

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Hemant Marathe	<u>Administration:</u> Victoria Kniewel Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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July 24, 2012

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

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

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

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

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

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

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

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

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

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

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

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

The meeting adjourned at 8:25P.M.

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

Topic for Next Meeting
Review Agenda Items
Audit Progress

Future Topics:
Impact of Recent Legislation
Policies