

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



<u>BOE Committee:</u> Louisa Ho (Chair) Anthony Fleres	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest:</u> Scott Powell
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July 14, 2015

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

Review Agenda Items. There was a wide-ranging discussion of the finance topics. In addition to the usual agenda categories, this agenda includes the public hearing for the bond refunding, renewal of student accident insurance coverage, and a change to the bid threshold for purchasing.

It was noted that the student accident insurance has seen claims paid rise rapidly as family's health plans face rising deductibles and copays. The premium has increased from the \$22,087 level in 2011-12 to \$78,094 for the current year.

After a number of years at the \$36,000 level for the bid threshold, the State of New Jersey has authorized a rise in the threshold for districts with Qualified Purchasing Agents (QPA) to \$40,000. This provides a little bit more flexibility in utilizing quotes for some projects instead of following the procedurally longer bid process for a project.

Solar Renewable Energy Credits. The general sense of the committee is that the district can sell its SRECs as soon as convenient and the state's procedural requirements are met.

Church Agreement on Parking. The committee was updated on comments from the church on the initial draft. The church suggested small changes in the payment language. A new draft adjusts the agreement and will be shared with the church committee. The Finance Committee is in favor of the agreement being made.

Bond Refunding. There was a general discussion of the district's debt and the upcoming bond refunding. The next step in the process is a public hearing at the July 21, 2015, Board of Education meeting.

2014-2015 Year Ending. A discussion on available balance was engaged in using the May Report of the Secretary from both 2014 and 2015. Where the available balance was at \$11.8 million a year ago, this May it is \$7.3 million. As discussed over the past few years, the budget is tightening.

Audit Status. Year-end work by our auditors has been going well; next week the audit personnel will return to move the process forward. While the Business Office and audit staff are progressing, some elements for the Comprehensive Annual Financial Report (CAFR) will depend on the State of New Jersey. Today the State alerted districts that information for their responding to GASB 68 requirements will not be made available to districts by the State until late in October.

Buildings & Grounds. Buildings & Grounds and Aramark personnel are making good progress toward the summer cleanup process. It is more difficult than usual, given the relocation of many regular and special education classrooms in addition to heavy summer building-use and construction.

Village Addition. Generally, progress remains good. As often happens at the tail end of the construction progress, various frustrations have arisen. At this time, no significant delays are anticipated unlike other area schools that have been suffering significant delays with their major construction projects. Shortly, the district will submit documentation for a Temporary Certificate of Occupancy (TCO), a key critical path event.

Town Center Conversion. The interior work at Town Center is moving forward well. As the Board of Education is aware, the exterior work failed to elicit contractor interest and the district is attempting to negotiate a solution and the governmental approvals associated with the work. Delay on these exterior aspects is likely as we are already through a significant portion of the summer.

Summer Construction. Construction activity throughout the state is heavy this summer; this has made getting contractor interest in projects difficult in some cases and in others, has extended delivery dates for key equipment that will be installed. The district and its architect are working hard to cope with these difficulties. Projects such as the roof work at High School South and the HVAC work in the Dutch Neck cafeteria are progressing at a good clip. This year's painting effort is proving to be effective and will be considered for continuation next summer. With 1,500,000 square feet of buildings, painting can be useful on an annual rotating basis.

Unemployment Compensation. The calendar year 2014 experience was the most favorable in years; this allowed the balance in this account to return to its former level. On the other hand, the past two quarters have seen higher unemployment compensation than in previous quarters, so the slowdown may be a thing of the past.

2016-2017 Budget. A discussion covered the value of increasing the capital outlay portion upward from the \$2.2 million level. With benefit and salary costs increasing, this may be a challenging but necessary action. The committee will give some thought to the capital outlay level to be utilized in the 2016-17 budget.

2016-2017 Proposed Capital Projects. Buildings & Grounds will soon commence meeting with budget managers in order to generate a new 2016-2017 project list. This list will be used in conjunction with the overall capital outlay level by the Administration & Facilities Committee as it evaluates the nominated projects.

Merit Goals/District Goals. The Superintendent discussed both the merit goals and the revised district goals. The district goals take into account the Board of Education input from the recent board retreat.

Other. The Superintendent discussed possible dates for future Board of Education retreats. Early selection will maximize the ability of the participants to attend each retreat. Also, there was an agreement that the Board of Education calendar dates that were listed for future Finance Committee meetings were satisfactory.

The meeting adjourned at 9:26 P.M.

NEXT MEETING: Tuesday, August 18, 2015, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 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>
Louisa Ho (Chair)	David Aderhold	
Anthony Fleres	Larry Shanok	
Yu "Taylor" Zhong	Lawrence LoCastro	

August 18, 2015

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

Review Agenda Items. In addition to the typical agenda items, several other items were discussed. In line with recent committee discussions, the last of the 2015 Solar Renewable Energy Certificates will be auctioned this month. SREC pricing appears to be holding near the recent higher level – a year ago SRECs sold for \$150 while our last sale received \$215 per SREC.

With the addition of 37,500 square feet of the Village addition, an increase of two custodians is being implemented with an addendum to the Aramark agreement. Six years ago the original outsourcing contract included 73 custodians, but that number had declined as incremental improvements in efficiency were realized; this brings the total back to the original level of 73 full time equivalents (FTEs).

Federal law requires all USA entities involved in securities such as bonds to participate in the federal continuing financial disclosure system and make timely disclosures. In the past, the district financial advisor also acted as disclosure agent for the federal reporting requirements. Recently, the district selected Phoenix Advisors as the district financial advisor. Phoenix is serving as advisor for the \$27 million bond refunding that has secured \$2.3 million in net present value savings. This agenda selects Phoenix as the district disclosure agent – just as the prior financial advisor acted as disclosure agent previously. Phoenix acts as disclosure agent for hundreds of school district and municipal clients.

The district recently settled the long standing roof lawsuits dating back to 2011. The upcoming agenda includes a second settlement of a legal disagreement dating back to the construction of the current HSS pool bubble. The contractor failed to complete the project to all specifications and failed to pay its subcontractors. The proposed legal settlement brings this issue to an end for a final payment of \$64,519.

The committee supports the agenda items.

2014-2015 Audit Progress. Mr. LoCastro described the good progress on this year's audit. Work is going well again this year. To date internal control testing lends support to the good quality of district internal controls. In specific tests, very few anomalies were found in testing of ASSA student data and benefit eligibility data. Mr. Shanok noted that while the district and its auditor are making good progress on the audit, this year a portion of the audit must address GASB 68 (Governmental Accounting Standards Board) requirements relating to pensions; this work needs completion by the State of New Jersey since NJ provides the pension system. The state has not started to compile much less disseminate such information.

Bond Refunding. As referred to above, the district sold the bonds on August 4, 2015, and will close the refunding August 20, 2015. The sale resulted in net present value savings of \$2.3 million; a very successful refunding. The impact of the refunding will be lower debt payments over the next ten years when paying principal and interest on district bond debt.

Village Addition. A burst of project end activity and inspections have been happening. Furniture has arrived and is being installed. All in all, the project is rolling to completion in good form. Today the final building inspection was approved, a major milestone. The next milestone will be a TCO (Temporary Certificate of Occupancy) which will allow district staff to move in later this month.

Summer Construction. The million dollar roof project at High School South is rolling to a fine conclusion. More hectic is the \$1.6 million air handlers and control box project at Community. While work has been going on all summer, key portion of the controls were impacted by long lead times and only recently arrived. The air handlers themselves are due to arrive August 19th; on the 20th a crane will be present to remove the old air handlers and put the three new ones in place. The contractor has a credible plan of action for completing key milestones by the end of the month; the building will be ready for school use though final adjustments will occur after hours once school starts.

A variety of smaller projects are also in process. The nine weeks of summer are a very short window for construction to occur. The many staff moves associated with the impact of the Village construction complicated things. Summer use of many of our buildings and the need to do extensive summer cleaning complicated the picture further. Strong general demand for construction services this summer led to difficulties getting commitments by contractors and in the contractors finding extended lead times for key materials. One positive this summer was a district led painting team; this action is likely to be repeated next summer.

Town Center and Millstone River have completed room adjustments made to facilitate the instruction of students next month.

The Superintendent noted the success of interventions with Middlesex County government relating to the exterior grounds changes associated with the move of special education classes to Town Center. The county had initially insisted on construction of expensive sidewalk work far from the work the district sought to do. The Board President contacted a county freeholder and the Superintendent spoke with the county administrator. The extraneous sidewalk work requirement was dropped; a second requirement for extensive survey work – this work also not associated with the work to be done at the school - was added but later modified. The district has initiated work to facilitate wheelchair movement just outside the school.

SREC. Recent committee discussions had concluded that the district would dispose of 2015 Solar Renewable Energy Certificates in a timely manner. The agenda authorizes auction of the remaining 2015 SRECs later this month.

2016-2017 Budget Progress. Discussion centered on the advisability of increasing the capital outlay portion of future budgets. The trend in health coverage and premiums, extraordinary aid and miscellaneous revenue were discussed. Noting the long standing Budget Process Review Committee guidelines, the committee felt that aside from capital outlay, a “steady as we go” approach continued to be appropriate. Discussion reviewed some of the budget buffers available to the district because of its careful approach to finances.

This care was again seen and felt in the recent bond refunding. The district and its financial advisor conferenced called with bond rating agency Standard and Poor’s during the refunding process. The district was the first NJ K-12 public school district to receive the coveted AAA rating back in 2006. The recent review saw S&P affirm the AAA rating – this contributed to the strong market response to the refunding and to the \$2.3 million in net present value savings achieved.

Demographics continue to get a great deal of attention. It would be nice to be sure how many students in each grade will be coming to the district. However, little new information on residential construction much less the demographic breakout of likely residents is yet known. This uncertainty highlights the value of the Village addition in providing additional classroom spaces, both at Village and by moving adults scattered about the district to Village and out of a variety of classrooms around the district – thus freeing up additional classrooms for student use in the near future.

The superintendent noted that the upcoming board meeting would have a closed session meeting topic relating to a district teacher.

The meeting adjourned at 9:02P.M.

NEXT MEETING: Tuesday, September 15, 2015, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 Budget
Transportation Jointures

Future Topics:
Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Anthony Fleres	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Dana Krug
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September 15, 2015

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

Review Agenda Items. The Finance agenda was relatively brief for the special Board of Education meeting of September 21, 2015; early October 6th agenda items were also reviewed. The State of New Jersey's accountability regulations place constraints on travel. The October 6th agenda deals with two separate elements of the accountability regulations: the board must approve travel, but on the other hand a board member should not vote on a matter in which they "benefit." Next month the annual NJ School Boards Association Workshop is being held and our board members wish to improve their knowledge and understanding of the complex issues and regulations that impact public education. To avoid the appearance of self-benefit the approval resolutions wind up being a bit awkward. Members attending the workshop will abstain from the resolution that approves their attendance at this valuable development opportunity.

Food Service Viability. The district has long stressed having a variety of meal choices, made with quality ingredients, and sold at a relatively low price – all while operating in the "black." NJ law forbids a school district from supporting food service from funds from the general fund budget – food service is to be self-supporting. The recent federal nutrition regulations have made school food offerings across the nation less appealing to students, resulting in lower sales and more expensive for districts. Many districts are operating in the "red" under these laws. These districts have raised prices, reduced choices to lower costs and in many cases have dropped out of the national lunch program.

WWPRSD is feeling these pressures too but is in no imminent danger of having to change its ways. First, the district has a financial guarantee for the current operating year. Secondly, while federal regulations limit the fund balance of food service accounts, the present, legal balance would support a period of moderate losses. It is not likely that the district will remain immune from these pressures indefinitely; it is time to start thinking about which choices are the most appealing in the future. This issue will be periodically explored in the coming months.

Transportation Jointures. Transportation costs, especially those serving special education students, have been rapidly growing. The Transportation Department has been actively working to constrain the rate of increase. One way in which districts can do that is to seek and implement "jointures" with other districts. The committee reviewed data that shows that as the school year began other districts have joined routes hosted by WWPRSD and will send the district \$298,893 to place their students on these bus routes. These agreements are with six area school districts and represent a significant saving. In turn, the district has joined three routes hosted by the Lawrence BOE; WWPRSD is paying a share of three routes at a cost of \$41,508 – again a saving as compared to the cost of contracting three additional busses to serve these students.

Periodically in the coming months the committee will examine a number of transportation cost issues.

Plainsboro Township Bike Path Grant Application. The district has been approached in regard to a grant application being prepared by the township. If it wins approval, a bike path would be placed in front of the Millstone River and Community Middle schools. This would provide a better surface for those moving along this road on foot or bicycle.

NJ QSAC. While this is not a full QSAC (Quality Single Accountability Continuum) year, QSAC requires some maintenance related schedules to be prepared every year. Work will commence on compiling these documents in accordance with state regulations.

2014-2015 Audit. Mr. LoCastro updated the committee on the progress of the audit. Those elements under the control of the district and our public auditor are progressing well. Unfortunately, some information required in the audit must be supplied by the State of New Jersey and the state has been slow to act on this need. Many districts across New Jersey are at risk of not being able to timely file their complete audit unless the state acts effectively in the remaining weeks – the state requires that the audits be submitted by December 5th. These conflicting requirements by the State of New Jersey could lead to the wholesale submission by districts across the state of audits labeled deficient due to shortcomings of the State of New Jersey.

Summer Construction. Most of the projects reached substantial completion in time for the start of school. One of the agenda items allows the payment of a number of these contractors for recently billed and approved work.

Start of School: B&G and Transportation. The preschool inspection by Edvocate found our schools to be generally in the best shape in years – despite the large amount of summer construction, heavy summer use by the community, and the many changes rippling through the district as students and staff moved in the realignment allowed by the newly completed Village Addition. On the other hand, the high heat and humidity surfaced more HVAC issues than is desirable and work continues on addressing these issues.

In a similar manner, the bulk of transportation routes started the year well or quickly settled in to within standard operating parameters. A notable exception is a handful of parent complaints concerning one of four nonpublic bus routes. The State of New Jersey is explicit in requiring districts to provide nonpublic transportation in accord with strict cost parameters and the district has complied. Last year, the submission of state required forms by the nonpublic schools at the time of bidding resulted in five routes; fewer forms this year reduced the number of routes to four this year.

To broaden the committees’ understanding of transportation issues, some of the rules involving special education, regular education and nonpublic students were compared and contrasted. There are significant differences and seeking “equal” treatment is not possible under the rules. To obtain an acceptable nonpublic route, some students may be clustered for more efficient pickup and drop-off. Some special education students need to have door to door service. Regular education students are picked up utilizing board policies about distances that are more generous than those required by the State of New Jersey.

2016-2017 Proposed Capital Projects. The committee, noting the likely number of capital projects over the next few years and the growing need to support technology, recognizes the need to increase the size of the general fund capital outlay budget in the next budget. For example, the high school turf fields and tracks are aging and the obsolescence of the HVAC control units across the district need replacement if HVAC issues are to be handled effectively. These are expensive projects.

Bond Refunding. The first debt service payments since the refunding were due in September. With new financial advisors, there has been more confusion than in the past refundings as both parties acclimate to each other’s vocabularies and practices. Undoubtedly, the present value savings of \$2.3 million from the recent refunding justify the additional effort.

The meeting adjourned at 9:22P.M.

NEXT MEETING: Tuesday, October 13, 2015, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 Budget
Audit

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>
Louisa Ho (Chair)		
Anthony Fleres	Larry Shanok	
Yu "Taylor" Zhong, arrived 8:03 PM	Lawrence LoCastro	

October 13, 2015

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

2014-15 Audit. Mr. LoCastro updated the progress made to date; both the district and the auditor have made good progress and no material issues have arisen in regard to any of the standard data. However, as pointed out by Mr. Shanok, some key data is not yet available. The previous day the State of New Jersey confirmed an audit due date of December 7, 2015 while in the same document they acknowledge that data that is to be provided to districts from the State of New Jersey is not yet available and no date for delivery of that data exists.

A tentative plan of action is to review all but the portions of the audit not impacted by the State of New Jersey's inaction, at the next committee meeting. If the state continues to delay, a special board of education meeting may be necessary. There is a risk that the actual submission of a timely audit may be rendered impossible by the State of New Jersey.

Review Agenda Items. The committee reviewed the items and supports their approval. A discussion of the Report of the Secretary allowed an exploration of the workings of the present budget and issues relating to the formation of the next budget. For example, the available balance within the general fund is \$2.4 million lower than a year ago. This suggests lower excess surplus numbers in the future; as a consequence, future levels of tax relief and capital reserve will be lower too.

School Lunches Nationally. A recent news analysis reported that school children in France have the lowest obesity rate in the Western world, yet France has few of the type of lunch meal restrictions required in the United States. French children enjoy tasty four course lunches while their American counterparts are refusing to eat as many meals in school as they formerly ate. One result is a great volume of food tossed in the garbage and, according to the School Nutrition Association, 70% of school meal programs have taken a significant financial hit since the new US mandates went into effect. Our district is currently doing all right financially, but as reported at earlier committee meetings, in the long run the district will have choices to make that may change how lunch looks and costs. The news analysis closed with the observation that French children learn about their food and their healthy eating habits at home to a degree not practiced in the United States.

2016-2017 Budget Progress: As an example of the decisions about to be made for 2016-17, a look at the current transportation department's finances was taken. The cost of regular education routes are up by 7.5%. Special education routes are up by nearly 10%. Shortages of qualified bus drivers appear to more than counterbalance the favorable impact of lower petroleum prices.

Recent meetings at the County Office with two nonpublic school principals were reviewed. The Executive County Superintendent encouraged even greater communication among the schools in the future while noting that WWPRSD had complied with the transportation rules required by the Department of Education.

Another part of the discussion noted some personnel related costs: 1. a recent payroll of the district was \$3.8 million – nearly identical with a year ago. 2. Currently, the number of single employees number 59 more than a year ago while the number of married employees number 41 less than a year ago. Informal evidence indicates that marriages and births are occurring at a noticeable rate implying that these numbers may soon reverse – leading to higher benefit costs for employees and district alike in the future.

The meeting adjourned at 9:25P.M.

NEXT MEETING: Tuesday, November 10, 2015, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2016-2017 Budget
Audit

Future Topics:

Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Anthony Fleres	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Scott Clelland, Wiss Robert Provost, Wiss
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November 10, 2015

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

Audit Discussion. Scott Clelland remarked that the district is in strong financial condition. In recognition of its strong financial reporting process, the district has received the Association of School Business Officials International's Certificate of Excellence in Financial Reporting for the seventh year. Mr. Clelland reviewed the Management Report on Administrative Findings. He noted that there was only one finding relating to the ASSA student count; and, there were no repeat findings in the Management Report. He noted that the district has been far more active than other districts in utilizing School Development Authority grants despite the onerous documentation required – a documentation level that leads many other districts to pass on the grants. The grants lead to the State of New Jersey paying up to 40% of the Final Eligible Cost (or actual cost, if lower) for approved projects. This is very beneficial for districts that qualify.

Mr. Clelland reported that the regular audit process went very well and the regular data and prose has been completed for some time. However, this is the first year of audit impact from GASB 68 (Governmental Accounting Standards Board), and the impact on audit completion is large. GASB 68 relates to the long term liability associated with the personnel that work and have worked for the district. The pension plan is a State of New Jersey plan and key data must come from the State of New Jersey. To date, no data has been provided; the most recent indication from the State is that the baseline data will be released on Friday. The State made a similar statement about last Friday. After receiving the data, the auditors will have to examine, analyze and convert the data to tables and notes for the Comprehensive Annual Financial Report (CAFR). As this is the first year for this material, it is difficult to say how much analysis will be necessary. And it is necessary (and rather late) for all NJ school district's CAFR efforts.

The fact of the matter is that while no audit is complete without this information, the information bears no relevance to current district decision-making. Because of this, the Finance Committee is proceeding with its annual process and recommends that the auditor meet as usual with the Board of Education. In past years, the BOE has accepted the CAFR and associated Corrective Action Plan before submission of the CAFR to the DOE; but, by regulation, a school district has 30 days to review and accept the CAFR, even if the state's submission requirement occurs during those 30 days.

Mr. Zhong arrived at 8:02 P.M.

With that said, Mr. Clelland walked through the key data in the CAFR with an emphasis on the C-1 schedule. The C-1 schedule is the primary financial statement relevant to district decision-making. As usual, the district is in very good financial condition. The level of excess surplus is at last year's level and the district has the capacity to maintain its past practice concerning both tax relief and support of Capital Reserve in the coming 2016-2017 budget. Committee members engaged in a discussion with the auditor and he answered all questions.

The formal acceptance of the report will be at the December 15th meeting if the State of New Jersey submits the data soon and it is in a useable condition.

Review Agenda Items. The Committee reviewed the finance items and supports their approval by the Board of Education.

2015-2016 Budget Progress. Having just gone over the CAFR in some detail, the financial reports served as a vehicle for exploring aspects of the upcoming budget cycle. Larry LoCastro described the rollover of personnel that is a basic building block of each budget cycle.

A wide-ranging discussion on the areas of the budget that have had reductions or small increases over several years, was followed by those areas that have consumed dollars with considerable growth in spending. It was observed by the Committee that while a category such as health benefits has grown slowly from a percentage basis, it does consume over a million more dollars than a few years ago. A key question is how large must the increases to areas such as special education, special education transportation, personnel, and health premiums be for the budget to be viable? Building on past conversations and a recent conversation with the district architect on the cost of essential upcoming capital projects, it was agreed that moving the capital outlay budget to the three million dollar level would be sound.

Administrator Contract – Merit Goal. As shown in the supporting documents for the Committee meeting, the assistant superintendent of finance has met his 2015-2016 goals that were previously approved by the Executive County Superintendent. The next step in this process is a board resolution to acknowledge it. The board resolution will be sent to the Executive County Superintendent who affirms that all State of New Jersey requirements associated with the merit goals have been met. The same process will occur again later in the year as the other administrators meet their merit goals. This is the same process as followed last year.

NJQSAC – Comprehensive Maintenance Plan. The Committee reviewed the documents required for submission for the NJ Quality Single Accountability Continuum (QSAC). The Comprehensive Maintenance Plan and facilities checklists were reviewed; even though these are standard documents, the facilities checklist and the maintenance plan must be consistent with the annual maintenance budget to meet the requirements of the state submissions. The statement of assurance was also reviewed. Again, this is similar to the process and documents of a year ago and in line with the DOE requirements for the 2015-2016 school year.

403b Plan. One of the district’s vendors has indicated that they are prepared to offer a mutual fund based 403b option which will include lower expense ratio funds. There has been a bit of a void in this category since Vanguard refused to conform to the federal retirement plan changes in 2008-2009. This new offering by the vendor may fit well with some employees financial retirement goals. If the information continues to develop positively, the district will allow the vendor to utilize this platform with its customers.

The meeting adjourned at 9:28P.M.

NEXT MEETING: Monday, December 14, 2015, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Anthony Fleres Yu "Taylor" Zhong	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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December 14, 2015

The meeting was called to order at 7:40 PM at the Central Office. Topics covered included:

Review Agenda Items. The agenda items were reviewed and supported. It was noted that the "Other Capital Projects Submission" resolution is to move forward with ten projects with the architect and the State of New Jersey. By initiating the process at this time, the district maintains the flexibility of going for bids and implementing the projects next summer. To delay the process until later would likely move actual construction to the summer of 2017 instead of the summer of 2016.

There was a fair amount of discussion when reviewing portions of the Report of the Secretary. Available balance is at about the same level as a year ago. Year-to-date health benefit expenditures are up about 10% compared to a year ago. Available balance in transportation accounts covering contracted bus services are well below year ago levels; special education bus contracting is already 11% higher than last year's total spending and last year was 9.9% higher than the year before that year's experience.

Reorganization Meeting. The draft agenda for the January 5, 2016, reorganization meeting was reviewed and supported. Most of these items are part of the annual cycle for the district operations as required by statute. One change was discussed. So as to be able to hire teachers during the summer, the superintendent is granted hiring authority during the summer. In the past, the authority was granted between the last day of school and the opening of school. This creates a potential gap in which the district could be at a disadvantage at filling a last minute opening. After discussion, the Committee agreed that this period should extend to the first Board of Education meeting in September. At that time, the normal board approval process can be utilized again.

No decision was reached, but discussion was made about whether to continue the practice of alternating Board of Education meetings between the two middle schools each school year. The multipurpose room in the central office is an attractive meeting space, but having the meetings in each township continues to be appealing. Conversations on this topic are likely to come up from time to time.

Mr. Zhong arrived at 8:05 P.M.

2016-2017 Budget Progress. The Budget Process Review Committee Recommendations were reviewed as well as the 2016-2017 Budget Calendar. Earlier in the school year the Board of Education was encouraged to voice its thoughts on guidelines to the administration. The last few years has seen increased spending within the budget for technology and security. This year an increase in capital outlay is likely. Otherwise, most spending is expected to follow recent trends. Opportunities for discussion will also occur during appropriate portions of board retreats.

It was observed that even if budgeted capital outlay is raised to the \$3 million dollar level, there remains a fairly large gap between budget dollars and projects that need attention. The "high attention" project list alone presently has projects in excess of six million dollars. This suggests that adding to the capital reserve of the district will remain an important continuing action.

Unemployment Compensation Payments Update. The unemployment compensation trust fund was reviewed. The past school year claims remained at a fairly stable level. The yearend balance in the fund is also stable and at a healthy level.

Solar Renewable Energy Certificates (SRECs). The Committee supports having the periodic sale at auction the 2015 SRECs in January 2016.

The meeting adjourned at 8:44P.M.

NEXT MEETING: Tuesday, January 19, 2016, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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January 19, 2016

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

Review Agenda Items: The finance agenda was reviewed and the committee supports approval of the agenda. There was a lively discussion about the associated financial documents; the give and take provided added benefit to the later consideration/discussion of the 2016-2017 budget process.

ASBO Meritorious Budget Award/Certificate of Excellence in Financial Reporting: In December, the district was able to submit new applications for the two ASBO International evaluation processes. It is a worthwhile examination from an arm's length perspective by experienced school district professionals. The district was only the second New Jersey school district to earn the MBA designation, while fewer than 30 districts received the CEFR designation.

While the application fee in each case is a modest one, the New Jersey Association of School Business Officials has indicated that they will reimburse the district for the application fees again this year. The district will benefit from the critiques at no net cost to the district.

Potential Committee Meeting Dates: The committee settled on the future meeting dates.

2016-2017 Budget Progress: The first public discussion of the 2016-2017 budget will occur at the January 26th Board of Education meeting. It has been traditional to start the discussion early in the calendar year as to maximize the public's opportunity to gain exposure to budget considerations. Since it is early in the budget cycle, the presentation will cover topics similar to those of a year ago as well as some topics from the recent Board of Education retreat.

Discussion centered on some of the most challenging aspects of the budget decision-making process. The need for maintaining the building infrastructure of the district suggests that increasing the capital outlay portion of the budget to the three million dollar level is a good idea. However, this level is not sufficient to maintain the district so continued use of capital reserve is necessary.

Health premiums are a large unknown with there being no credible source of a good estimate of the January 2017 premium increases to be incorporated into the budget. The last few years has seen double digit increases in premiums that involve children. The January 2016 employee/child medical premiums increased 11.3% while family increased 9.0 %; the January 2015 increase was 15.1% for employee/child and 12.6% for family premiums.

Special education tuition and transportation costs have been increasing at a fast rate. Total tuition fees incurred by the district will exceed eight million dollars this school year. The recently released 2016-2017 tuition rates include some large increases at schools utilized by the district. This includes a 9.3% increase at The Eden School; an 8.9% increase at The Center School; and an 11.1% increase at the Rock Brook School. Contracted special education bus routes total nearly three million dollars for 2015-2016; this is an 11.2% increase over 2014-2015 – which was a 9.9% increase over 2013-2014 costs.

The district has not gone to the maximum allowed tax levy in the past three years. Just over a half million dollars is “banked” under the present cap rules; most of this will expire if not utilized in the 2016-2017 budget (as banked cap expires if not used within a three year period).

The district continues to develop specific construction projects for the budget process as well as detailed staffing plans. These will be the focus of future discussions as they are developed.

Edvocate’s December Inspection: The December inspection by Edvocate found overall results to be good, but slightly below the results of a year ago: an average of 80 versus an 82 a year ago. Above 80 is judged to be above average. Five schools scored at 80 or above while no school scored below 75. As is often the case, Town Center scored the highest among the ten schools.

The grounds inspection was especially solid: the four middle/high school grounds averaged a score of 91 versus a score of 84 at this time a year ago.

The meeting adjourned at 8:42P.M.

NEXT MEETING: Tuesday, February 9, 2016, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> None
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February 9, 2016

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

Review Agenda Items: The agenda was reviewed and the committee supports approval of the items. Discussion noted the efforts by the district purchasing agent to stay abreast of the complex purchasing rules and to maintain QPA certification (Qualified Purchasing Agent). To utilize QPA status for a higher district bid level, a district's business administrator/assistant superintendent must be a QPA. Mr. Shanok will attend certification related training but as part of his board approved contract.

The district auditor spent a great deal of time related to Chapter 68 (NJ pension liabilities) last cycle. The auditor has agreed to the next engagement at an increase of the fee of 1%. The administration and committee support continued use of the audit firm.

There was discussion of the two bid openings today related to construction projects: controls project for Grover and Town Center playground project. The second lowest bidder on the control project suggested that there are deficiencies in the lowest bid; the district awaits a formal statement and will involve the board attorney in any determination.

The Superintendent mentioned the poor reliability of a group of purchased Chromebooks and the steps being taken to adjust the devices utilized in the 1:1 program both now and in the coming school years. Tradeoffs among the options available are being weighed for effective use by students as well as cost and reliability dimensions.

2016-2017 Budget Progress: The district has been informed of the PERS payment that is due April 2016 for noncertified staff pensions. It amounts to \$1,349,974. The April 2017 payment will not be determined until well after the 2016-2017 budget has been set.

A general discussion of the major general fund expenditure categories was conducted. With the recent elimination of regular education aides (state law presently calls for not having regular education aides), the regular education budget will decline. With increasing programs, class sections, and higher tuitions, special services expenditures will rise. With the emphasis placed on the improvement of instruction, costs in that area will increase. Each of the last four years has seen million dollar increases in employee contributions toward health premiums. With the fourth and final contribution tier now in place, the bulk of premium increases will again fall on the district budget.

Capital project trends have long called for an increasing capital outlay budget. The recent inclusion in the capital outlay budget of a million dollars of technology reinforces the desirability of an increasing capital outlay budget.

Until the capital outlay budget level is three times the current level, the need for capital reserve dollars will be strong too. Some capital reserve will flow to the district from ROD projects. The State of New Jersey has required that the district submit Regular Operating District (ROD) grant projects, oldest first. Unfortunately, the oldest projects were done almost 15 years ago when documents were not collected as projects proceeded. Collecting information to satisfy state reporting needs developed into a time consuming forensic exercise. The tenth, of the ten oldest projects, is about ready for submission to the state.

The district is confident that the latest round of ROD projects collected relevant documents as the projects proceeded; unfortunately, the State of New Jersey will probably insist that the oldest, less documented projects must be submitted first.

Food Service Year to Date: The Superintendent discussed the role of Food Service in the Sustainable Jersey efforts of the district. While possibly positive for the environment, it would mean higher district costs – ten to fifteen cents per meal could be the financial impact of a move away from Styrofoam type products in food service operations. Ms. Ho noted that some environmentalists have raised concerns that a true, complete, life cycle analysis of things shows that products such as Styrofoam products may not be, overall, as negative as sometimes asserted.

The administration noted that contrary to the nationwide trend of reduced sales in school lunch programs, district sales have stayed steady compared to a year ago. Unfortunately, a higher utilization of labor and food products has gone into the sales. Work will focus on maintaining quality while curbing the higher than target costs. If that effort is not successful, higher meal prices will follow.

It was noted that higher meal prices beyond a certain level will likely reduce demand for lunches in the district. This is true whether due to higher prices because of environmental costs or labor/product costs.

Special Education: The district has received notice of the certified 2013-2014 special education costs at the county district. For example, the original 2013-2014 tuition cost for an autistic child was \$53,650; now, the state certifies the 2013-2014 tuition cost is \$56,603. Retroactively, by state law, the district must reimburse the county at the higher rates for services provided in the 2013-2014 school year.

SRECs Sale Update: The recent sale of SRECs (Solar Renewable Energy Credits) realized \$45,779.58. This represents a SREC value of \$282.59 each – the highest SREC sale price received by the district in years.

It was noted that the North solar unit has not been operating fully and Buildings & Grounds personnel are working to get the operation in full operating order once again.

The meeting adjourned at 8:55P.M.

NEXT MEETING: Tuesday, March 15, 2016, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2016-2017 Budget
Capital Reserve Levels
Solar Cumulative Results

Future Topics:

Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> None
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March 15, 2016

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

Review Agenda Items: The committee reviewed the finance agenda and supports approval of the agenda. The committee deliberated the budget discussion portion of the board agenda and suggested that the March 22nd budget discussion be brief; this recognizes that the expenditures and revenues recently discussed are virtually unchanged at this time.

2016-2017 Budget Progress: The committee noted that the State of New Jersey makes an effort to place the best light on state aid. The state publicity focused on the increases in general state aid and was silent on all else. For West Windsor-Plainsboro, the increase in general state aid is \$126,628. However, debt service state aid is decreasing by \$69,005. In addition, the State of New Jersey deducts from state aid their special assessment for districts utilizing School Development Agency funding; last year this assessment was \$40,062. Thus overall, the change in total is very small.

It was further suggested that at the April 12th board meeting that the budget discussion focus on the capital projects list developed for 2016-2017 action. In addition to the capital outlay that is part of the budget expenditures, this discussion would include the impact of capital reserve funds on construction projects.

Solar Cumulative Results: The district's solar panels on the high schools cost \$1,163,679. The district received a rebate of \$576,500 and sale of SRECs to date has brought revenues of over three hundred thousand dollars. With the value of electricity generated, the panels are within a year of cumulatively breaking even. At that point the district will move ahead from about 18 more years of power generation, and SREC sales for another eight years.

Capital Reserve Levels: Capital Reserves play an important role in allowing the district to support modernization of district facilities beyond what could be supported by the budget itself. Even with increases in the budgeted capital outlay, this will be true for some years to come. Adding to capital reserve will remain an important goal. The State of New Jersey allows district's to increase capital reserve either in the budget process each year or in specific resolutions in June of each year. The committee expects a June resolution this resolution will be similar to the ones done each year in the past.

Transportation – Some High School Data: Data collected by the Transportation Coordinator was reviewed. This was about high school bussing practices.

The department also recorded arrival times at the high schools and used the data to move some busses to later pick-up times. The committee suggested that additional routes be considered for similar action. Perhaps a small improvement in sleeping time may be possible through such actions. The committee appreciated having real data to examine.

From these efforts it appears clear that while small efficiencies are possible and should be acted upon, large scale savings will prove elusive. However, the committee encourages the department to continue to collect data and consider alternatives.

The meeting adjourned at 8:25P.M.

NEXT MEETING: Tuesday, April 19, 2016, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2016-2017 Budget

Future Topics:

Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell Yu "Taylor" Zhong (arrived at 7:22 PM)	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Shannon Martin Colette Ferro
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April 19, 2016

The meeting was called to order at 7:00 PM at the Central Office. Topics covered included:

Community Education Proposal: All school district EDP/summer camp activities have been exempt from licensing; however, pending regulations would require districts to hold a license not previously needed to continue to participate in a subsidy program. Only 18 of 806 children served are eligible for the subsidy and the governmental rules are so demanding that not all eligible families follow through to achieve the subsidy. If the district seeks to retain access to the subsidy, the district will have to reduce the number of children it now serves or seek to add a considerable number of staffers. Community Education shared an analysis that demonstrates that additional costs exceed the potential subsidy.

The district can continue to serve its present numbers successfully, without continued access to the subsidy. The administration will make a decision at a time closer to final rules taking effect. Tonight allowed the committee to explore the dimensions of the situation and offer input to the Community Education staff.

Review Agenda Items: The agenda items were reviewed and the committee supports board approval. Among the agenda items are renewals for Aramark and Edvocate relating to facilities. Aramark will be entering the previously negotiated second year of the recent contract. The current Aramark head of district operations is leaving to serve an Aramark college client in New York. Succeeding Jim Dean is David Leeds. David has been in the district for Aramark all six years of their service in the district and is well regarded among district administrators.

Examination of the Report of the Secretary shows that available balance remains strong. During the budget presentations a number of budget areas have been kept stable – this does not mean that spending has not increased. Several areas were noted in which year to date spending is well ahead of a year ago. These areas include regular instruction in which YTD is two million dollars ahead of a year ago. Other higher spending areas include: special education instruction, co-curricular activities, guidance, improvement of instruction and school administration.

2016-2017 Budget Progress: Two events that are part of the annual budget cycle are taking place now. The State of New Jersey has just published the 2016 Taxpayers Guide to Education Spending. For the first time actual per pupil data is available for the 2014-2015 school year. It illustrates the district's continuing success at inhibiting the rate of increase in spending. Over the past dozen years, the district's per pupil spending has increased by \$2,448. Ewing, Hamilton and Lawrence have increased by more than \$4,000 and Princeton, Montgomery and Hopewell Valley have increased by more than \$6,000 in that same time period.

This week districts are publishing their Advertised Budgets as required by law in anticipation of their Public Hearing. Forty-eight hours after the Public Hearing, the district's User Friendly Budget will be posted on its website. The User Friendly Budget contains much of the data contained in the Advertised Budget.

Mr. Shanok reviewed a pro forma analysis of teacher employee health contributions. The past four years has seen the phase in of the Chapter 78 law on employee contributions. Some teachers have seen a rough balance between salary guide movement and increased contributions; some employees have seen salary increases larger than the increase in contributions; and, some teachers have seen contributions that exceed the increase in salary guide. The analysis showed that for family benefits, total premiums exceed \$30,000. For a 10% increase in total premiums most employees will pay about \$700 of the \$3,000 increase – the district will pay \$2,300.

Bond Refunding – Summer 2017: The district’s financial advisors have been talking of the next bond refunding. The previous bond refunding achieved total present value savings of \$2,341,168. However, assuming interest rates stay favorable, the district will not have eligible bonds until the summer of 2017. So, steps to implement the next refunding are at least a year away.

Lunch Pricing: The committee shared in the current thinking about a food service budget for 2016-2017 in conjunction with Sodexo. Consideration is being given to using more environmentally friendly lunch trays at a higher cost. The current consideration is to increase K-5 lunches by a nickel and since the same lunch is served at both the middle and high schools, to charge the high school lunch price at both. The administration will be finalizing a budget; and, afterwards, the recommendation to the Board of Education for lunch prices will appear on the agenda. These lunch prices are still below the lunch prices at most of the other area school districts.

Other Business: The committee asked for news concerning that day’s tragedy in Robbinsville. Superintendent Steve Mayer was an extraordinary person and an exceptional educator and will be missed. The Superintendent noted the actions being taken to support Robbinsville students and staff.

The committee also inquired about the water testing. The Superintendent noted that while no written reports have been received by the district, unofficial results for High School North have been phoned to the district. North’s 15 tests all were below the threshold of concern. That makes 125 of the 130 tests below the threshold. The second round of tests at the five locations will conclude on Wednesday.

The Superintendent noted disappointment with the recent RFP solicitation for Strategic Planning: only two responses were received. The committee urged the district to expand the pool of potential planners before deciding upon a consultant for the task.

Mr. LoCastro and Shanok departed the meeting. The meeting moved to closed session at 9:10 PM.

The meeting adjourned at 9:20 P.M.

NEXT MEETING: Tuesday, May 17, 2016, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 Budget
Capital Reserve

Future Topics:
Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell Yu "Taylor" Zhong (arrived at 8:33PM)	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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May 17, 2016

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

Review Agenda Items: The May agenda contains a wide variety of topics that organizes the district for the coming school year. The committee supports the finance agenda items.

Health Insurance – Wells Fargo: Early predictions for prescription and dental renewals indicated premium increases in the double digits. Our brokers at Wells Fargo were successful in finding credible alternatives to encourage our current insurers to be more competitive. In addition, the inclusion of the latest three months of prescription drug experience led to a more favorable "loss ratio" based on 2015 calendar year data. The prescription plan loss ratio was 93% (an almost sure recipe for a large premium increase); the rolling 12 month average with the ending point of March 2016 brought the experience factor down to 88%. The July premium increase is 9.5%; last year it was 12%.

Data shows the loss ratio of the dental program at 96%; at this level a premium increase is certain. The dental plan will see a 5% increase in the first year but commits to a zero increase in the second year. The last dental premium increase was four years ago.

Capital Reserve Resolution: A lively discussion ensued over the size of a June resolution to add capital reserve dollars. By law, capital reserve additions can only be made in June or as part of the annual budget cycle – no other additions to capital reserve are allowed. Placing dollars in capital reserve reduces the likelihood of the State of New Jersey making a "grab" of district dollars as the state did in 2008-2009. The committee recommends an addition of \$2,500,000 in June. This is prudent with the \$40 million of projects that are pending in the next 6-8 years, including replacements of both turf fields, and a new track at High School South.

Budget Process Review Committee Recommendations: 2015-2016 Budget – What Worked/What Did Not: This is the time of year to inquire of the Board of Education about strengths and weaknesses of the current budget cycle. The committee is generally satisfied with the process. There was a feeling that the retreats are important to this process. It was suggested that there be more use of open ended questions, such as "how much of an increase can be considered" and "what may be given up with a zero increase."

Edvocate's Inspection of Building Cleanliness and Cleaning Practices: As the last inspection of the school year, Edvocate will do an unannounced inspection of the facilities before the end of the school year. This is part of our continuing monitoring of Aramark performance and facilitates comparisons to industry standards for such efforts.

Water Testing Update: With all the attention nationally and in New Jersey to lead in drinking water, the district engaged environmental specialists to follow federal standards for water testing. Of the initial 130 tests, five were at a level calling for further action. The five were retested following national protocols and four of the five were satisfactory. To further investigate the one remaining unsatisfactory test,

additional rooms adjacent to that location were tested. After the additional testing was completed, five room locations have been removed from being sources of drinking water. A meeting was held with West Windsor Township health officials, our environmental specialist, the district architect and all agreed that the proper steps were taken. Future actions will be impacted by pending state legislation concerning testing and drinking water. Until that is determined, the district will continue to follow the protocols and actions called for by existing federal and township practices.

Bid Opening: Bids for the North track and associated sidewalk/pavement work were opened today. The second lowest bidder has raised objections to the low bid's acceptability. This may move award of the contract from the May 24th Board of Education meeting to a June agenda.

Open House: A community request reminded the administration of the original intent to hold an open house for the Village Addition. Last August the district, in addition to all the other start of school actions, focused on moving adults to the addition and other adults into the freed up instructional spaces across the district. In that rush to get children into the newly available instructional spaces, the idea of an open house receded in our priorities. With the end of school, an open house will be arranged. It will allow all interested folks to see the facility and hear about its favorable environmental aspects.

Finance Committee: Due to scheduling issues, the next Finance Committee meeting will be on Monday, June 20th.

The meeting adjourned at 9:34P.M.

NEXT MEETING: Monday, June 20, 2016, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2016-2017 Budget
Edovcate's May Inspection

Future Topics:

Impact of Recent Legislation
Policies
Transportation

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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June 20, 2016

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

Review Agenda Items: The agenda lists a great number of transportation routes that are up for renewal. The transportation coordinator has gotten renewals for many routes for an increase of 0.57%. The transportation CPI for school transportation renewals for 2016-17 is the 0.57% rate. About two-thirds of the routes chose to renew.

To comply with last year's State of New Jersey regulation requiring school districts to publish a list of contracts awarded and references to applicable laws relating to such contracts, the district is presenting a list in this agenda; the regulation calls for publication of the list before July 1st each year.

A look at the Report of the Secretary indicates that the level of available balance remains strong. As we go into the final accounting for 2015-16, it bodes well that good levels of tax relief and capital reserve can be included in the next budget cycle.

Advocate's May Inspection: May saw the changeover within Aramark of their lead person in the district. Advocate's inspection showed an overall solid level of cleaning results but with several areas of slippage when compared to their best results. All the schools demonstrated levels of cleanliness well in excess of the pre-Aramark May measurements.

Solar Renewable Energy Credits: The district is working with the contractor that installed the systems to clear up some data anomalies in the software. In addition, the SREC year is concluding and the district is making an effort to wind up SREC activity close to the fiscal year end. A factor in this effort is a change to accounting rules.

Governmental Accounting Standards Board Statement #72 (GASB) applies to the upcoming audit and calls for a change in how SRECs are recorded. While the amount will not be material, our auditor feels that this requires that the SRECs be valued at "fair value" as described in the document. This could impact the "B" level schedules, and thus the C-1 schedule too. Sale of SRECs within 60 days of year-end may be a practical approach to this issue. More will be learned about application of GASB Statement #72 as the audit proceeds.

2015-2016 Audit Status: Mr. LoCastro described the early audit steps that will soon commence. Most involve testing and sampling of the records to be audited.

Capital Projects/Summer Construction: A review of the construction project list shows that just about all the projects have had paperwork initiated and contracts awarded. Now will be a very busy ten weeks in which as much as possible connected to construction attempts to be substantially completed before the September start of school. Construction efforts are complicated by summer building activities and efforts to prepare the buildings for the start of school.

An article on school facility spending provided some metrics concerning spending for discussion.

Hourly Rates: A review of suggested substitute rates was made. There are likely to be increases to teacher and nurse substitute rates as compared to 2015-16 rates.

Tech Plan 2016-19. The committee looks forward to the technology director discussing the plan in some detail at the July meeting.

The meeting adjourned at 9:02P.M.

NEXT MEETING: Tuesday, July 19, 2016, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2016-2017 Budget
Tech Plan 2016-19

Future Topics:

Impact of Recent Legislation
Policies
Transportation