

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



<u>BOE Committee:</u> Louisa Ho (Chair) Anthony Fleres	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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**February 11, 2015**

Board Member Zhong was absent. The meeting was called to order at 6:32 PM at Central Office. Topics covered included:

Review Agenda Items. The Committee supports the agenda items. It was noted that the professional services resolution originally approved at the January 6, 2015, Reorganization Meeting, has been revised and will appear on the agenda for approval as “Professional and Extraordinary Unspecifiable Services.” The specified statute covers both “professional services” and “extraordinary unspecifiable services.” The resolution has been revised to explicitly encompass both functions. This is more in line with current practices that have evolved since the Deptford School District case of a year ago.

An examination of the Report of the Secretary shows that the district is in good financial shape. However, finances are getting tighter. A year ago, revenues to date were well ahead of budget. This year, revenues are a small amount under budget to date. On the expenditure side, available balances at this time are healthy, but \$2.2 million lower than a year ago. Overall, this suggests that while there will be excess surplus at year end, it will be lower than in the past.

While the dollars are not huge compared to the entire budget, the impact of this year’s cold weather can be seen in spending for natural gas year to date – it is up 26% compared to a year ago.

2015-2016 Budget Progress. The Committee has been working on the budget since early fall. At the recent February retreat, Board discussions focused on the allocation of expenditures and holding the budget-to-budget growth to about \$3.4 million; approximately a 2.1% budget increase. This will be within the tax cap provisions. It was noted that one of the major budget unknowns is the level of state-aid the district will receive. As of yet, the State of New Jersey has not notified districts. That information will probably not be available until the end of the month. Many spending categories remained relatively flat. But, larger increases are seen in the following areas: special education tuition; improvement in instruction; operations; transportation; and, employee benefits. Work on the budget will continue as we finalize the details.

Budget Process Review Committee Recommendations. The BPRC guidelines were reviewed and discussed. The Committee feels that the budget reflects the important elements of this process. The board retreats have been a positive for bringing budget discussions to the entire Board of Education.

Capital Projects. The Administration & Facilities Committee formulated the capital projects supported by the proposed \$2.2 million capital budget; this budget includes \$1 million for technology. Capital reserve will be used to support some of the necessary reconfiguration projects essential for the coming grade level conversion.

FTE Chart. A draft of the “full time equivalent employee” chart was reviewed. There will be some shifts due to enrollment changes at particular schools and grades. Evaluations of program effectiveness may lead to some realignment of staff.

Enrollment Projections. Dr. Aderhold reviewed the likely enrollment numbers. One of the larger changes occurs with the large graduating class of seniors. High school enrollment may decline by approximately 100 students. Naturally, numbers will vary over time and will be watched as plans for the coming year develop.

RFP Update – Facilities Management Services. A Request For Proposals (RFP) for Facilities Management Services was advertised on January 26, 2015. Sealed RFPs are due February 20, 2015.

Audit Services Letter. A discussion was held around the many details included within the “understanding of services” letter between the district and its auditor. The Board approved the appointment of the public auditor at the January 28, 2015, Board Meeting. The range and breadth of actions that must be done because of generally accepted accounting principles plus requirements of the State of New Jersey consume a dozen pages.

Administrator Contract – Merit Goal. As the Board of Education knows, the superintendent and assistant superintendents have merit goals previously approved by the Board and the Executive County Superintendent. The assistant superintendent of finance has met his 2014-15 goals and the next step is a board resolution in recognition of that fact. The board resolution is sent to the Executive County Superintendent who then affirms that all State of New Jersey requirements associated with the merit goals have been met. The same process will occur again later in the year as the other administrators meet their merit goals.

Refunding. The Committee discussed the possible refunding opportunity of the district’s 2005 & 2006 Refunding School Bonds, 2007 School Bonds, and the 2008 School Bonds. A year ago, rising interest rates might have been expected to lessen the probability of a financially successful refunding occurring. Year to date, that rise in rates has not occurred. If that continues, the district may soon be starting the lengthy process in conjunction with its financial advisor and bond counsel. Should all the above mentioned bonds be refundable, there is the potential of reducing the annual debt service of the district by a couple of hundred thousand dollars – this would be very similar to what the district achieved in its September 2012 refunding.

Princeton 2013-2014 Special Education Tuition. By state law special education providers can later reassess their costs and require a district to pay more for previously provided services. The district has been advised by the Princeton School District that their final calculation for special education tuition for two district students attending their program in the 2013-2014 school year has been revised from \$77,240 to \$95,334. The 23% difference will have to be paid.

Village Addition Building Plaque. The board committees have reviewed the format for the plaque. The Finance Committee also supports this decision. The architect will be advised to proceed.

Student Information System. The Superintendent provided background and updated the Committee on the need to purchase a new proprietary student information system. The present system has not been servicing district needs well. An agenda item will be forthcoming.

The meeting adjourned at 8:00P.M.

**NEXT MEETING: Wednesday, March 18, 2015, 6:30 PM @ Central Office**

Topic for Next Meeting  
Review Agenda Items  
2015-2016 Budget

Future Topics:  
Impact of Recent Legislation  
Policies  
Transportation