

**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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June 16, 2015

The meeting was called to order at 7:30 PM at Central Office. Committee Member Zhong was absent. Topics covered included:

Review Agenda Items. The finance agendas were reviewed and supported. Key areas of focus were: refunding of district bonds; capital reserve resolution relating to three projects; and, reporting of contracts. The first of two board actions associated with the refunding will be on the June 23, 2015, agenda; at the July 21, 2015, board meeting will be a public hearing and board vote on the refunding. Volatility in interest rates has added uncertainty to the process. The target for executing the refunding is late July. If interest rates do not rise in the interim, present value savings associated with the refunding should exceed one million dollars.

School construction activity is heavy this summer throughout New Jersey as evidenced by higher bids and some no bid situations. Our architect feels that bids on recent projects are as reasonable as can be found under these market conditions; the agenda takes steps to authorize going forward with these projects.

Refunding. Mr. Shanok reviewed the district's upcoming process for refunding 2005, 2006, 2007, and 2008 bonds. There are two broad approaches to implementing a refunding: competitive and negotiated; each have advantages and disadvantages. Historically, the district has gone the competitive route, but our financial advisors feel that in the present interest rate environment that a negotiated refunding will be best. If refunded by itself, the 2008 series is not an attractive refunding candidate. However, if done at a later date, fixed costs of a transaction makes it unlikely that any positive value can be found in the near future – doing 2008 along with the other bonds makes economic sense. The first agenda item on refunding will be at the June 23rd meeting; a public hearing and vote will be at the July meeting. The actual refunding will follow that vote in July.

Capital Reserve Resolution. As we proceed with the approved 2015-2016 capital projects that were funded through capital reserve, it was realized that due to the volume of school construction in New Jersey that bids have escalated in price. With timeline constraints and the present market condition, the district architect has indicated that rebidding could result in higher dollars and create issues with the school calendars. By increasing the original capital reserve dollars, we would be able to keep the capital projects on schedule. Projects affected are: HSS Elevator work; CMS HVAC work; and, Wicoff HVAC Cafeteria.

Reporting of Contracts. With the recent adoption of Chapter 47 to *N.J.S.A. C.18A:18A-42.2 et seq.* on May 7, 2015, a district is required to report to the Board of Education on school district contracts by July 1st of each school year. The list includes contracts awarded during the past 12 months which would be indicative of the contracts likely to be awarded in the coming 12 months. The list will be included in the agenda of the next board meeting.

Nolt Litigation. As discussed in board closed sessions, a settlement is forming at \$400,000. This settlement will include change orders for both Wicoff and High School South roof projects. It is anticipated that there will need to be two change orders: Wicoff with a credit for the unused balance; and, the entire \$400,000 to be applied against the HS South projects based on their schedule of values with the condition that all paperwork must be provided to close-out all projects. We expect the change orders and any agreement to be approved at the June 23rd meeting; if not, they will appear for the July 21st meeting.

Church Parking. A draft contract regarding parking between the district and the First Presbyterian Church of Plainsboro was reviewed and discussed. The administration will approach the church with the draft. When terms are agreed upon, the contract will come to the Board of Education for approval.

2014-2015 Audit Status. Mr. LoCastro indicated that the internal preliminary work has already begun; the auditors will be arriving next week. In July, the major four-week by the auditors will follow. As before, the district seeks to complete the audit process well in time for the December state deadline.

Village Addition. Progress continues. Photos of the project are on the district website.

Summer Construction. Construction has a large number of projects underway including several recently awarded by the Board of Education. The Town Center Site Improvements has had two bid openings with no bidders; the architect will pursue co-op vendors or negotiation with independent contractors to perform the work. This week a meeting is scheduled with the architect and Middlesex County engineering to discuss the “requested” improvements along the rights-of-way for both Dey Road and Scudders Mill Road where they abut the Town Center Elementary School property.

ROD Grants Update. In May the SDA sent \$90,910.57 associated with the completion of all documentation of the Hawk roof project from 2004. Out of the original ten ROD grants, two sets of documentation remain to be completed and accepted.

B&G Inspection Update. Edvocate’s May spot inspection report indicated that Aramark is doing a sound job for the district. At this time of year, special attention is paid to developing effective summer cleaning schedules; last summer’s effort had the schools at a very high readiness level by the end of August. With the volume of moving and preparation needed this summer, scheduling will need to be coordinated with a variety of contractors and district staff.

Committee Meeting Dates. The Committee will review future meeting dates at the next committee meeting:

The meeting adjourned at 8:15P.M.

NEXT MEETING: Tuesday, July 14, 2015, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2015-2016 Budget
Bond Refunding

Future Topics:

Impact of Recent Legislation
Policies
Transportation
2016-2017 Budget