

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



<u>BOE Committee:</u> Dana Krug (Chair) Anthony Fleres	<u>Administration:</u> David Aderhold Larry Shanok	<u>Guest/Public:</u>
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June 19, 2014

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

Review Agenda Items. The Committee reviewed and supported the agenda items. It was noted that at this time of year, a variety of annual agenda items appear including items relating to transportation renewals, procurement of goods and services using co-ops, shared services, etc., and equipment disposal.

Excess Liability Coverage. The administration met with the district's broker on June 18, 2014. This is an annual review to discuss premium and coverage changes instituted by the underlying insurers. To a question of what coverage changes the district might consider the broker noted that in this litigious culture, some districts are moving from \$10 million of excess liability coverage to \$15 million. The Committee discussed pros and cons of the two levels. The sense of the Committee was that for an additional premium of about \$5,425, the administration should adjust the district coverage level for excess liability to \$15 million from \$10 million.

Capital Outlays and Capital Reserve. A June 10th agenda item placed funds in capital reserve as in past years. A brief discussion followed on the important role that capital reserve and capital outlays play in maintaining the value and strength of the district's \$240 million of physical assets. It was noted that having the capital reserve funds available have permitted the district to aggressively pursue the ROD grants for the 40% state dollars. Capital reserve also allows the district to perform necessary construction which has lowered the general fund spending over the years. A number of potential calls for construction projects will be up for consideration and if viewed favorably will require capital outlay and capital reserve dollars to act upon.

Buildings & Grounds Process. With the retirement of Jim Stives in September and being in the last renewal year with Aramark, hiring a viable candidate is essential. We have begun the multifaceted outsourcing process and it is anticipated that a consulting firm will soon be engaged to move forward the next contracting cycle for the district facilities services program in a timely manner.

In a related topic, Edvocate conducted its May inspection followed by the district/Aramark goal meeting. They found clear signs of improvement by the renewed effort and team from Aramark.

2013-2014 Audit Update. Mr. Shanok commented that the initial audit work will begin next week. In July, the major four-week effort will follow. As before, the district seeks to complete the audit process well in time for the December State deadline. There are accounting details relating to the village expansion that the district comptroller is finalizing with our auditor.

Village Addition. Earlier this week the on-site soils inspector had a concern pertaining to a layer of deeper existing soil during footing excavation. Environmental company PARS was called for testing; report indicates that we can continue, no problematic matter was found.

Summer Construction. Construction has a large number of projects underway including several recently awarded by the Board of Education.

Committee Meeting Dates. The Committee will plan on meeting July 15th and August 19th. Future dates are to be determined at the July meeting after the superintendent considers the Board of Education meeting cycle for the rest of the year.

2015-2016 Budget Discussion: District Goals & Budget and Capital Projects. The Committee reviewed the budget procedure and was in agreement that the current process is good with some small modifications.

IRS Form 941. On June 16, 2014 the IRS asserted that a penalty of \$100,628.83 is due. The district disputes this assertion and identified erroneous dates in the federal database. Corrections have been noted and the federal government has indicated that they will review the information anew.

Nolt Case. Larry Shanok was deposed June 18, 2014, in the Nolt case. An August court date has been assigned. The district expert is completing his report. Once again, it should be noted that in the summer of 2011, the district desired roof work at six schools. Work at four schools by two contractors was completed on time at no additional cost. Nolt completed its two schools in January and February of 2012 and seeks \$718,612.04 in additional payments.

The meeting adjourned at 8:32P.M.

NEXT MEETING: Tuesday, July 15, 2014, 6:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items

Future Topics:
Impact of Recent Legislation
Policies
Transportation