

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



<u>BOE Committee:</u> Anthony Fleres (Chair) Louisa Ho	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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December 10, 2013

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

Review Agenda Items. The December 17, 2013 finance agenda and the draft template for the January 7, 2014 reorganization meeting were reviewed. After some discussion, it was suggested that if the Board of Education vacancy interviews are to be held at the reorganization meeting, that they be done just before the Second Opportunity For Public Comments portion of the meeting. The committee supports the agenda items.

2014-2015 Budget Progress. The position control efforts of Larry LoCastro and Alicia Boyko are nearly completed; this provides a firm, accurate starting point of the 2013-14 positions in the district. Now work will be done to formulate the 2014-15 position control list and salaries. This will be a base for costs and programs for the next budget.

At earlier meetings, the committee indicated a 2014-15 capital outlay starting point of \$1.7 million. The Facilities Committee has a challenging task in sorting through the over \$17 million worth of projects that have been identified to date. The 58 round four ROD grant projects alone would require local share of \$7.6 million. Technology spending for equipment can rise by a million dollars annually if the 1:1 initiative moves forward. [Should the program expand, a variety of items are needed in the first year: 1,650 devices (fifth and sixth grades plus some broken/loss coverage) at about \$550,000; 120 access points/licenses at \$190,000; additional powered ports at \$170,000; replacement core switch at Village at \$40,000; and to handle increased Village traffic a move to a 10 GB connection at \$50,000. Each of the two subsequent years need 800 devices, but other costs bring expenditures to the \$1,300,000 in the second year. A third year is now estimated at \$650,000.]

In the late 1990's, the capital outlay portion of the budget represented 2-3% of spending. Currently, the \$1.7 million is about 1%. Is it time to increase the budget to at least 2%? Even with an increase to 2%, acting on the most essential projects will also require additions to capital reserve. The existing capital reserve is to be consumed by actions in the already approved 2013-14 budget and the 2014-15 work on the Village addition.

It was also suggested that consideration be given to aiding school's non-athletic co-curricular efforts; these programs are valued by the community, but have seen declining total spending as pressures on the budget grow.

The board has engaged the district architect for additional construction services in support of the Village addition; this is similar to the district's action in support of the January 2006 referendum. The district has been approached again by vendors seeking to provide construction management services; however, this is not the path selected by the district.

Meritorious Budget Award. Association of School Business Officials, International has two rigorous programs to assess 1) the quality of a district's financial statements and 2) a district's budget documentation. Last summer, WWPRSD received its fifth consecutive Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report. Only about 20 New Jersey districts receive the CAFR in a given year.

This year the district made its first ever submission for ASBO's Meritorious Budget Award (MBA). The submission represented a significant body of work by comptroller Larry LoCastro with supporting efforts from Gerri Hutner, Larry Shanok and other Business Office staff. Few districts receive the MBA the award at all, much less with their first submission. To date, only one New Jersey district has earned the MBA. We proudly announce that WWPRSD is a recipient of the MBA for its 2013-14 budget document.

Round Four ROD Grants update. The district has received Preliminary Eligible Cost (PEC) letters from the SDA on twelve projects estimated to cost \$4.7 million. PECs must be accepted within 30 days or eligibility is lost. Local share on these projects is \$2.8 million. Nothing has been heard about the other 46 Round Four submissions; all 58 projects, if approved and initiated, would need \$7.6 million in local share. Under current rules any accepted project is to be done within a two-year period.

NJQSAC update. DOE will be in district for at least one day, January 7, 2014. DOE is communicating with the district in a constructive, positive manner to date. The visit makes an assessment of the district in five areas: Instruction & Program; Fiscal Management; Operations Management; Personnel; and, Governance.

Flexible Spending Account. Recently the IRS announced the conditions under which a FSA plan may allow up to \$500 of carry over. One requirement is to amend the FSA plan. Previously, the committee had expressed interest in making this carryover available to participating employees if the cost of implementation was reasonable. Our FSA vender has informed the district that the amendment will be incorporated into the plan at no additional cost to the district. The committee supports amending the FSA plan to accomplish this action.

Next Committee Meeting Date. January 21, 2014

The meeting adjourned at 7:57P.M.

NEXT MEETING: *Tuesday, January 21, 2013, 6:30 PM @ Central Office*

Topic for Next Meeting

Review Agenda Items
Round Four ROD grants
Technology Refresh?

Future Topics:

Impact of Recent Legislation
Policies
Transportation