

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



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

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

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

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

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

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

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

The committee supports the finance agenda.

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

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

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

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

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

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

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

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

The meeting adjourned at 8:24 P.M.

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

Topic for Next Meeting

Review Agenda Items

Audit

2014-15 budget

Round Four ROD grants

Future Topics:

Impact of Recent Legislation

Policies