continue in the manner of recent years, without a construction manager. Should a construction manager be sought, an RFP process would be followed with its attendant time demands and cost.

Meritorious Budget Award: Larry LoCastro outlined the likely submission of the 2013-14 budget to ASBO International's Meritorious Budget Award. There is only one district in New Jersey that has earned the award to date. It would show a high level of technical performance should the district apply for and earn the award.

State Aid Based on Average Daily Attendance Resolution: Some districts are suspicious of the State's moving to average daily attendance; more than seven days absence by students could result in loss of state aid; it is not clear on what basis and amount that the loss would engender. Some districts are passing resolutions opposing this move by the State. The Committee did not see any utility to taking action at this time.

The meeting adjourned at 9:05 P.M.

**NEXT MEETING: Tuesday, May 21, 2013, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
End of school year 2012-13  
Food Service

Future Topics:

Impact of Recent Legislation  
Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Yibao Xu	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest:</u> Rachelle Feldman Hurwitz Hemant Marathe
---	---	---

**May 21, 2013**

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

Review Agenda Items: The Schools Development Authority (SDA) paperwork is lengthy, time consuming and onerous. The district is nearing the end on some of the projects. Both the district auditors and the SDA have been identifying needed board approvals. This agenda includes a number of action items in this vein.

At this time of year, a variety of annual agenda items appear including items relating to professional service fees and the authorizing of the food contractor. Professional service providers again have been good about holding fees at prior levels. The cost pressures of the federal nutrition program is resulting in a 5 cent lunch price increase in the 2013-14 school year (lunch prices had been held without an increase in 2012-13). However, this leaves prices in a favorable position compared to most area school lunch prices.

The Committee was in support of the finance agenda items.

Meeting Dates: The Committee needs to find an alternate date for the June meeting since the established date has been given over to labor negotiations. In light of committee member schedules future meeting dates will be reviewed.

Advocate May Inspection: Edvocate found in its spot inspection that Aramark is doing a sound job for the district; this was a result of an unannounced inspection this month. The overall district inspection metric was 77% (compared to 73% a year ago). As always, recommendations for improvement were generated. The district, Edvocate and Aramark will meet at the end of the month to develop common goal targets for the upcoming months. 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 of 92% by the end of August.

SRECs: The district sold its inventory of solar certificates for \$105.50 each. At these prices the revenue generated is modest: the sale generated \$18,799. In recent months, auctions for certificates have been in the range of \$80 to \$117 per certificate.

June Reserve Actions: The State of New Jersey does not allow school districts to make monthly additions to capital reserves or maintenance reserves in any month except June. A discussion was made about what actions should be taken this June. In recent years, additions to capital and maintenance reserves and transfers, to augment the unemployment fund, have been made. After discussion, it was decided to recommend similar actions this June: an addition of \$1,750,000 to capital reserve and a transfer of \$250,000 to the unemployment compensation account. Agenda items will be seen in June.

June Transfer of Interest Income: Another annual event, is action to stay in accord with the state rule not to let the capital projects fund retain any interest income. With low interest rates, this is a small amount but the June agenda will again call for transfer to the debt service fund.

Community Education Fund Balance: Discussion have taken place for over a year now. If Community Education provided a proportionate share of dollars for the Village expansion, an amount of \$2,000,000 to \$2,500,000 might be utilized in support of the expansion. The Committee settled on utilizing a significant amount in support but not at the higher end. Community Education excess surplus can be used in support of general fund expenditures benefiting Community Education such as utilities, custodial, security and similar costs; therefore, maintaining a large amount of excess surplus is appealing. On the other hand, the district auditors recommend that some of the excess be consumed for the benefit of Community Education. The recommendation is: to utilize in support of the expansion an amount of \$1,000,000 to \$1,500,000 (assuming that capital reserve dollars are available for the remainder of the expansion).

Budget Process Review Committee: While the concepts underlying the former Committee's recommendations have been internalized by the Board of Education, discussion noted the turnover in Board Members. With the turnover, it may serve a purpose to continue to refer to these recommendations as the school year unfolds.

2012-2013 Budget – What Worked/What Did Not: The Committee is satisfied with the procedure utilized in the budget process. All Board Members are encouraged to share their relevant thoughts on the budget process with Committee Members and the Superintendent.

The committee moved to closed session at 7:10 PM..

The meeting returned to open session and adjourned at 8:02P.M.

**NEXT MEETING: June 13, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items

End of year financial status

Future Topics:

Impact of Recent Legislation

Policies

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Louisa Ho	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
--	---	----------------------

**June 13, 2013**

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

Review Agenda Items: The joint agreements, procurement items, shared services, and transportation items are rather typical for this time of year. District insurance for athletic activities had been stable in cost for several years. However, the loss ratio associated with this has been very unfavorable and our broker found little interest in the insurance community for 2013-2014 coverage. The agenda item for this coverage is \$49,044; a 59% increase from the prior year.

2012-2013 Audit Update: Mr. LoCastro noted that the initial audit work will begin next week. In July, the major four-week effort will follow. As before, the district seeks to complete the audit process well in time for the December State deadline.

Future Committee Meeting Dates: The Committee will plan on meeting July 16<sup>th</sup> and August 13<sup>th</sup>. Future dates are to be determined.

Food Service Cycle: As the district is going into its fifth renewal in 2013-2014, a new bidding process will be necessary in the coming months. Unfortunately, the State Department of Agriculture does not allow districts to seek bids until mid-January 2014. The Committee agreed that utilizing Bill Gerichter's Edvocate in the process has worked well for the district in the past and it makes sense to initiate the process to see if we can be proactive again this cycle. If we get the necessary materials in hand this fall, the district can be as timely as allowed going to contractors for food service proposals. It is expected that Edvocate's fee, should they be engaged, would not exceed \$10,000. Food Service has approximate revenues of three million dollars per year.

Regular Operating District Grants – Round Four. The State of New Jersey has announced a very narrow window for a fourth and final round of grants. The deadline for submission is September 4, 2013. Since submissions almost always need "corrections" requested by the School Development Corporation, it is necessary to have submissions in prior to that date. Looking at the BOE meeting schedule, Board approval for specific projects will be needed at the July 23, 2013, BOE meeting. A very preliminary list has been formulated and was shared with the Committee. Given the short time, how will the district proceed? It must be remembered that the district is to provide 60 cents on the dollar for the projects. [Complicating the grant decision is the recent State of New Jersey highhanded utilization of SDA fee assessments – will the grants be for 40% or will fees follow at a later time?] Other possible submissions of projects noted include the Village School expansion, possible conversion of the central office to a technology hub to add redundancy to our present hubs at the high schools, and security related projects.

Building & Grounds Assistant Director. No viable candidates for the position have surfaced at the approximately \$75,000 per year original target salary. This is in line with Bill Gerichter's original observation that to attract a sufficiently qualified candidate a pay ceiling of \$95,000 would likely be required. The Committee noted that the district had made an effort to find a person at the lower price point, it would make sense to note Gerichter's observation and consider a higher salary as the search renews itself.

Liability Insurance. The district heard today from its broker about the 2013-2014 insurance renewal. As anticipated after Sandy, property coverage has increased; the increase is 21% despite the SAIF cooperative's raising the deductible from \$1,000 to \$2,500. With a 7% increase in the workers compensation coverage, the overall insurance increase is 14% - nearly a \$181,000 increase.

The meeting adjourned at 8:00P.M.

**NEXT MEETING: Tuesday, July 16, 2013, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items

ROD Round Four

Future Topics:

Impact of Recent Legislation

Policies