

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Louisa Ho Yibao Xo	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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**July 16, 2013**

The meeting was called to order at 6:32 PM at Central Office. The committee immediately went into closed session. The meeting returned to open session at 6:49 PM. Topics covered included:

Review Agenda Items: In addition to the usual routine variety of agenda items, there are some others. Notable is the Regular Operating District grant conclusion resolution: eleven projects are recognized as fully completed, not only constructed and in operation but that the Schools Development Authority confirms that all paperwork associated with the grant has been accepted and final disbursements made.

This is not an easy or routine process. Ten of the projects are lighting projects from Round Three and were completed in the summer of 2011. Therefore, the projects were applied for in January 2010, completed in the summer of 2011, and have complete and final SDA closure in the summer of 2013. Three and one half years!

And 3.5 years is timely compared to the final project: a large High School South HVAC project that was submitted to the state in 2004, completed in 2005 and finally finds an end to the back and forth of questions and paperwork in the summer of 2013. This month with the official completion of the documentation requirements the district received over \$450,000 for that project.

With little advance notice the State of New Jersey announced Round Four for SDA grants with a September 4, 2013 submission deadline. Our architect recommends that the district approve separate resolutions for each school – their experience is that simplifies the SDA processing. The board agenda includes these resolutions for about 28 projects plus possible projects for security, technology and electrical infrastructure in support of these concepts. At this stage precise definition and cost information is neither available nor required. The agenda items will allow our architect to submit the projects to the SDA and allow the SDA to assign project numbers so that the documentation process may proceed. Submission saves the district “a place at the table” but does not commit the district to funding the project. When more is known about state funding participation in the project as well as a firmer grasp of total project cost, the board of education will decide whether or not to proceed with each project. Note: in Round Three the district submitted 43 projects, the state approved 41 and the district proceeded with 37 of the 41 (and the district did the two rejected projects at the high schools without state funding participation).

There was discussion of the May 2012-13 Report of the Board Secretary. Available balance is just about at the same level as a year ago. This portends favorably for future tax relief and continuation of creating additions to capital reserve (which allows the financial flexibility to act on opportunities such as Round Four SDA grants). However, as has been true in the past, the components contributing to the total available balance show a large difference to a year ago. The remaining available balance in regular education accounts is down significantly but the opposite is true this year in special education accounts. After two years in which transportation expenditures were held to under eight million dollars per year, transportation expenditures through May are up over three quarters of a million dollars year to date.

The committee supports the finance agenda.

System 3000 Licensing & Support Contracts: Systems 3000 is the software company that provides the district’s financial, human resources and purchasing software. The fee increase for 2013-14 is 4%. The company offered to commit to future 2% increases for several years if district’s indicated agreement. Systems 3000 has the largest market share of New Jersey school districts as it serves about one third of all districts.

Given the effort associated with changing software providers and the fact that there is no attractive alternative, the Committee finds it sensible to proceed and participate to the extent allowed by NJ purchasing regulations.

2012-2013 Audit Update: Larry LoCastro described audit activity to date; while only a start, it has gone smoothly. Soon the pace of audit activity will accelerate.

Summer Construction: There are about thirteen active construction projects going forward at this time. Some are fairly routine such as Phase III of the Community Middle School air handler project, but many are complicated. Probably the largest and most involved is the boiler and associated HVAC elements in the project at Dutch Neck. While it is desirable to have a boiler project completed by the start of school, it has often been the case that such projects spill over into September-October; it becomes essential to be in full operation by the time heating is needed.

In addition to these and the usual summer preparations for the start of school, the heat is causing its share of problems. Also, time is taken for both the Round Four SDA opportunity and the Village expansion effort.

Transportation: Often the townships schedule road work to start in early summer. When the work starts on time, it rarely impacts the start of school. Sometimes, when the start is delayed, the road construction spills over into September. This year's work on the bridge on Old Trenton Road has been announced as taking five months with a mid-July start of work. This project will impact bussing next school year. About ninety students are "on that side" of town, but the impact will be larger than that. By moving pick up times earlier, the impact on arrival to schools can be lessened (but longer travel times are inevitable). The afternoon poses more problems. Our bus routes are tiered. As the first tier is delayed, the second tier will be late to arrive at the second tier school. The second tier route may have little to do with the construction area directly but will be impacted nonetheless. Transportation is studying ways to lessen the impact and will meet with principals to keep them informed of these impacts.

Food Service: The recently completed year had multiple challenges. A large one was the impact on eating habits and costs of the new federal nutrition requirements. Key among these requirements are smaller portion sizes to aid in the obesity "war" as well as the higher costs of healthier breads, fruits, and vegetables. The Committee has observed the frequent turmoil caused across the nation this year by these requirements. A recent news article about a New York district noted falling revenues as more meals were brought from home as well as higher costs of the meals served. Our district has long emphasized fruits and vegetables so that had little incremental impact here. Revenue declined by about \$100,000; but, the food service activity constrained costs by just a bit more. Communication with PTSA/PTA officers at the monthly superintendent meetings may have helped keep unhappiness with the new federal rules at a minimum in district

Updates: The district continues to evaluate its pilot program "Eyes on the Door" of last year. The district has found a co-op that has an existing contract that includes a security provider; the district met with that firm to gather information. If the pilot continues next year, this may be an option. SDA grants were to be funded by the State of New Jersey, however, in recent years the state has introduced SDA "assessments." Large increases in these fees for the coming year brought a storm of public protest. In reaction, the State of New Jersey has rolled back the increases in the fees – the fee remains, but is not being increased.

The meeting adjourned at 8:24 P.M.

**NEXT MEETING: Tuesday, August 13, 2013, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items

Audit

2014-15 budget

Round Four ROD grants

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> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Martin Smith Rick Cave Michele Kaish
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**August 13, 2013**

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

One-On-One Device Practices: The pilot will place devices in four classrooms at each of the grade 4-5 schools. Key elements in the pilot process were equity/access/reliability/professional development; each of these were discussed. At other districts, providing devices to students has shown that the need for replacement devices varies between 10 and 20 % of the devices. A technology memo outlined the four major approaches to dealing with lost/broken devices: the district could assume the full cost; families could be asked to pay an annual fee, perhaps about \$40; much as for lost textbooks today, parents could be financially responsible for the cost of a replacement; and finally, an insurance company might sell parents or the district an insurance policy, an estimate of \$65 was noted. Discussion centered on what would be done if a family requested to opt out of financial responsibility; summer use of devices; and what would be the message to parents in September.

Village Expansion: Two practical aspects of the addition were discussed. Now that planning has largely been completed, the architect has produced an updated estimate of the project's cost: \$13,226,887. The only funding action taken to date was to pull \$5 million from capital reserve in the 2013-14 budget to fund initial costs. Recently the state announced Round Four of their Regular Operating District grant program; the program provides 40 cents on the dollar of approved projects, but the 60 cents must be identified as to source of funds upon state approval: annual budget; capital reserves, or bonds. The district has submitted 58 projects to the State of New Jersey before the September 4, 2013 deadline. It is unknown how many may be approved, but capital reserve would be an attractive source of the local share.

The district's active Community Education program did not provide direct funding of the space used around the district all these years; this aided in building a fund balance in the Community Education account. This balance can be used in support of Community Education; with Community Education having a significant presence in the addition and throughout the district the Committee felt that \$4 million of the fund balance should be used for the addition. If the addition comes in at exactly the architect's estimate, the project funding would be \$9,226,887 from capital reserve and \$4,000,000 from Community Education's fund balance. This would leave capital reserve dollars to utilize for some Round Four ROD grant projects. This would also leave in excess of one million dollars in the fund balance of Community Education for future use. It is significant that this construction is being done without the issuance of bonds.

The second addition topic related to staying on top of construction activity. While it has been decided not to incur the expense of a construction manager for the project, it was decided to obtain additional construction services, much as was done successfully during the 2006 Referendum projects. The \$13,226,887 estimate for the project includes \$688,500 architect's fee and \$220,000 for additional construction services.

Davis Group: The Superintendent described last school year's "Eyes on the Door" pilot at the two grade 4-5 schools. The current thinking is to extend this through grades 4-8 in the coming school year. To do so in a timely manner the district could use a contract that is available through its participation in Ed-Data with the Davis Group. The parameters of this effort were discussed and the Committee supports extension of "Eyes on the Door" to the four schools in the 2013-14 school year.

Review Agenda Items: The Committee supports the agenda including another of the district's periodic sales of SRECs – Solar Renewable Energy Certificates– the district receives one for each 1,000 kilowatt hours its solar panels on the high schools generate. From earlier sales the district has received \$140,501.68. The current sale is likely to add about \$15,000 to the total.

2014-2015 Budget Progress: This is the time of year that suggestions impacting the next budget cycle should be discussed. The Committee felt that the present approach is working well. Each year it is "tweaked" a bit and it is working. The administration should continue with the 2014-15 budget process.

2012-2013 Audit: The audit is still at an early stage but the tasks addressed to date have gone smoothly. Work will accelerate as the district and its auditor work toward meeting the December state deadline for submission.

Summer Construction: The summer period is rather a short one, especially when construction is involved. A variety of projects are pressing on their August 23<sup>rd</sup> substantial completion dates. The largest, most complicated project is the boiler, unit ventilator project at Dutch Neck School. All involved are working to minimize the impact on teachers and subsequently on children. Projects this year include: air handler systems, roof work and LED corridor lighting at Community; paving at Wicoff; Project Use at High School South; roof related repairs, especially as an aftermath of Storm Sandy at High School North; and replacement of the chiller at Village.

Transportation: Transportation and technology are progressing with the annual placement of bus passes into the Infinite Campus system. The most trying road condition for the first half of the school year is the construction on Old Trenton Road. This impacts traffic throughout that area. Transportation has devised route changes that will limit the impact as much as possible. Bus routes changes will focus on children within the impacted area. These changes will be made for the entire school year. To facilitate the late runs, temporary runs will be made to the impacted area for the September-December time frame.

ROD Grants: 58 projects have been submitted for consideration. There has been no indication from the State on when feedback on the applications can be expected. Thinking positively, the district needs to focus on planning for the local share. Actions to make capital reserve available will save the district significantly, as for approved projects, the State will pay 40 cents on the dollar.

November BOE Election: Each county recently announced ballot order of candidates for the board election. Before the November election, the district conducted this drawing. Under the November election process the district plays no role in the ballot order.

Committee Meeting Dates: Several dates were chosen for the coming meetings: September 17, October 21, November 19 and December 10, 2013.

ASBO's Certificate of Excellence: Last Friday afternoon August 9<sup>th</sup>, the district received an email that the district's June 30, 2012 Comprehensive Financial Report has been given a Certificate of Excellence in Financial Reporting. This marks the fifth straight year the financial statements of the district earned that certificate from the Association of School Business Officials International. Last year only twenty districts in New Jersey received it.

NJQSAC: This year the district moves from the annual State QSAC requirements to the even more comprehensive every three-year examination. Considerable effort within the district will be spent on this over the next few months. The state will examine district practices in Instruction & Program, Fiscal Management, Operations management, Personnel, and Governance.

Long Range Facility Plan 2014: The State has informed all districts that they will have to formulate a new Long Range Facility Plan in 2014. The district's present LRFP was to be valid until 2016 under previous rules; the 2011 LRFP was to be valid for five years.

The meeting adjourned at 9:02P.M.

**NEXT MEETING: Tuesday, September 17, 2013, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
Audit  
2014-15 budget  
Round Four ROD grants

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 Louisa Ho	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Richard Kaye
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**September 17, 2013**

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 agenda.

Budget Progress Review Committee Guideline: Affirming previous discussions, the Committee feels the present course by the administration is incorporating the important budget elements and their process should move forward. The BPRC Guidelines reference construction and the projects generated by the round Four ROD grant process fits well into it.

2012-2013 Audit Update: The auditor has completed all field work and now will compile information. The elements for the Comprehensive Annual Financial Report are moving forward nicely. The administration will soon have the raw numbers to which they will add explanatory prose. A committee member asked about the legal limits of reports from a public auditor; the district follows along with other entities including school districts in which there are prescribed limits to their liability. For example, no public audit, school or corporate, is designed to catch fraud; on the other hand all auditors remain alert for any tell-tail signs that often accompany fraud.

Summer Construction Update: Most projects are either complete or substantially complete. Several projects really stand out including the new LED lighting in the Community corridors, as well as the new paint job in the commons; High School South once again has a "Project Use" type facility and in fixing storm damage there are the new tennis courts at South.

A notable exception is the boiler project at Dutch Neck which not only failed to meet its contractual substantial completion date of August 23<sup>rd</sup>, but is not in a satisfactory position to date. Much attention is being given to this project by administrators and architect, including frequent job meetings and bringing the board attorney into the picture.

Start of School: B&G and Transportation: While continuous improvement suggests that we can always seek ways to do better, the opening of school went well. The use of Infinite Campus for bus passes again went well. While it took a flurry of late August activity, the school facilities were in sound shape by the opening of school.

2014-15 Proposed Capital Projects: The new template has been drafted for the 2014-15 year. It includes the 58 projects submitted to the Department of Education in conjunction with Round Four of the Regular Operating District grant program. Along with past projects the total estimated cost of all nominated projects exceeds \$15 million dollars. The district will have to carefully consider which and how many projects can be done. Input from the State of New Jersey about the eligibility of the 58 nominated projects for Round Four will be an important factor in the process.

As in the past, the Finance Committee will consider how many capital dollars should be in the general fund expenditures for the upcoming budget year. The Facilities Committee will consider the individual projects that are nominated and settle on a project list. As in the past, the priorities of principals, building & grounds director, and athletic director are recorded as inputs to the decision making process.

SRECs: The Board approved auction takes place September 18<sup>th</sup>. Prices appear to have firmed from past lows.

NJ QSAC: This process looms and requires significant effort. The State of New Jersey, while maintaining a mid-November deadline for completion, has indicated that final instructions may not be available until October.

Staffing issues: It was noted that the past efforts to bring an accomplished facility manager into the district have not met with success; discussion centered on how the district can improve its probability of success. Another supervisory position that will see a retirement soon is accounts payable; organizational elements to be taken into consideration were discussed. If some overlap is sought to smooth the succession process action will need to be taken soon.

2014-15 Calendar: Discussion covered the key elements making a good calendar difficult to settle into to date. There was strong consensus that reflecting the community was an important dimension to be taken into account, as is professional development, contractual elements and community preferences about graduation and end of school. There was some enthusiasm for a calendar that utilized professional development days in a sound manner but also reflected community's interests. Further discussion observed that it would be opportune to settle the 2015-16 calendar at the same time so that some advance planning by community and staff could be facilitated. It was noted that it would be good to do a rough check of a third year to see if the tenants driving the first two years raise any issues in a third year.

The meeting adjourned at 9:20P.M.

**NEXT MEETING: Monday, October 21, 2013, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
Audit  
2014-15 budget  
Round Four ROD grants

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 Louisa Ho	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Scott Clelland, Wiss Anthony Branco, Wiss
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**October 21, 2013**

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

2012-2013 Audit: Scott Clelland remarked that the district is in strong financial condition. The district received the highest possible audit opinion, once again; and, in recognition of its strong financial reporting received the Association of School Business Officials International's Certificate of Excellence in Financial Reporting for the fifth straight year. Fewer than two dozen New Jersey districts received this award.

Scott walked through the financial statements noting significant information and answering questions from the Committee. Close readers of the Comprehensive Annual Financial Report (CAFR) will note the change in nomenclature due to a recent change in financial reporting standards: where statements formerly included "net assets" the up-to-date language is now "net position."

The strong results from the 2012-13 fiscal year will allow the district to again balance tax relief and utilization of capital reserve. This is important as the district moves forward on the addition to Village without resorting to a bond referendum and seeks to get state approval for projects in the fourth round of the ROD grant program (which gives the district 40% of the eligible project cost) the Board will be well served to weigh opportunities to add to capital reserves.

Scott also reviewed the Management Report on Administrative Findings. He noted that there was one finding, which is the lowest number of findings in several years.

Review Agenda Items: The finance agenda has, in addition to the usual items, two items of note: the State of New Jersey has asked the district to revise its authorization of the fifth year of Sodexo providing food services. The revision is for a \$50 change to the guaranteed operating profit figure and brings the authorization in line with previously approved state documents. The state declared that state nutrition program funds would be delayed until they receive the revised board minutes. In addition, the district will place the monthly fire and safety drills on the agenda in the future; the state has not shown that there is any regulatory requirement for the agenda item, but has declared that NJQSAC points will be deducted in the absence of the agenda items. The Committee supports the agenda.

NJQSAC: The fiscal portions of the statements of assurance and district performance review items were reviewed. The final fiscal scores for the two previous NJQSAC cycles were 90 and 91%, well above the state target of at least 80%. Board approval of the NJQSAC documents will be on the agenda for the first November board meeting so as to meet State of New Jersey submission deadlines.

2014-2015 Budget: It was noted that the expected capital outlay budget of \$1.7 million will not fund a large portion of the \$11 million of nominated projects. This is especially true if significant technology expenditures are to come from the capital outlay budget. It will make sense to consider means of adding to capital reserve so as to be able to commit to the highest priority projects. The Facility Committee will have a challenging task to select from among the nominated projects.



It was noted that the Department of Education's county business administrator has stated at two consecutive county meetings that the DOE will be looking at proprietary fund balances that strike the DOE as being large. In the district, there are two proprietary funds: one for food service and another for community education. Food Service balances are already constrained by federal rules limiting the balance to no more than three months of expenditures. The district intended to fund a significant portion of the Village addition from the Community Education balance. It may be prudent to utilize this balance in a significant amount and as soon as is feasible.

Second Quarter Unemployment Compensation: It has taken several years, but quarterly unemployment compensation tax levies have returned to former levels, as has the balance in this account.

Technology Refresh Update: Technology provided a note indicating that expenditures for the last technology refresh cycle went as planned at about \$655,000.

Job Description: Work required within the central office has shifted and intensified in recent years. Examples are burgeoning health benefit laws and regulations and the flood of curricular mandates from the State of New Jersey. With the retirement of our excellent, long serving accounts payable supervisor, thought is being given on reorganizing the division of labor within the central office to best make efficiencies and strengthen internal controls. A key element in this process is a new position: supervisor of accounts; this position will have aspects of the current confidential secretary position and the accounts payable supervisor position.

This position will then provide the opportunity for additional shifts. Overall the number of central office positions is not expected to increase. While allowing for effective business office activity the shifts are expected to provide strengthening of the human resource and curriculum departments too. The job description will be on the upcoming board agenda.

The meeting adjourned at 8:28PM.

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

Topic for Next Meeting

Review Agenda Items  
2014-15 budget  
Round Four ROD Grants  
Construction Management Services

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> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest:</u> Dana Krug George Duthie, FVHD
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**November 19, 2013**

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

Review Agenda Items: The committee supports the agenda items.

2013-2014 Budget Progress: Larry LoCastro noted the early steps being taken to kick off the budget process. These include preparing to rollover personnel, identify capital projects, identify any additions to professional development, technology and software that will need support in that budget.

Round Four ROD Grants: While nothing official has been announced by the State of New Jersey, the “talk” around the DOE is that a decision on the 2,400 Round Four Regular Operating District projects submitted by all NJ school districts will get an official notification of acceptance/rejection in the first week of December. WWPRSD submitted 58 projects. Final state approval of accepted projects will hinge on demonstrating that the district has local funds to provide 60 cents of each project dollar; the ROD grant provides 40 cents on the dollar. If the district decides to proceed, additions to capital reserve will be needed.

Construction Management Services: For several months, the committee has discussed engaging construction management services for the Village addition project, much in the manner the district successfully did so in conjunction with the 2006 Referendum construction. District architect George Duthie was present to address questions. This will be a “not to exceed” contract of \$208,600. The committee supports this action.

Commissioning of Village School Expansion: District architect George Duthie described this issue. The addition will be the first district construction to seek LEED status – an energy efficiency standard. It will incorporate geothermal heating and cooling, day lighting and LED lighting among its energy conserving features. To gain LEED certification a commissioning agent is required; such a contractor verifies that all applicable systems are installed and working as they should be working. In addition, based on the efficiencies expected to be achieved, it is the intention of the district to seek receipt of New Jersey’s Clean Energy Program payment through the Pay For Performance program (P4P). The P4P program requires submittal of a commissioning report. Overall, the cost of a commissioning agent is just about balanced by the amount of the incentive; at the end of the process, we will have gotten the benefit of the efficiencies gained by this activity at little or no net cost. Such commissioning is an activity “above and beyond” both architect/construction management services. It will be a “not to exceed” contract of \$53,500. The committee agreed to proceed in this manner.

The meeting moved to closed session. The meeting returned to open session.

Flexible Spending Plan: The Internal Revenue Service has announced that they will allow FSA’s to carryover up to \$500 from one plan year to the next year. Previously, a participating employee forfeited any funds remaining in the FSA after the year ended. To do this the IRS requires that a formal change in the FSA plan be made. The district is inquiring about any cost the current FSA third party administrator might levy for changing the plan in this manner.

The meeting adjourned at 7:56 P.M.

**NEXT MEETING: Tuesday, December 10, 2013, 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> Anthony Fleres (Chair) Louisa Ho	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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**December 10, 2013**

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

Review Agenda Items. The December 17, 2013 finance agenda and the draft template for the January 7, 2014 reorganization meeting were reviewed. After some discussion, it was suggested that if the Board of Education vacancy interviews are to be held at the reorganization meeting, that they be done just before the Second Opportunity For Public Comments portion of the meeting. The committee supports the agenda items.

2014-2015 Budget Progress. The position control efforts of Larry LoCastro and Alicia Boyko are nearly completed; this provides a firm, accurate starting point of the 2013-14 positions in the district. Now work will be done to formulate the 2014-15 position control list and salaries. This will be a base for costs and programs for the next budget.

At earlier meetings, the committee indicated a 2014-15 capital outlay starting point of \$1.7 million. The Facilities Committee has a challenging task in sorting through the over \$17 million worth of projects that have been identified to date. The 58 round four ROD grant projects alone would require local share of \$7.6 million. Technology spending for equipment can rise by a million dollars annually if the 1:1 initiative moves forward. [Should the program expand, a variety of items are needed in the first year: 1,650 devices (fifth and sixth grades plus some broken/loss coverage) at about \$550,000; 120 access points/licenses at \$190,000; additional powered ports at \$170,000; replacement core switch at Village at \$40,000; and to handle increased Village traffic a move to a 10 GB connection at \$50,000. Each of the two subsequent years need 800 devices, but other costs bring expenditures to the \$1,300,000 in the second year. A third year is now estimated at \$650,000.]

In the late 1990's, the capital outlay portion of the budget represented 2-3% of spending. Currently, the \$1.7 million is about 1%. Is it time to increase the budget to at least 2%? Even with an increase to 2%, acting on the most essential projects will also require additions to capital reserve. The existing capital reserve is to be consumed by actions in the already approved 2013-14 budget and the 2014-15 work on the Village addition.

It was also suggested that consideration be given to aiding school's non-athletic co-curricular efforts; these programs are valued by the community, but have seen declining total spending as pressures on the budget grow.

The board has engaged the district architect for additional construction services in support of the Village addition; this is similar to the district's action in support of the January 2006 referendum. The district has been approached again by vendors seeking to provide construction management services; however, this is not the path selected by the district.

Meritorious Budget Award. Association of School Business Officials, International has two rigorous programs to assess 1) the quality of a district's financial statements and 2) a district's budget documentation. Last summer, WWPRSD received its fifth consecutive Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report. Only about 20 New Jersey districts receive the CAFR in a given year.

This year the district made its first ever submission for ASBO's Meritorious Budget Award (MBA). The submission represented a significant body of work by comptroller Larry LoCastro with supporting efforts from Gerri Hutner, Larry Shanok and other Business Office staff. Few districts receive the MBA the award at all, much less with their first submission. To date, only one New Jersey district has earned the MBA. We proudly announce that WWPRSD is a recipient of the MBA for its 2013-14 budget document.

Round Four ROD Grants update. The district has received Preliminary Eligible Cost (PEC) letters from the SDA on twelve projects estimated to cost \$4.7 million. PECs must be accepted within 30 days or eligibility is lost. Local share on these projects is \$2.8 million. Nothing has been heard about the other 46 Round Four submissions; all 58 projects, if approved and initiated, would need \$7.6 million in local share. Under current rules any accepted project is to be done within a two-year period.

NJQSAC update. DOE will be in district for at least one day, January 7, 2014. DOE is communicating with the district in a constructive, positive manner to date. The visit makes an assessment of the district in five areas: Instruction & Program; Fiscal Management; Operations Management; Personnel; and, Governance.

Flexible Spending Account. Recently the IRS announced the conditions under which a FSA plan may allow up to \$500 of carry over. One requirement is to amend the FSA plan. Previously, the committee had expressed interest in making this carryover available to participating employees if the cost of implementation was reasonable. Our FSA vender has informed the district that the amendment will be incorporated into the plan at no additional cost to the district. The committee supports amending the FSA plan to accomplish this action.

Next Committee Meeting Date. January 21, 2014

The meeting adjourned at 7:57P.M.

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

Topic for Next Meeting

Review Agenda Items  
Round Four ROD grants  
Technology Refresh?

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, (arrived at 6:35 PM)	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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**January 22, 2014**

The meeting was called to order at 6:00 PM at Central Office. Topics covered included:

Meeting Dates. An interactive discussion ensued as an effort was made to select dates that worked for finance while considering other committees. Dates were selected through August so as to allow some advance consideration of both board retreat dates and vacation plans. The next three meetings are: Monday, February 10, 2014, Tuesday, March 18, 2014 and Tuesday, April 8, 2014.

Review Agenda Items. In addition to the standard agenda items, several other items were noted. These included: engaging the district public auditor for the next audit cycle; awarding contracts for the Village addition construction – this totals \$10.6 million; and, authorizing the sale of Solar Renewable Energy Certificates from power generated on the solar panels on the two high schools.

Class Size Data/Discussion. The Superintendent reviewed data on present and coming year class sizes at the K-8 schools. At this point in time, it appears that enrollment at Dutch Neck will rise, but not to the levels of several years ago; enrollment is likely to be steady at Hawk, Town Center and Wicoff, as well as at Millstone River. At Village, the new fourth grade will be less than the current one – as that grade moves up to fifth grade. A larger number of students are expected at the middle schools.

Staffing is being carefully examined and shifts in number of sections will occur at several schools to match movement in student numbers. In some cases, the addition of sections is limited by available space. Overall, growth of about two FTEs are likely at the K-3 schools while at the middle school, the half team at Grover will be brought up to a full team – an addition of 1.6 FTE.

2014-2015 Budget Progress: The budget is being developed, including staffing as noted in the class size discussion. Expenditure increases above 2% are clearly needed in several areas: special education tuition, improvement in instruction, transportation and capital outlay. The capital spending pressures are the topic for the first budget discussion at the January 28<sup>th</sup> Board of Education meeting.

The last Comprehensive Annual Financial Report showed that the district’s depreciable assets exceed \$240 million. Even assuming zero inflation and a 40 year replacement cycle, the annual capital spending would be \$6 million. It has been nearly 20 years since the general fund capital budget has been over \$2 million. Increasing the capital budget appreciable has been postponed through adept use of capital reserves and ROD grant dollars from the State of New Jersey. In the final, fourth round of ROD grants the state approved only 12 of 58 requested projects. Clearly, the burden falls to the annual budget in the future.

As noted last month, the district has received notice from the Association of School Business Officials International, that our submission of last year’s budget earned the district the association’s Meritorious Budget Award. This is a noteworthy accomplishment from more than one perspective. The award comes from the district’s first submission – ASBO even has a special category that first year applicants can request to buffer the impact of first time rejection syndrome. Additionally, the district is only the second New Jersey district to receive the award. The national corporate sponsor of the ASBO award is coming to the February board meeting to present the plaque representing the award.

Edvocate's December Inspection. Overall, the December inspection effort found conditions close to those of a year ago. There was, however, some variation by school. Inspection ratings at Millstone River, Town Center, Village, and Grover were very good. The high schools, while still in the average range based on Edvocate's work across the state, were noticeably below a year ago. These inspections aid in focusing effort by both in-district and contractor personnel.

The meeting adjourned at 8:02P.M.

**NEXT MEETING: Monday, February10, 2014, 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>	<u>Administration:</u>	<u>Guest/Public:</u>
Dana Krug (Chair)	David Aderhold	
Anthony Fleres	Larry Shanok	
Yu "Taylor" Zhong	Lawrence LoCastro	

**February 10, 2014**

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

Review Agenda Items. The committee supports the agenda items. Looking at the December Report of the Secretary note that on page 4 the total available balance is \$1.5 million less than at the same point a year ago. Since appropriations are \$3.7 million larger than a year ago, costs are escalating faster than appropriations. As discussed, due to this squeezing of the budget the district is unlikely to be able to accumulate excess surplus for the year at the pace of prior years.

In an examination of the draft Report of the Secretary for January, this trend can be seen even more clearly. The special education account is illustrative of this multiyear trend: a year ago the heavy use of federal funds to support special education tuition allowed the district to have \$1.7 million general fund balance contribute to last year's large excess surplus. In the current year this account's available balance is at less than a hundred thousand dollars – a large swing year to year.

January 2014 available balance for the benefits account is presently \$3.7 million – suggesting that there will be excess surplus this year even if it in total is less than a year ago due to events such as the special education just described. Our work on the 2014-15 budget suggest that a year from now, nowhere near \$3.7 million will be in the available balance thus foreshadowing a lower excess surplus again a year from now. The trend is for tighter and tighter budgets with less excess surplus. Less excess surplus leads to less tax relief and less opportunity to add to capital reserve.

2014-2015 Budget Progress: Seven spending areas have budget increases in excess of three per cent; the cost pressures are increasing in more and more areas each year. One of the seven is special education tuition: total tuition spending in 2012-13 was \$6.4 million; 2013-14 year to date and encumbered is \$7.9 million. With the district's focus on professional development and the State of New Jersey's requiring thousands of additional staff observations, there is an increase in that category of spending; nonetheless, the district still has fewer total administrators than ten years ago, though we have more students than ten years ago. While spending on district wide administration and on school administration is flat, support expenditures will increase as technology bandwidth and software requirements grow. With special education students being placed in more locations, transportation costs are rising – a year ago they increased nearly one million dollars from the previous year's spending level. On several occasions the need for more dollars in the general fund for capital outlay has been described and this budget proposes increasing this line item.

This budget estimates the use of \$5.2 million of excess surplus for tax relief. The budget assumes flat state aid though the State of New Jersey has provided no information to date. The proposed budget is within the state general fund cap. However, it does project using banked cap from the past; if it is not used at this time the state will wipe the amount out of existence. This banked cap occurs in line with state regulations, and occurs because past general fund levies were below the general fund cap. As with the current budget it is proposed that the district levy zero dollars of debt service tax levy; the district has the legal authority to raise nearly nine million dollars of this tax levy if it chooses to raise it.

Capital Projects: the draft 2014-15 capital project list was reviewed. Projects total \$4.8 million, including a million dollars for the 1:1 program expansion. It is estimated that the \$4.8 million will be supported by \$2.25 million from the general fund and the rest from capital reserve. This suggests the continuing importance of having capital reserve. As has been noted before: with over \$240 million of depreciable assets in the district, maintaining good learning environments needs about \$6 million of spending annually, year in and year out.

This requires the district to increase the amount allocated each year in the general fund and to continue to add to capital reserve funds.

Two selected capital projects are for phases 4 and 5 for air handling equipment at Community Middle School; previous phases of this effort have been awarded by this time of year. This is necessary due to long lead times for this type of equipment; due to this long lead time, while engineering will move forward, actual installation will occur in the summer of 2015.

FTE Chart: budget to budget there are small increases in full time equivalents. To meet expected elementary school enrollment an addition of two FTEs at that level is being budgeted. An increase of 1.6 FTE is targeted for the middle school to bring a half team to a whole team to meet student needs. In addition to these there will be the usual evaluation and shift of personnel to better meet district wide needs.

Enrollment Projections: a preliminary look at enrollment data suggests that once again the shift in enrollment is modest. Years ago the variation in equalized values led to big swings in splitting of the tax levy; the swings were as large as 3.5% points. As the move to splitting the tax levy by enrollment was considered, it was noted that history indicated that the largest changes in that was 1.1% points. While we will not receive official data from the state for some time, the preliminary data indicates that the swing will again be lower than that 1.1% figure. The relative stability of enrollment still holds true.

Budget Calendar: the calendar was reviewed. With the recent change in the state's dates, the public hearing moves to April 29, 2014. Submission of the budget to the county office moves only ten days to March 20, 2014. There was discussion of whether to continue the practice of meeting with township officials. A year ago the township officials indicated that the meeting had value for them. This meeting is presently scheduled for March 25, 2014 – what would have been the public hearing on the old state schedule.

NJ Unemployment Compensation Benefit Update: Calendar year 2013 saw, for the first time in years, a return to relative normalcy. The large layoffs when the state cut state aid by \$8 million drove unemployment compensation payments very high. While that declined after the bulk of those employees found work or exhausted their 26 weeks of eligibility, it peaked again when the federal and state governments enacted "extended benefits." In 2013 the experience returned to levels last seen before those events.

Village Addition update: The construction contracts having been awarded at the January 28, 2014, board meeting, the process moves forward. The first job meeting of the contractors, architect, engineers and district personnel was convened February 6, 2014.

SREC Auction: The recent auction saw SRECs fetch higher prices: the district realized \$21,857.28 from the sale of 128 SRECs – a price of \$170.76 each. This is well above the \$131 received in the September 2013 auction and the \$106 received in March 2013.

In a related matter, the federal government asked the district to formally decline the Clean Renewable Energy Bonds that the IRS awarded the district in 2009. The \$7.5 million of bonds were intended to provide interest free (low interest) financing for solar projects in the district. The district asked the State of New Jersey to approve the projects with the support of debt service aid, but the State never officially replied despite several attempts to secure a response. After three years, the eligibility for the CREBs expired unused.

Food Service Request For Proposal: The RFP for the service was issued and advertised last week. The opening of the responses is March 7, 2014. To stay on track, a food service committee will meet each week for three weeks starting around mid-March. Award of the contract is targeted for the April 29, 2014, Board of Education meeting.

The meeting adjourned at 8:24P.M.

**NEXT MEETING: Tuesday, March 18, 2014, 6:30 PM @ Central Office**

Topic for Next Meeting  
Review Agenda Items  
2014-15 Budget

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> None
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**March 18, 2014**

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

Review Agenda Items: The materials for the March 25<sup>th</sup> agenda are accepted by the Committee. There was discussion of four resolutions that will appear on future agendas. On March 11<sup>th</sup> bids were opened for the High School North fire alarm strobe project. While original quotes for the project were in the mid thirty thousand dollar range. The low bid was \$39,200, but the low bidder asserted that they had made an error and our board attorney seems inclined to accept their version. The next lowest bid is \$61,000, which is 56% higher. The district can accept the next lowest bid; reject all bids as too expensive and rebid the project; or find a cooperative arrangement that will legally engage in the project. The Committee recognized that some delay in the process makes sense rather than immediately pay the much higher amount.

Last month's meeting covered the recent Edvocate inspection results: four schools scored very well, but two were disappointing. Aramark has embarked on a large scale effort to rejuvenate their efforts within the district. A new #1 and #2 person will start this month, new supervisors for each of custodial and the grounds efforts have been named and special teams of Aramark personnel have come to the district to strengthen both the custodial and maintenance efforts. The district is in its fourth year with Aramark. Soon the district will discuss a possible fifth year with Aramark. Assuming that the present momentum continues, a future board meeting will include the renewal for 2014-15.

When the Aramark renewal occurs, a similar renewal is likely for Edvocate's work for the district; Edvocate has been immensely helpful in keeping the facility effort going forward.

The board attorney is hopeful that the legal dispute with D. A. Nolt, Inc. over the 2011 roof projects at Wicoff and High School South may be nearing an end. If so, a concluding change order would appear on the board agenda. Main areas of contention in addition to the outstanding balance due under the original contract are twofold: the contractor's assertion that he is due significant compensation for spending months on the project past the required end of project date and the district's contention that liquidated damages are due the district for the contractor failing to complete the projects anywhere near the required end of project date.

It was noted that two other contractor conflicts remain: the recent problems with Omega at Dutch Neck and the pool project at South from the referendum period.

An examination of the draft Report of the Secretary for February 2014 shows a general fund available balance of \$14.2 million. A year ago, this available balance was \$1.4 million larger; this is in line with the general financial tightening that has been noted and discussed for some time. As the financials tighten, the opportunities for tax relief and to adding to capital reserve will decline.

2014-2015 Budget Progress: Larry LoCastro described the efforts to place the 2014-15 budget into the Department of Education software; final edits are being dealt with for the March 20<sup>th</sup> deadline. Small changes have been made to facilitate the acceptance process; however, the essential elements are unchanged: a budget-to-budget increase of 1.34%; a tax levy of \$148,521,627 – a levy that utilizes banked cap from the 2011-12 year and in that manner is within the cap rules for the general fund; a budget that has total tax relief of \$5.4 million from fund balance; and is a budget that realigns some personnel in line with shifts in enrollment, but otherwise has no significant shifts and reductions in programs.

The Committee discussed the old Budget Process Review Committee recommendations that have been in use for nearly a decade. At the August and September committee meetings the budget related recommendations were addressed; the Committee's efforts were reported within the committee reports at the main board meetings in line with the BPRC concept. In turn board input and information was addressed at the November 2013 board retreat. The BPRC's work can be emphasized even more in the future so as to energize board member involvement in the budget process. The next milestone with the BPRC would be June input from the board on the concluding 2014-15 budget efforts.

There was brief discussion of newspaper accounts of other budget efforts. Mercer County appears to indicate that it is within cap although the tax levy will increase by 3.5%. Plainsboro Township reports speak of a one cent increase to the tax rate. Reports of West Windsor Township speak of cuts to achieve a zero tax rate increase – the larger cuts were in capital spending.

It can be noted that the district tax levy amount on the “average” West Windsor Township home declined the previous two years. At this time, the district is not in receipt of new assessed value data from both townships.

Generally, the Committee has been approached by the administration on the subject of technology refresh spending by this time of year. The administration noted that this request is still expected to be made this year, simply at a later time than in the past.

Village Addition Update: There was a discussion of the financing pattern for the addition. The original concept was to utilize capital reserve from the general fund and fund balance from the community education proprietary fund balance. A year ago, five million dollars from capital reserve was in the 2013-14 budget; the 2014-15 budget has the final \$4 million from capital reserve in support of the project. In the current year, \$4.25 million was transferred from the community education fund balance to the project – thus the entire \$13.25 million estimated cost of the project is handled without adding to the annual general fund or to the debt service fund budgets.

As purchase orders for the construction are being processed, the board attorney was asked for his view of this pattern. The board attorney indicated that the district “can do what you want to do.” His only caution was “that it may significantly deplete the School District's capital reserve. Should the district ever seek to issue bonds and need a bond rating again, this use of capital reserve may have a negative impact on rating.”

Capital Projects Update: It was noted that for many projects, fees for engineers and architects are often relatively modest compared to the entire project. This is not the case for two current projects. The High School North strobe project has \$11k of such fees for a project that was originally estimated to cost a total of \$50k. The upcoming High School South parking lot pavement project has engineering fees alone of nearly \$30k for a project estimated to cost \$427,000.

While seven of the twelve Round Four ROD projects are listed in the 2014-15 capital project list, the 2014-15 budget includes capital reserve moves to cover all twelve projects; this assures funding and the ability of the district to receive the 40 cents on the dollar for those twelve projects. The discussion also noted that two of the seven ROD projects on the 2014-15 capital project list will be postponed to the summer of 2015 – the lead time for key elements of the project are too long to guarantee that the project would be completed by the end of the 2014 summer. The project will get an early start next December/January so that the lead time does not pose a problem for the summer of 2015.

Food Service Update: The district is in its fifth year with its current provider and as such must engage in an RFP process once again. The Food Service Committee met for an initial review of the three submissions to the district's request for proposals. This Committee consists of three principals, a board member, and district staff. The Committee has meetings scheduled over the next two weeks. As the Committee refines its effort, it will make a recommendation to the Superintendent and the district will come to the Board of Education to award the food service contract for the coming period.

June Reserve Actions: June is the only time of the year (other than as part of a budget) the State of New Jersey allows districts to add to capital reserve. The district, for several years in a row, has utilized the June opportunity to add \$1.75 million to capital reserve. With the use of capital reserve for the Village addition and for the twelve round four ROD projects, it appears prudent to add at least this level in June 2014. The Committee endorses the administration including such a resolution in the June board agenda.

Transportation: The Committee examined a variety of reports generated by the transportation department. A number of clarifying questions were formulated and the department will reexamine the issues. New data should be available for the next meeting.

The meeting adjourned at 8:26P.M.

**NEXT MEETING: Tuesday, April 8, 2014, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
Contractor Renewals  
Transportation

Future Topics:

Impact of Recent Legislation  
Policies

**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> Rick Cave
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**April 8, 2014**

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

Updates. A decision on the HSN fire alarm strobe project remains unclear. The first round of bids offers a cost about 75% higher than estimated. The district will either accept the much higher bid or reject all bids. If bids are rejected, a second round of bids will be the likely next step.

Construction has mobilized at the Village addition site.

The Food Service Committee met and interviewed two companies. The competitive negotiation process allowed by the federal government on food service contracts was employed along with a weighted criteria scoring system. After interviews and discussion, the committee applied the scoring mechanism. While close, the decision is to award Sodexo the new contract. The cents per meal for the new contract represents a reduction over the current contract. In addition, the guarantee for next year is \$85,000.

While the December monitoring by Edvocate of the Aramark effort demonstrated high scores at four schools, there were concerns about the high schools and in maintenance in general across the district. Aramark has sent out teams of personnel to troubleshoot and improve both custodial and maintenance practices in the district. In addition, a new management team has been put in place by Aramark and the early responses by principals to the changes are positive.

The updated transportation data was noted. While no further analysis will occur at this time, the topic will be revisited in the future.

Technology Refresh. Rick Cave walked the committee through the six refresh project areas. These range from replacement computers for teaching staff to replace aged and less functional units, as well as replacements for obsolescing student computers. Other priorities involve projectors in twelve rooms where the standard projector system will not work due to the configuration of the spaces. Additional projects include the replacement of SAN controllers in the High School North computer room; these controllers are nearing their end of life and are becoming less maintainable and reliable. The sixth priority concerns video control devices. It would take 600 units to complete installation in all classroom spaces in the district. These projects are estimated to cost \$685,000. Another tech issue is migration of files involved in the use of Google software; this is especially important with the Chromebook efforts of the district. The committee will consider the request and make a decision at its next meeting.

Review Agenda Items. With the board meeting three weeks away, specific items will vary, but the likely items were discussed. The committee is comfortable with the agenda. It was observed that energy bills year to date are up 21%.

2014-2015 Budget Progress: Additional cost pressures were noted during the budget discussion. In particular, pensionable wages year to date are one million dollars above the amount of a year ago. On April 7<sup>th</sup> the Superintendent, Assistant Superintendent, and Board Member Richard Kaye were at Village Grande discussing the budget. There were good questions and general support and appreciation for the direction taken by the district.

Non-Affiliate Salaries. The Superintendent discussed the format for the decision process in past years and for this year.

Board of Education Retreat Dates. The Superintendent noted possible dates in late June and July 1<sup>st</sup> and sought board feedback on the best dates.

Dyslexia Law Impact. The Superintendent discussed the creation of a teacher resource specialist position for reading interventions at the K-2 level that will help teachers to identify and work with students with dyslexia.

Assistant Principal Positions. The Superintendent discussed how the district plans associated with the Village addition will result in higher enrollment at Millstone River. When that occurs, a second assistant principal position there will make sense.

The meeting adjourned at 8:36P.M.

**NEXT MEETING: Tuesday, May 13, 2014, 6:30 PM @ Grover – Administrative Conf. Rm.**

Topic for Next Meeting

Review Agenda Items

Budget Process Review Committee Recommendations

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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**May 13, 2014**

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

Review Agenda Items. Agenda items for both May 20<sup>th</sup> and June 10<sup>th</sup> were reviewed; several are part of the annual cycle or part of multi-year cycles. Among the annual activities are professional service rates, lunch prices, travel resolutions, procurement resolutions, transfer of interest on capital projects funds to the debt service fund to help repay the district's long term debt since state regulations prohibits spending interest earnings on capital projects. Also, School Alliance Insurance Fund (SAIF) general insurance liability program renewal for a three-year period was discussed and supported for: Workers' Compensation, Liability, Excess Liability, Package – Property, Boiler and Machinery, General and Auto Liability, and School Leaders Professional Liability, effective July 1, 2014.

June is the only time of year that the State of New Jersey allows a Board of Education the right to transfer funds into capital reserve at a board meeting. In line with the district practice of recent years, the agenda calls for such a transfer in an amount of \$1.75 million.

After the April 29<sup>th</sup> board meeting the district submitted all twelve Round Four ROD projects to the SDA for generation of executed agreements from the state. We segregated the projects to emphasize that the district needs to award the projects for which bids have been opened or completion this summer will be problematic. With no response to date, the district contacted the SDA and requested that the chiller for Millstone River be expedited since the existing HVAC there is unserviceable and a mobile rental unit is now in use. The SDA indicated that they would try to execute that agreement as soon as possible. In a spirit of hopefulness, that project is tentatively placed on the May 20<sup>th</sup> agenda; other projects that were bid out are tentatively listed for June 10<sup>th</sup>. If the SDA responds but just after the May 20<sup>th</sup> meeting, a special meeting may make sense to award the projects and allow them to proceed. To award without executed agreements would lose the district the 40% participation by the State of New Jersey. More delay could threaten summer completion of those projects.

Budget Process Review Committee Recommendations. The Committee reviewed the process and timeframes from the former Committee's recommendations. Overall, the underlying concepts, process, and timeframes still worked effectively for the 2014-2015 school year. It was noted that with the number of new Board Members, it may serve to continue to refer to these recommendations while encouraging the Board to provide their relevant thoughts on the budget to the finance committee chair.

Technology Refresh. At the last committee meeting, Technology discussed six refresh projects for equipment nearing their end of life cycle and that is becoming less maintainable and reliable. The Committee endorses actions to implement the refresh plan as discussed. The Committee suggests that Technology be attentive to reliability issues associated with recent hardware and software usage.

It was noted that the migration project discussed at the last meeting is now expected to be done at a cost of just under \$11,000; this will likely be funded with e-rate funds as it is a onetime tech effort that benefits the district's students and staff.

HSN Fire Alarm Strobe Update. Meetings among the contractor, district architect, and district personnel were reviewed. As a result, a quote will be utilized to get this project completed. The administration will move that process forward.

Advocate May Inspection. A spot inspection of Aramark is coming soon. It is hoped that recent Aramark actions have stabilized the high schools. Historically, May inspections show the impact of the school year, though in past May inspections, Aramark scores easily exceeded the in-district scores of May 2010.

Legal Disputes Update. Mr. Shanok provided a status of the outstanding construction issues.

Prescription and Dental rates for the Next Cycle. Mr. Shanok described the meeting with Mr. Schumacher and our broker. With prescription claims paid exceeding premiums, an increase was inevitable. A 12.75% increase in prescription premiums is the result. Our broker found little price variation among potential competitors given our district's experience history. Dental is another story: dental is being renewed for two years at no increase in premiums.

Non-Affiliate Salary Review Process. Dr. Aderhold provided an update to this year's process.

The meeting adjourned at 8:05P.M.

**NEXT MEETING: Tuesday, June 19, 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	<u>Administration:</u> David Aderhold Larry Shanok	<u>Guest/Public:</u>
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**June 19, 2014**

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

Review Agenda Items. The Committee reviewed and supported the agenda items. It was noted that at this time of year, a variety of annual agenda items appear including items relating to transportation renewals, procurement of goods and services using co-ops, shared services, etc., and equipment disposal.

Excess Liability Coverage. The administration met with the district's broker on June 18, 2014. This is an annual review to discuss premium and coverage changes instituted by the underlying insurers. To a question of what coverage changes the district might consider the broker noted that in this litigious culture, some districts are moving from \$10 million of excess liability coverage to \$15 million. The Committee discussed pros and cons of the two levels. The sense of the Committee was that for an additional premium of about \$5,425, the administration should adjust the district coverage level for excess liability to \$15 million from \$10 million.

Capital Outlays and Capital Reserve. A June 10<sup>th</sup> agenda item placed funds in capital reserve as in past years. A brief discussion followed on the important role that capital reserve and capital outlays play in maintaining the value and strength of the district's \$240 million of physical assets. It was noted that having the capital reserve funds available have permitted the district to aggressively pursue the ROD grants for the 40% state dollars. Capital reserve also allows the district to perform necessary construction which has lowered the general fund spending over the years. A number of potential calls for construction projects will be up for consideration and if viewed favorably will require capital outlay and capital reserve dollars to act upon.

Buildings & Grounds Process. With the retirement of Jim Stives in September and being in the last renewal year with Aramark, hiring a viable candidate is essential. We have begun the multifaceted outsourcing process and it is anticipated that a consulting firm will soon be engaged to move forward the next contracting cycle for the district facilities services program in a timely manner.

In a related topic, Edvocate conducted its May inspection followed by the district/Aramark goal meeting. They found clear signs of improvement by the renewed effort and team from Aramark.

2013-2014 Audit Update. Mr. Shanok commented 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. There are accounting details relating to the village expansion that the district comptroller is finalizing with our auditor.

Village Addition. Earlier this week the on-site soils inspector had a concern pertaining to a layer of deeper existing soil during footing excavation. Environmental company PARS was called for testing; report indicates that we can continue, no problematic matter was found.

Summer Construction. Construction has a large number of projects underway including several recently awarded by the Board of Education.



Committee Meeting Dates. The Committee will plan on meeting July 15<sup>th</sup> and August 19<sup>th</sup>. Future dates are to be determined at the July meeting after the superintendent considers the Board of Education meeting cycle for the rest of the year.

2015-2016 Budget Discussion: District Goals & Budget and Capital Projects. The Committee reviewed the budget procedure and was in agreement that the current process is good with some small modifications.

IRS Form 941. On June 16, 2014 the IRS asserted that a penalty of \$100,628.83 is due. The district disputes this assertion and identified erroneous dates in the federal database. Corrections have been noted and the federal government has indicated that they will review the information anew.

Nolt Case. Larry Shanok was deposed June 18, 2014, in the Nolt case. An August court date has been assigned. The district expert is completing his report. Once again, it should be noted that in the summer of 2011, the district desired roof work at six schools. Work at four schools by two contractors was completed on time at no additional cost. Nolt completed its two schools in January and February of 2012 and seeks \$718,612.04 in additional payments.

The meeting adjourned at 8:32P.M.

**NEXT MEETING: Tuesday, July 15, 2014, 6:30 PM @ Central Office**

Topic for Next Meeting  
Review Agenda Items

Future Topics:  
Impact of Recent Legislation  
Policies  
Transportation