

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe	<u>Administration:</u> Victoria Kniewel Larry Shanok	<u>Guest/Public:</u> Rick Cave Harry Doctor, Jr.
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June 19, 2012

The meeting was called to order at 6:30 PM at central office in the superintendent's office. Committee Member Xu was absent. Topics covered included:

Technology – Load Balancing: The district heavily relies on expensive, old technology for much of its internet capacity. Technology proposed a realignment that provides greater resiliency to our internet capacity and reduces annual costs to the district. To bring this change about approximately \$50,000 needs to be invested in two load balancers. The realignment will raise capacity at High School South from 70 mbps to 150 mbps; capacity at High School North from 150 mbps to 250 mbps (equipment located at the two high schools serve the entire district). The annual cost would move from \$51,600 to about \$18,252 – an annual cost reduction of about \$33,000. It was proposed that the load balancers be paid for by the use of federal E-rate dollars. The Committee endorses the action. Mr. Cave and Mr. Doctor departed.

Review Agenda Items: The Committee reviewed the agenda items and supports them. Two areas received discussion at some length: food service and capital reserve.

Renewal with Sodexo for 2012-13 is recommended. The per meal management fee is unchanged from the current rate. Additionally, Sodexo offers a limited financial guarantee equal to the one given for the current year. The Committee endorses the administration's recommendation to renew for 2012-13.

Federal nutrition regulations proposed months ago take effect July 1, 2012. These requirements have a variety of aspects that are expected to raise costs to districts and dampen student participation rates. Increases in use of whole grains, fruits and vegetables are primary sources of higher costs. Lower participation is anticipated due to smaller portions of bread and the protein placed in the meals offered. Smaller portion sizes and the mandatory nature of both fruits and vegetables in meals, acceptable as federal program lunches, may lead to a rise in complaints. To minimize loss of participation, food service plans on holding the line on the federal lunch at all grade levels. The premium lunch price rises by 25 cents. The lunch price is below that of Princeton, Hopewell Valley, and Robbinsville school districts.

Current indicators of year-end surplus imply a potential level of excess surplus at about the level of a year ago. This is good news as a decline was anticipated. Indeed, several spending categories show tightening budgets. Two major areas more than make-up for that: available balances now showing in regular education salaries and in health benefits. While a year ago regular teacher salary available balance was at about the \$0.3 million level, currently the balance is over one million dollars. [One example of how that happens is with a promotion to subject supervisor. A teacher was earning and budgeted at about \$91k; they were made a subject supervisor, at a higher salary – but lower than the former supervisor – saving budgeted dollars. In addition a \$50k teacher took her place in the classroom – saving budgeted dollars. Similar situations happen for leave replacements and some retirements.] Premium increases of 20% were budgeted and medical premiums increased at half that rate while a year ago we negotiated a zero increase in the prescription premium. With spending of about \$18 million, even a 10% shift in rate increases frees a significant balance.

In prior years the district has made use of the ability to add to capital reserve in June. The favorable current balance data suggest that the district should do so again this year. The Committee supports adding to the capital reserve in an amount not to exceed \$1.75 million (the same amount as a year ago). There are rumors of a fourth round of Regular Operating District grants becoming available relatively soon; for the third round WWP was the only district that had capital reserve funds to allow aggressive applications for the 40% state dollars ROD makes possible.

Budget - Audit Update: The auditors have been in to do preliminary field work.

2011-2012 Budget – What Worked/What Did Not: Last month the Committee concluded that the process is working relatively well and should be followed again. This was mentioned to the board members at a BOE meeting. No additional suggestions have been received. This process follows in the tradition started by the Budget Process Review Committee of years ago. It was noted that these process suggestions are not mandatory, but succeeding boards have utilized them to support and communicate the budget process.

HSN/Wicoff Contractor Requests: A contractor that worked last summer on roof projects at High School South and Wicoff asserts that he is due additional funds – approximately \$156k (the two projects had award amounts totaling \$2.5 million). We are in discussions about the request. Should we agree on an amount it will come forward as a change order; if we cannot agree it may move to mediation. We will balance advice from both our architect and board attorney in coming to a decision.

SRECs Discussion: Continuing the discussion of a month ago. It was concluded that existing SRECs should be sold in the near future (after following required rules and regulations pertaining to such sales). In addition, the district should seek a two-year deal for the advance sale of the next two years of SRECs. The administration will proceed on these matters.

Finance Committee Meeting Dates: The Committee reviewed the meeting dates and agreed to meet on the following dates: July 24, August 14, September 18, October 16, November 20, December 11, January 22, February 19, March 19, April 23, May 21, and June 18. Dates may be revisited in August when the full Committee is present.

Other Business: The committee moved into closed session at 7:56 P.M.

The meeting returned to open session and adjourned at 8:00P.M.

NEXT MEETING: Tuesday, July 24, 2012, 6:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2011-2012 Year End

Future Topics:
Impact of Recent Legislation
Policies