

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell Yu "Taylor" Zhong Arrived at 8:26 PM	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Rick Cave
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July 19, 2016

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

Review Agenda Items: The agenda includes a bus route for the Notre Dame/St. Paul nonpublic route. This is success after previous failures to secure an acceptable bid. The State of New Jersey has a ceiling on acceptable nonpublic transportation costs that make securing bids difficult.

It was noted that the State of New Jersey end of year process calls for submission of the June Report of the Secretary to the County Office by August 1st.

Solar Renewable Energy Credit/Sale: On July 13th the district sold 118 SRECs for \$263.42 each; a total of \$31,083.56. The committee discussed establishing sales 2-3 times a year – perhaps in January and July.

2015-2016 Year Ending including SDA: The receipt of SDA funds associated with the Village Music Room closed out the fiscal year on a positive note. Total state dollars received were \$124,476.

Audit Status: Larry LoCastro described progress to date. The audit is on track and our public audit team returns for more work in August.

Village Addition: Cost comparisons are difficult. If a project was started years ago – costs have likely gone up. If a project did not include geothermal or LEED elements – costs will be lower. And NJ DOE education specifications drive up costs compared to non-NJ public school construction.

At the committee's request, the administration sought relevant cost comparisons. Last month the School Development Authority opened a new 137,000 square foot elementary school; its cost is \$537 per square foot. The recently announced Trenton Central High School will have 350,000 square feet and its anticipated cost per square foot is estimated at \$443. The Village addition costs out at \$349 per square foot.

Summer Construction: Larry Shanok noted that good progress has been made to date. For example, most of the roof project at High School North has been completed. On the other hand, some projects do not begin on-site activities until August; projects such as the Town Center playground or the High School South pool projects.

2017-2018 Budget: The administration and finance committees will need to pull together thoughts on this budget soon. The committee suggested developing a standard approach to non-affiliate pay practices.

Mr. Zhong arrived at 8:26 p.m.

Technology Plan 2016-2019: Rick Cave walked the committee through the draft Technology Plan (advisory document). He explained the history associated with the effort and the thinking that accompanies the plan's points. The committee covered key concepts page by page.

Some additional points that emerged included: much device training for parents is only during the day – what about evening opportunities; devices for 5th graders – might an option be developed that allows the devices to remain at school; students that move into the district past the 5th grade need a means of being effectively introduced to the 1:1 device program; when evaluating changes to digital literacy course offerings, be sure to allow for broad feedback into the process; and, can the high school device options be broadened to take into account BYOD.

Larry LoCastro left the meeting at 10:00 p.m.

District Goals: The Superintendent discussed the revisions to date. A lively discussion ensued associated with a possible fourth goal relating to communication. All Board of Education committees have reacted in diverse ways to a possible fourth goal.

Larry Shanok left the meeting at 10:30 p.m.

Merit Goals: The committee discussed the merit goals.

The meeting adjourned at 10:46 p.m.

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

Topic for Next Meeting

Review Agenda Items
2016-2017 Budget
Audit

Future Topics:

Impact of Recent Legislation
Policies
Transportation
SRECs (December and June committee agendas)

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell Yu "Taylor" Zhong (arrived at 8:18 pm)	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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August 30, 2016

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

Review Agenda Items: The committee reviewed the upcoming agenda items and supports the actions on the agenda.

2015-2016 Year Ending: Mr. LoCastro described the good progress being made with the annual audit. The auditors and the district will be in a good position to have a timely submission – the only significant variable lies with the State of New Jersey. Once again, the audit information relating to the teacher's pension plan has not been provided to school districts by the State.

It tentatively appears that the excess surplus figure will be about \$8.5 million. While lower than a year ago – as expected with the slow tightening of the budget categories that has been happening – it remains a significant figure and will allow a good level of tax relief in a future budget.

Year-end audit rules pertaining to capital reserve saw \$2.4 million in unexpended capital reserve project dollars return to capital reserve. This places capital reserve at about \$22.5 million as of June 30, 2016. The current budget calls for use of \$5.7 of capital reserve this year.

Summer Construction: Most projects are substantially completed as of the end of August. Two projects that may exceed their August 26th substantial completion date are the Town Center playground work and the High School North robotics room. The manufacturer of the casework for robotics will not ship until the beginning of September.

It should be noted that among the substantially completed projects are: pavement work at Grover, Village, South and Millstone River; roof work at North and Hawk; HVAC work at Grover, Dutch Neck and Town Center, and a new track surface at North. A number of well-worn rooms across the district got new flooring and a number of rooms and hallways were painted in the successful second year of the district summer painting crew.

Staffing: The district has variety of supervisory personnel, as would be expected of an organization of some 1,500 employees. A review of the number of supervisors over the past ten years shows little growth. In the central office staff there is the addition of an assistant director for human resources. While there is an addition of an assistant principal at Millstone River, there is no assistant principal at Wicoff as there was ten years ago. There is now a subject supervisor for the fine and performing arts that did not exist ten years ago. Similarly, with the increase in the intricacies associated with special services and technology, there is one more supervisor in each than ten years ago. Our desire to capture value from data led to the addition of a director for data, assessment & accountability.

The discussion noted that the district's desire to place pressure on the rate of growth in spending has led to variations over the last decade. In the 2010-11 period when the district coped with the loss of \$8 million in state aid, the number of subject supervisors had been reduced compared to today's or ten years ago number of supervisors.

One of the concepts in increasing use by the district to win the most effectiveness from our talented teaching staff is that of teacher resource specialists. The committee expressed interest in a comparison over time in the number of teacher resource specialists.

SREC's Sale: The July sale received \$263.42 for each SREC; the recent sale brought just over \$31,000.

Over the past six years, our high school solar panels have gotten the district \$331,767. Combined with the original solar rebates and the value of the electricity generated, the panels are nearing a breakeven point. With nine more years of SREC sales and about 19 more years of capability of generating electricity, the project is environmentally attractive and generates value to the district.

2017-2018 Budget Progress/Budget Process Review Committee Guidelines: The budget process review committee's long standing recommendations suggest that board members forward any changes in priorities for the upcoming budget to the committee very soon.

2017-18 Capital Projects: The current year budget includes \$3.1 million for capital outlay with one million of that for technology. The next budget may require two million for technology. What might be an appropriate level for capital outlay in the next budget? It was suggested that \$5 million is a target that makes sense. On the other hand, a \$3 million level would need no additional budget dollars.

2017-18 Capital Reserve: Capital reserve plays into the capital outlay discussion. Use more capital reserve and the district can get by using less capital outlay. The discussion included, that generally speaking, the June 30, 2016, level of capital reserve at about \$22.5 million, may be sufficiently large. On the other hand if capital reserve is used for turf fields and an addition to an elementary school, as well as other construction needs, the figure no longer seems quite as large. After all, the last look at district needs suggests that over \$40 million of projects will be requested over the coming years.

In a way, this indicates that the district has done fairly well at keeping up with its facility needs. Other local districts are facing large referendums to cope with their most essential needs.

Budget: Many aspects to the 2017-18 budget suggests to the committee that budget remains a good board retreat subject.

Transportation Lease: West Windsor Township has backed away from their August demand that the transportation department exit the Wallace Road site by the end of 2016. Formulating and implementing a plan by June 30, 2017, will have many challenges and costs.

Photocopiers: The committee discussed the advantages and disadvantages of the present tactic for copiers in the district. It is generally felt that utilizing state and national contracts get the district good value. Might an RFP, winner takes all approach add value? Over the coming months more data will be sought to guide decision making in this area.

Misc.: This is the time of year that rankings get generated. Different factors and weights rearrange the standings a bit for each such ranking, but the top districts generally remain strong, regardless of the weighting criteria. A recent one by Niche places the district 3rd in the state of New Jersey. Compared to other top districts, a relative weakness was parent/student survey results rather than academics or teacher quality. Among the top Niche districts, WWPRSD had just about the lowest per pupil cost.

The meeting adjourned at 9:28P.M.

NEXT MEETING: Tuesday, September 20, 2016, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2017-2018 Budget
Audit

Future Topics:
Impact of Recent Legislation
Policies
Transportation
CAFR

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell Yu "Taylor" Zhong (arrived 8:02 PM)	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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September 20, 2016

The meeting was called to order at 7:36 PM at Central Office. Topics covered included: DRAFT

Quality Single Accountability Continuum: QSAC is a three year cycle of reporting requirements by the State of New Jersey Department of Education for all school districts. While it has been three years since the district has provided the District Performance Review (DPR) documentation, the DOE has informally indicated that high performing districts may be given a waiver on the DPR portion of QSAC this cycle. This still leaves many documents to be prepared for the 2016 QSAC submission. These include the M-1 maintenance data, a facility checklist for each school, and the QSAC Statement of Assurance (SOA). Next month the Board of Education will be asked to approve submission of the required QSAC items. This will allow the district to file before the November 15, 2016, deadline.

Samples of many of the items were passed around the committee for inspection, comment and discussion.

Review Agenda Items: The committee reviewed the agenda items and supports their approval at the Board of Education meeting.

2015-2016 Audit: The audit proceeds. A few practices have elicited additional work for various departments around the district. One such area is the process for liquidating purchase orders. Extraordinary aid and tuition have drawn requests for further information. One or more of these may be sources of management findings depending on the departmental responses.

Summer Construction: At the previous meeting, the many projects that achieved substantial completion were reviewed. Two projects that had not reached completion were the Town Center playground and the High School North robotics room. The playground is complete and in regular use by the children of Town Center. The robotics room nears completion, as some details remain to be done.

Start of School: B&G and Transportation: As the Superintendent had reported at the Board of Education meeting, Transportation had a good start of school. The department has stayed on top of the few issues that developed. Recent newspaper coverage has highlighted that many school districts have been unable to contract for the busses needed for their districts. WWPRSD has commitments and busses on the planned routes.

The prolonged heat and humidity, coupled with the age of facilities, has led to a spate of HVAC issues. The Aramark maintenance personnel, augmented by HVAC and controls contractors, have been working hard. The obsolescence cycle for electronic based controls is 12-15 years, and since our newest school is 14 years old, control issues will arise. That is why recent capital projects included controls at the middle schools. Future control projects are a near certainty at the high schools.

With the recent resignation of the director of building & grounds, a search has begun. The cycle will take time before a new director is in place. The many facility details that need regular attention lead the administration to suggest hiring experienced personnel to fill that gap. Fortunately, the district has two recently retired persons that can be of assistance to the district. The administration will be recommending the part-time utilization of these retirees at the next Board of Education meeting. The committee discussed the matter and concurs.

Other: A recent chart delineating teacher resource specialists (TRS) was discussed. There was interest in having a Board wide discussion of TRSs.

The meeting adjourned at 9:12P.M.

NEXT MEETING: Wednesday, October 13, 2016, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2017-2018 Budget
QSAC

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 8:02; departed 8:51 PM)	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Scott Clelland, Wiss & Co. Anthony Branco, Wiss & Co.
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The meeting was called to order at 7:30 PM, October 13, 2016, at the Central Office. Topics covered included:

Audit Discussion: Scott Clelland and Anthony Branco from Wiss attended the Finance Committee to present the audit for the 2015-16 school year. It was shared that district is in strong financial condition and received the highest possible audit opinion. Mr. Clelland walked through the financial statements mentioning significant information and answering questions from the Committee. Emphasis was placed on the C-1 Schedule which is the primary financial statement relevant to the district's decision making.

With budgets becoming tighter and tighter, the 2015-16 fiscal year results will once again give the Board of Education an ability to balance tax relief and utilization of capital reserve. His overall observation was that the district's financial situation is very good and its internal controls are sound. He noted that the district received the Association of School Business Officials International "Certificate of Excellence in Financial Reporting" for its Comprehensive Annual Financial Report for the eighth time and the work product this cycle suggests that another will be earned this year. The Board will receive a draft of the CAFR prior to accepting the report for the November 8th meeting.

The Finance Committee expressed its appreciation of the discussion, suggested changes to the introductory section, and is in support of the formal steps to accept the audit and to submit the audit report to the State of New Jersey.

Audit Services Letter – Management Report: Mr. Clelland also reviewed the Management Report on Administrative Findings. This is based on a series of tests of the district's internal controls. He observed that our internal controls were strong. He noted that there were no findings this year. In his experience a district generally has one or two findings; most school districts have three or four findings and some districts more.

Review Agenda Items: The Committee reviewed the items on the finance agenda and supported them. It was noted that the NJQSAC Statement of Assurance and Comprehensive Maintenance Plan that was discussed at the last committee meeting will be on the BOE agenda. There was a discussion about the many and varied field trip transportation items on the agenda.

A review of the Report of the Secretary, advanced draft, brought discussion of encumbrances to date and the current available balance. The available balance discussion led to the upcoming budget discussion

2017-2018 Budget: Parameters for BOE Budget Discussions: Having just gone over the CAFR and the Report of the Secretary in some detail, the financial reports served as a vehicle for exploring pressures on the upcoming budget cycle. A positive development is the recent announcement of the January 1, 2017 State Employees Health Benefit Plan premium increase of 8.1%. While well above the level of the 2% tax levy cap, it is lower than feared. Last year's increase was also below 10%, thus the 2017-18 budget may need few additional dollars to allow coverage of possible rate increases on January 1, 2018.

Discussion suggested more attention be given in the budget cycle this year to the areas increasing by over 2%. Other compensation elements of the budget also have pressures that can take them above the 2% level. It was emphasized that an area of recent years increased spending deserves greater Board of Education understanding: teacher resource specialists will get further attention this cycle by the Board. The Committee and the Board of Education will have to give careful consideration as to the overall implications for the next budget round.

General Fund Trends:

Other elements discussed were: special education expenditure growth, possible need for additional classroom space, and a review of a time series of key expenditure areas. This discussion highlighted usefulness of further increases in the co-curricular non-athletic budget – with high participation, the spending is well below that of athletic co-curricular spending. A positive development in the most recent year was a decline in the expenditure on utilities of over \$400,000 – the impact of our capital outlay programs, good weather and favorable pricing of natural gas and electricity were at work.

The entry of Howard Bodine and Jimmy Stives back into the district’s facility discussions is revealing a number of physical plant deficiencies that have not been dealt with in as timely a manner as would have been desired. Some will have to wait until the next capital outlay cycle but some may be of a maintenance nature and use of the district maintenance reserve would allow a timelier plan of action to be implemented for those projects.

The meeting adjourned at 10:02P.M.

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

Topic for Next Meeting
Review Agenda Items
2017-2018 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> Mary Pierson, Transportation
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November 15, 2016

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

Transportation: Mary Pierson, Transportation Coordinator, reviewed the opening of school activities. There is always some turmoil at the start of a school year, but this year things settled down quickly. The major state reporting program, DRTRS, requires a lot of documentation and analysis, but was recently completed ahead of the state deadline.

With the notice this past summer from West Windsor Township to end Transportation's long-term lease arrangement of the Wallace Road facility, this matter has figured greatly in administration's future thinking. The Superintendent was successful in having the August 2016 date moved to June 30, 2017. In terms of planning for buses, employees, repairs, fueling and other details, June is right around the corner and finalizing plans essential.

Presently, the district has 15 drivers and 23 buses. Fourteen of these buses will reach the maximum age limit of the State of New Jersey this June. A very real issue is determining how many buses the district should retain come next July and September. That in turn dictates how many drivers are needed. Issues such as fueling and repairing the vehicles and accommodating the drivers when not driving must be solved. Location of the office staff must also be addressed.

Last year's budget cycle concluded that having some in-house bus capacity is good from several dimensions: flexibility to deal with emergencies and an ability to serve as a baseline capacity for field trips and athletics are among those elements. Recent actions by the State of New Jersey to make it more difficult for drivers to qualify to drive school buses emphasize the value of such flexibility. In that regard, the current budget includes \$300,000 for potential new vehicles from capital reserve.

Come July, the district will have seven large buses and two small buses. Since buses are sometimes out of service, especially during the two State of New Jersey inspection cycles, a couple of spares are a prudent way to deal with the sudden unavailability of a bus.

Last summer, the district utilized two large buses and four small buses to serve the district's special education students. If two large spares and two small spares are prudent, as many as four small buses must be purchased to provide the same service in 2017. With the lead times for vehicle acquisition, these must be ordered soon.

Another consideration is having an ability to serve students in the times when large numbers of them are going on athletic or field trips; these trips use large buses, sometimes as many as ten. Next fall, if the district is to fully use 15 drivers and take the above considerations to heart, the district would need a total of 11 large buses and 6 small buses. This suggests that the total bus purchase program may call for the purchase of 4 large buses and 4 small buses.

Considerations of the environment suggest that new buses utilize gasoline rather than diesel fuel. To date, there has been little enthusiasm for in district placement of these 17 buses. Out of district placement will increase driving time by our drivers. None of the present location alternatives allow the district to continue to repair some of its buses in a district run facility. The Committee suggested some possible sites. Location is starting to dominate our thinking now that we have largely thought through the issue of how many buses are needed.

Review Agenda Items: The agenda is straight forward and the committee supports approval of the agenda.

2016-2017 Audit Services: Larry LoCastro reviewed the advantages and cost of committing to an auditor for the June 30, 2017, audit. Wiss has agreed to commit to the next audit at an increase of 1%. The Committee sees acting on this issue as a prudent step and it will appear on a future agenda.

2017-2018 Budget: Ongoing discussions continued. While a category such as health expenditures may not need a significant increase, facility associated charges need an increase. Position control analysis has begun by Human Resources and the Comptroller. As always, personnel costs are the major spending issue for the budget.

Some data comparing expenditures was reviewed. The district's per pupil spending is well below that of Princeton and Hopewell Valley. Not surprisingly, per pupil administrative and facility costs are also clearly lower than at those two high performing districts. Another driver of our lower per pupil costs is our student: teacher ratio. While the two other districts have raised costs by lowering their ratio over the past twelve years, the district has constrained the growth in costs by inching the ratio higher.

The Committee noted that higher inflation is likely in the coming years. The actions taken over the past years leave the district relatively well positioned to deal with higher inflation in a "2% cap" environment. Districts presently in financial straits will be particularly vulnerable when inflation moves higher.

Other Business: The Superintendent updated the committee members on the progress in identifying candidates for the open positions in the district

The meeting adjourned at 8:18 PM.

NEXT MEETING: Tuesday, December 6, 2016, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2017-2018 Budget
Transportation Update

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 6:07: Departed 7:07 PM	<u>Administration:</u> Larry Shanok Lawrence LoCastro David Aderhold Arrived 6:20: Departed 7:05 PM	<u>Guest/Public:</u>
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December 6, 2016

The meeting was called to order at 5:40 PM at the Central Office. Topics covered included:

Solar Renewable Energy Credits: The web based reporting system appears to be functioning consistently after a year of spotty performance about South's generation of electricity. With this restoration of reporting capability, the district has reported generation for the June through October 2016 period. The GATS (Generation Attribute Tracking System) has given the district certificates for 122 SRECs. In addition, the GATS system will award 16 additional certificates for November at the end of its December process cycle. The committee was comfortable with its previous conclusion to sell certificates twice a year, generally January and July. An agenda item will be appearing on a future agenda to enable January auction participation by the district.

Review Agenda Items: The committee reviewed the December 13th agenda and the draft January 3, 2017 reorganization meeting agenda. The committee supports the agendas.

Reviewing the draft November Report of the Secretary, a discussion covered why the district appears to be in about the same financial situation overall, as a year ago. Detailed discussion followed about health benefits and general fund tuition expenditures. A year ago, the available balance associated with health benefits was only 7% of the budget. Double digit increases for 2016-17 would create deficits and the 2016-17 budget numbers were increased. Fortunately, the increases were not double digit and the negotiated prescription plan change decrease prescription premiums as forecasted. Thus this year the available balance is at 13% of budget at this time. A year ago, general fund tuition expenditures totaled \$7.6 million. The figure presently is in the system for \$7.0 million. With rising tuition rates and a stable number of students, this is implausible and we can expect the present available balance to shrink considerably as Special Services improves its handling of paperwork.

2017-2018 Budget Progress: A positive feature of the health benefit available balance level just mentioned above is that it is likely that the currently budgeted level may be able to cover the needed 2017-18 budget. This is a positive development for the next budget.

The Superintendent discussed the property development issues within the district's two townships. With the current use of district classrooms, there is little unused capacity available. It is possible that an appreciable number of new students may enter the district as early as September 2018. This has implications for growth in staff and the possible use of capital reserve to augment capacity at one or more district schools. While such growth may not require staff in the 2017-18 Budget it does suggest action be taken to address capacity issues.

Unemployment Compensation Payments Update: A review of the past years' experience shows that the district remains in a rough balance between contributions into this fund and expenditures out of this fund.

Potential Board Resolution: Several districts are issuing Board of Education resolutions on PARCC teacher evaluations and new student teaching. Our district has made one resolution. Is another needed? The gist of the committee is a feeling that the remaining issues do not demand an additional resolution. However, the feeling was not a strong one, and if the remainder of the Board of Education desired one, it would be supportable.

The meeting adjourned at 7:22P.M.

NEXT MEETING: Tuesday, January 17, 2017, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items

2017-2018 Budget

Transportation

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) Yu "Taylor" Zhong Rachel Juliana	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest:</u> Anthony Fleres
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January 17, 2017

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

Review Agenda Items: At this time of year, the finance agenda has a number of special purpose items. Among them are: the first installment in the 2017-18 budget discussion cycle; upcoming staff training; a long list of potential vendors on state or co-op contracts; the Board of Education's approval for one step in the disposal of surplus or out-of-date property; a resolution for the purchase from a co-op of four small busses in line with transportation plans for 2017-18; a capital reserve action that will fund a later purchase of four large busses in line with the district's 2017-18 transportation plan.

Transportation: The West Windsor Township deadline for the district's departure from the Wallace Road property looms closer. Everyone agrees that busses should be in-district; but, everyone believes it should be in-district, but not near them. The district is working to make some alternatives possible for action.

Bond Debt Refinancing: The district's financial advisor notes that in September, over ten million of district bonds become callable. With rules that allow a refinancing at most 90 days in advance, a sale is possible, should the financial markets remain favorable; this would lead to a June bond sale and closing. If current conditions hold true, present value savings of over \$600,000 could accrue. Board actions in this process are likely to commence as early as March. Our financial advisor and bond counsel will be in communication with the administration and Finance Committee as the process progresses.

Advocate's December Inspection: The committee noted the recent sound results from the December inspection process and reviewed data showing the steady improvement in custodial results over the years.

2017-2018 Budget Progress: There was a lengthy discussion of sensitive budget items such as tuition and benefits. The State of New Jersey has just ruled on allowable tuition rates for private schools for 2017-18. Unlike public school districts, private schools are not held to the general fund tax levy cap rules. An informal examination of private schools that often see placements of district children shows that most exceed 2% in their tuition increase. Thirteen such schools have 2017-18 increases in excess of 2%; 10 of the 13 exceed 5% and 4 of the 13 exceed 10%.

The Superintendent and Mr. Fleres joined the discussion from the Facilities Committee meeting. The district architect had suggested at Administration & Facilities Committee meeting, capital projects for action based on his participation in discussions with principals and his knowledge of the facilities of the district. The earlier total project list exceeded \$40 million. His identification of the greatest needs totals nearly \$16 million, but does not include the million dollar allocation for technology, nor replacements of the soon to be ten year old turf fields or replacement of the High School South track. It does include an addition at the Hawk school to allow for the imminent growth in enrollment due to likely residential construction. With those projects, the total spending is about \$19 million. Even if the budget allows an increase in the capital outlay portion of the budget to 3.6 million dollars, there remains a clear need for capital reserve dollars. Given that the total list exceeds \$40 million, the committee concludes that the district would be prudent to continue to add funds to capital reserve in the manner it has done so in the past. Until the capital needs of the district decline or the amount in the general fund of the annual budget increases greatly, the district continues to benefit from the existence of capital reserve.

Budget Presentations: The first 2017-18 budget discussion will be at the January 24th Board of Education meeting. This would follow the pattern of past budget cycles. The February discussion may focus on the property development outlook in the two towns and the possible impact on enrollment.

BOE Retreat: The administration and board seek feasible dates for the next Board of Education retreats.

ASBO Meritorious Budget Award/Certificate of Excellence in Financial Reporting: Mr. LoCastro spearheaded the recent submission of these documents to the evaluative process of The Association of School Business Officials. ASBO has strict criteria by which it judges two categories of school finance: the Comprehensive Annual Financial Report (CAFR) and the annual budget. The district is optimistic that the CAFR submission will earn the ASBO Certificate of Excellence in Financial Reporting (COE) for the ninth time. It is hoped that the budget documents may earn a fourth consecutive Meritorious Budget Award from ASBO. Last year about two dozen New Jersey school districts earned the COE and the district was the only New Jersey district to earn the MBA award.

Potential Meeting Dates/Times: Dates were discussed for the February through June committee meetings.

SRECs Sale Update: The previously authorized sale by auction is scheduled for tomorrow, January 18th. [Postscript: the SRECs brought \$258 each at auction for total revenue to the district of \$35,604.]

The meeting adjourned at 9:55P.M.

NEXT MEETING: Wednesday, February 15, 2017, 7:00 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2017-2018 Budget
Transportation
Bond Refunding

Future Topics:

Impact of Recent Legislation
Policies

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



<u>BOE Committee:</u> Louisa Ho (Chair) Yu "Taylor" Zhong arrived 8:46 PM Rachel Juliana	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Tony Fleres arrived 7:50 PM
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February 15, 2017

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

The Superintendent initiated the meeting with a review of the main points discussed at the Board of Education Retreat earlier in the week. The impact of near term and long term residential development growth on budgets, the pressure on space within the K-8 schools over the next two-three years; the utilization of subject supervisors and teacher resource specialists in raising the level of instruction throughout the district were highlighted. The budget as discussed at the retreat will utilize some banked cap but allow for some relief from the present student: teacher ratio pressure, as well as provide for resources for continuing growth in special services expenditures.

Review Agenda Items: The committee reviewed and supports the finance agenda items. Noteworthy is the agenda item for purchase of four large busses. This is the second step in providing for bus transportation as 14 existing district busses age out this June. The second High School North roof coating project just had a bid opening and was under review by the district architect and board attorney for possible action at the next board meeting. Having a roof bid out "early" in the coming construction season cycle bore fruit as bids were received from fifteen roofing contractors.

Bond Refunding: The updated schedule was noted and actions for the refunding will start by the district's financial advisor, bond attorney, administration and then the Board of Education. Likely present value savings in excess of \$600,000 are likely under current market conditions.

2017-2018 Budget Progress: With Board of Education input from the retreat, the committee reviewed the approximate financial dimensions of the budget. At this time, the budget-to-budget increase in the general fund expenditures is about 2.11%. With the decline in debt service expenditures from the paying off of debt, the overall budget-to-budget increase is about 1.76%. The general fund tax levy will include the utilization of some banked cap but remains well within the cap regulations at an increase of about 2.12%.

The Superintendent noted that the Governor this week made a reference to his "fairness" plan for school aid; if not simply early state budget posturing, a move to a new funding schedule for schools would see extensive legal action and heightened funding uncertainty for school districts.

Food Service Year-to-Date: While there is always room for improvement, year-to-date meal sales are higher and overall financial performance is well ahead of a year ago. Sodexo has announced its interest in repeating the popular student chef challenge at Village on March 21st.

Transportation Options: The district continues to work at a variety of options to facilitate bus operations after the district leaves the Wallace Road facility in June. While several options are still developing, it is clear that the transportation office and driver room will be located at 505 Village Road West.

Community Education: The committee reviewed documents showing suggested adjustments to the fee schedule used by Community Education. A committee member noted that prices to the community had been held rather stable and the committee concluded that the proposed increases appear reasonable. It was noted that in 2017-2018 Community Education's apportionment of its less direct costs will rise to \$400,000 – this covers a wide variety of services utilized by Community Education ranging from building space, custodial and maintenance services, utilities, as well as services for human resources and payroll. This allocation has users of CE paying a fair share of such expenses and reduces funds needed from the general fund in support of the district.

The meeting adjourned at 9:46 PM.

NEXT MEETING: Tuesday, March 21, 2017, 7:00 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2017-2018 Budget
Transportation
Bond Refunding

Future Topics:

Impact of Recent Legislation
Policies

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



<u>BOE Committee:</u> Louisa Ho (Chair) Yu "Taylor" Zhong, Rachel Juliana	<u>Administration:</u> David Aderhold Larry Shanok	<u>Guest/Public:</u>
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March 21, 2017

The meeting was called to order at 7:31 PM at Central Office. Topics covered included:

Review Agenda Items: The upcoming agenda and associated documents were reviewed. The committee supports the agenda items. Traditionally, the state review of the budget software leads to budget revision agenda items; however, at this time no revision is needed. The agenda also includes resolutions required by the accountability regulations concerning travel; there is no expectation of experiencing the stated level of expenditure but the regulations require a number and that the number be a firm ceiling on spending regardless of purpose or need. The committee has spoken of the upcoming bond refunding and the agenda includes a required first reading of the refunding bond ordinance.

The committee spent time in review of the draft February Report of the Secretary. Compared to a year ago, available balance is about a half million dollars larger. However, two million of that is associated with health care. Recognition of that position in healthcare is why, as discussed in presentations on the 2017-18 budget, no increase in the healthcare budget is proposed. Aside from healthcare, available balance is, on net, lower than a year ago.

2017-18 Budget. General fund state aid is identical to a year ago. Tentative total budget revenues and expenditures are three million dollars higher than a year ago. Overall, the budget to budget increase for 2017-18 is 1.76%. This budget includes \$5 million in tax relief from excess surplus.

Delran ESIP Documents. The district is often approached by vendors eager to provide services related to capital projects. A primary lure of such offers is the assertion that these services cost the district nothing. On a few occasions, districts have made public on the web details about their projects. Years ago Robbinsville did so. More recently Delran has done so. Once again the vendor generates a long list of projects, most with very long payback periods. As long as the estimated energy savings exceed the total costs, the project is allowable under state regulations.

The Delran project estimates that over 17 years there will be total net savings to the district of one half million dollars. However, early in the project, these vendors will be collecting one half million dollars in fees that WWPRSD generally does not incur when doing such projects. WWPRSD, by using capital reserve, saves on professional fees and pockets the energy savings directly. On such projects as outlined for Delran, net savings to WWPRSD by using capital reserve would be estimated at one million dollars. This is one of the advantages to capital reserve as compared to allegedly "free" projects from vendors.

Capital Reserve Levels. There is continued interest in the district's capital reserve of twenty million dollars. In recent years, use of capital reserve in support of capital projects has ranged between \$2.5 and \$6 million dollars each year. A provisional list of projects worth doing in the district over the next few years totals over \$40 million – well in excess of the district's current capital outlay dollars ability to provide. It is estimated to cost about \$13 million for an addition of about fifteen classrooms to an existing district school. Given these facts, the \$20 million has likely good uses in the years to come.

Bond Refunding. Preparations for a summer refunding move forward. The March 28 board meeting, as noted in the agenda review, includes a first reading of the bond ordinance.

Other Business. Work continues concerning the termination of the district's Transportation use of the Wallace Road property, which is owned by the township. The district purchasing specialist has succeeded in obtaining a reduction in the per copy copier fee to \$0.0036 from \$0.0042. This appears to provide a better rate than experienced by most districts. The State of New Jersey insists that the district pay tuition for two students attending an East Brunswick charter school; this appears contrary to several provisions in the State of New Jersey charter school regulations and the district will refer this matter to its attorney for analysis.

The meeting adjourned at 9:02 P.M.

NEXT MEETING: Tuesday, April 18, 2017, 7:00 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2017-2018 Budget
Transportation
Bond Refunding
Nonaffiliated salaries

Future Topics:

Impact of Recent Legislation
Policies

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



BOE Committee:

Louisa Ho (Chair)
Yu "Taylor" Zhong, arrived 7:23
Rachel Juliana

Administration:

David Aderhold
Larry Shanok
Lawrence LoCastro

Guest/Public:

April 18, 2017

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

Review Agenda Items: The finance, budget public hearing and bond refunding agendas were reviewed. The committee supports the agenda items. Of particular note are: a resolution to designate capital reserve dollars for a Hawk addition; this will be followed soon with a project approval for the district architect to develop and submit documents to appropriate agencies. It will be some time before specifications are set and any advertising for bids will occur, much less awarding of such contracts. Use of capital reserve increases the probability that new classrooms can come on line in a timely manner for the expected enrollment growth; the alternative is larger class sizes or the use of temporary trailers.

Lunch prices for 2017-18 are unchanged at the grade 1-5 level and are to increase by a nickel at the 6-12 grade levels; this leaves district lunch prices at the low end of area school district lunch prices. The district's vendor agrees to another year of an \$85,000 guarantee for the coming year.

Aramark is on the agenda for an increase of \$80,099.75 for the 2017-18 school year, an increase of 1.5%. The total Aramark contract price is about \$1.5 million less than the district spent in house in 2008-09. Escalating wages and benefits in the intervening years would add another million to the potential cost – the Aramark contract continues to deliver significant economies to the district. Edvocate is also on the agenda for a nearly 1.5% increase for 2017-18.

2017-18 Budget. The budget to budget increase in the 2017-18 budget is 1.76%. The tax levy increase is within the cap regulations and is 2.09%. The proposed budget makes it likely that the district's student: teacher ratio will decline in the coming school year.

Bond Refunding. The plan to refund the 2007 refunding bonds is proceeding. The likely level of savings, should current financial market conditions continue as they are now, is likely to exceed \$700,000.

Transportation. Challenges continue to arise in relation to leaving the Wallace Road bus facility. Efforts to overcome these complications continue apace. Clearly established is that the transportation office will be at 505 Village Road West for the coming school year.

Nonaffiliated Employees. The superintendent discussed this group of employees in relation to the coming school year.

The meeting adjourned at 10:12 P.M.

NEXT MEETING: Tuesday, May 16, 2017, 7:00 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2017-2018 Budget
Transportation
Bond Refunding

Future Topics:

Impact of Recent Legislation
Policies

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



<u>BOE Committee:</u> Louisa Ho (Chair) Yu "Taylor" Zhong Rachel Juliana	<u>Administration:</u> David Aderhold Larry Shanok	<u>Guest/:</u> Anthony Fleres
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May 16, 2017

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

Strategic Planning Committee Presentations The committee heard from each of the three planning committees. Extensive give and take explored the direction associated with each strategy and activity.

Review Agenda Items: The finance agenda was reviewed. The committee supports the agenda items. Of particular note are: a resolution to determine the form of the bond refunding, professional service rates, transfer of capital project interest income, and the annual June resolution to add funds to capital reserve.

While not a formal part of the upcoming board agenda, the committee discussed a number of elements associated with use of referendums versus use of capital reserve. Committee members identified misconceptions some community members have about referendums. One is that even a successful referendum needs a great deal of board of education time and effort, and even if it is a successful referendum, time for it adds considerably to the date on which a facility is ready for occupancy. In addition, some in the community mistakenly believe that state debt service aid is paid up front in a lump sum to the district; in fact, such aid is paid out in annual installments over the life of the bond issue.

Prescription Insurance Renewal. Recently our broker informed the district of the results of its canvassing the prescription provider community. The interest shown in serving the district resulted in the district administration recommending continuation with Horizon with no increase in premium over the 2016-17 rates.

As of July 1, 2017, the second year of the two-year agreement with Delta Dental starts. The second year reflects a zero increase in premium.

Capital Reserve Resolution. A year ago, the June action was \$2,500,000, somewhat of a compromise among committee members: some wanted an increase to \$3,000,000 while others supported a continuation at the \$1,750,000 level of the previous six years. Back in 2008, the resolution called for \$4,000,000 while in 2007 the level was zero.

After some deliberation the committee supports a June 2017 capital reserve resolution level of \$1,750,000.

Budget Process Review Committee Recommendations: 2016-2017 Budget – What Worked/What Did Not. After discussion the committee felt that the present practices, including the use of board of education retreats, was working well and should be continued.

Transportation. A number of districts across the state utilize State of New Jersey fueling stations to fuel their buses during their operations. The district has met resistance from state officials in establishing this for our district. An appeal has been made to Senator Greenstein for assistance in a timely procurement of approval for the district. With West Windsor Township forcing the exit from the Wallace Road facility leased since 1990, the district will soon lose use of its district fueling station.

Bond Refunding. The district's financial advisor received proposals from underwriters and banks for the refunding effort. The advisor recommends using RBC Capital Markets and this recommendation is reflected in the board agenda. RBC was used in the 2015 refunding effort. In the refunding public hearing, estimated net savings for the refunding were projected to exceed \$700,000. Unless financial conditions shift a great deal, this expectation still holds.

Demographic Study The Superintendent reviewed the discussion to date. This included a growing interest in, at additional cost, a housing turnover analysis. The committee agreed that this was a worthwhile addition to the study.

Nonaffiliated Employees. The superintendent discussed this group of employees in relation to the coming school year.

The meeting adjourned at 11:50 P.M.

NEXT MEETING: Tuesday, June 13, 2017, 7:00 PM @ Central Office

Topic for Next Meeting

Review Agenda Items

Transportation

Bond Refunding

Future Topics:

Impact of Recent Legislation

Policies

Audit Progress



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

**June 13, 2017
Central Office
7:00 PM**

BOE Committee:

Louisa Ho (Chair)
Yu "Taylor" Zhong
Rachel Juliana

Administration Liaison:

David Aderhold
Larry Shanok

Guests/Public:

1. Review Agenda Items: The finance agenda was reviewed. Of special note in this agenda are the insurance related resolutions. Historically, the two main providers of liability related and worker's compensation coverage maintained an "all or nothing" attitude. This year the two have indicated a willingness to move off of that position. The resulting draft agenda places the liability related coverages with the School Alliance Insurance Fund – the long time source of the district's coverage, and the worker's compensation coverage with the New Jersey Schools Insurance Group. Approximately a half million dollars will be saved by the shift in worker's compensation coverage.

Another notable agenda item is the transportation renewals: many of the district routes are being renewed at an increase of 0.3% - a minimal increase that should inhibit the rate of growth in transportation spending. At West Windsor Township's request, the School District is ending its use of the Wallace Road property and will no longer have a bus maintenance facility; therefore, the agenda includes the School District entering into an agreement with the East Windsor School District for bus maintenance.

The agenda also includes many of the typical items, including the semiannual practice of auctioning off the district's Solar Renewable Energy Credits in a July auction. The committee supports all of the agenda items.

2. Edvocate's May Inspection. The May inspection found the district's facilities to be in good custodial shape overall. The score of 86% compares favorably to last year's score of 81%. The year before that the average score was 80% for that May inspection.
3. Bond Refunding. The process for the refunding continues. On June 6th the district and its financial advisor teleconferenced with Standard & Poor's, the bond rating agency. On June 13th S&P informed the district that it had reaffirmed the district's underlying AAA bond rating for the existing and proposed bonds. The refunding sale of bonds will be done in the next ten days or so.
4. Solar Renewable Energy Credits. The district will likely have 111, 2017 vintage SRECs to auction in July. Earlier in the year, the cumulative rebates, SREC sales, and electricity generation value exceeded the cumulative expenditures for the system. The remaining years of operation will move the district further into the "black" for the project.

5. 2016-2017 Audit Status. The district's auditor will come to the district for planning compliance testing by month end. Substantive testing begins in August. The audit effort unfolds over the coming months so as to be complete by the required submission date in early December.
6. Capital Projects/Summer Construction. A number of larger projects have been board approved, including roof work at North, pavement work at a number of buildings, removal of a number of trailers in the district, and a toilet renovation project at Hawk. Some larger projects will not be started until later in the 2017-18 school year, notably the turf field replacement work.
7. Finance Committee Meeting Dates. The committee discussed future committee meeting dates. The scheduled dates are:

July 17	October 10
August 15	November 21
September 19	December 12
January 16, 2018	
8. Other Business
 - The Transportation Office has relocated to 505 Village Road West.
9. Superintendent Merit Goals. The committee and the Superintendent discussed the goals.
10. Adjournment. The committee adjourned at 10:15 P.M.

NEXT MEETING: Monday, July 17, 2017, 7:00 P.M. @ Central Office

Topic for Next Meeting

Review Agenda Items
 Transportation
 Bond Refunding
 Audit

Future Topics:

Impact of Recent Legislation
 Policies