

**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> Dana Krug
--	---	-----------------------------------

September 15, 2015

The meeting was called to order at 7:30 PM at the Central Office. Topics covered included:

Review Agenda Items. The Finance agenda was relatively brief for the special Board of Education meeting of September 21, 2015; early October 6th agenda items were also reviewed. The State of New Jersey's accountability regulations place constraints on travel. The October 6th agenda deals with two separate elements of the accountability regulations: the board must approve travel, but on the other hand a board member should not vote on a matter in which they "benefit." Next month the annual NJ School Boards Association Workshop is being held and our board members wish to improve their knowledge and understanding of the complex issues and regulations that impact public education. To avoid the appearance of self-benefit the approval resolutions wind up being a bit awkward. Members attending the workshop will abstain from the resolution that approves their attendance at this valuable development opportunity.

Food Service Viability. The district has long stressed having a variety of meal choices, made with quality ingredients, and sold at a relatively low price – all while operating in the "black." NJ law forbids a school district from supporting food service from funds from the general fund budget – food service is to be self-supporting. The recent federal nutrition regulations have made school food offerings across the nation less appealing to students, resulting in lower sales and more expensive for districts. Many districts are operating in the "red" under these laws. These districts have raised prices, reduced choices to lower costs and in many cases have dropped out of the national lunch program.

WWPRSD is feeling these pressures too but is in no imminent danger of having to change its ways. First, the district has a financial guarantee for the current operating year. Secondly, while federal regulations limit the fund balance of food service accounts, the present, legal balance would support a period of moderate losses. It is not likely that the district will remain immune from these pressures indefinitely; it is time to start thinking about which choices are the most appealing in the future. This issue will be periodically explored in the coming months.

Transportation Jointures. Transportation costs, especially those serving special education students, have been rapidly growing. The Transportation Department has been actively working to constrain the rate of increase. One way in which districts can do that is to seek and implement "jointures" with other districts. The committee reviewed data that shows that as the school year began other districts have joined routes hosted by WWPRSD and will send the district \$298,893 to place their students on these bus routes. These agreements are with six area school districts and represent a significant saving. In turn, the district has joined three routes hosted by the Lawrence BOE; WWPRSD is paying a share of three routes at a cost of \$41,508 – again a saving as compared to the cost of contracting three additional busses to serve these students.

Periodically in the coming months the committee will examine a number of transportation cost issues.

Plainsboro Township Bike Path Grant Application. The district has been approached in regard to a grant application being prepared by the township. If it wins approval, a bike path would be placed in front of the Millstone River and Community Middle schools. This would provide a better surface for those moving along this road on foot or bicycle.

NJ QSAC. While this is not a full QSAC (Quality Single Accountability Continuum) year, QSAC requires some maintenance related schedules to be prepared every year. Work will commence on compiling these documents in accordance with state regulations.

2014-2015 Audit. Mr. LoCastro updated the committee on the progress of the audit. Those elements under the control of the district and our public auditor are progressing well. Unfortunately, some information required in the audit must be supplied by the State of New Jersey and the state has been slow to act on this need. Many districts across New Jersey are at risk of not being able to timely file their complete audit unless the state acts effectively in the remaining weeks – the state requires that the audits be submitted by December 5th. These conflicting requirements by the State of New Jersey could lead to the wholesale submission by districts across the state of audits labeled deficient due to shortcomings of the State of New Jersey.

Summer Construction. Most of the projects reached substantial completion in time for the start of school. One of the agenda items allows the payment of a number of these contractors for recently billed and approved work.

Start of School: B&G and Transportation. The preschool inspection by Edvocate found our schools to be generally in the best shape in years – despite the large amount of summer construction, heavy summer use by the community, and the many changes rippling through the district as students and staff moved in the realignment allowed by the newly completed Village Addition. On the other hand, the high heat and humidity surfaced more HVAC issues than is desirable and work continues on addressing these issues.

In a similar manner, the bulk of transportation routes started the year well or quickly settled in to within standard operating parameters. A notable exception is a handful of parent complaints concerning one of four nonpublic bus routes. The State of New Jersey is explicit in requiring districts to provide nonpublic transportation in accord with strict cost parameters and the district has complied. Last year, the submission of state required forms by the nonpublic schools at the time of bidding resulted in five routes; fewer forms this year reduced the number of routes to four this year.

To broaden the committees’ understanding of transportation issues, some of the rules involving special education, regular education and nonpublic students were compared and contrasted. There are significant differences and seeking “equal” treatment is not possible under the rules. To obtain an acceptable nonpublic route, some students may be clustered for more efficient pickup and drop-off. Some special education students need to have door to door service. Regular education students are picked up utilizing board policies about distances that are more generous than those required by the State of New Jersey.

2016-2017 Proposed Capital Projects. The committee, noting the likely number of capital projects over the next few years and the growing need to support technology, recognizes the need to increase the size of the general fund capital outlay budget in the next budget. For example, the high school turf fields and tracks are aging and the obsolescence of the HVAC control units across the district need replacement if HVAC issues are to be handled effectively. These are expensive projects.

Bond Refunding. The first debt service payments since the refunding were due in September. With new financial advisors, there has been more confusion than in the past refundings as both parties acclimate to each other’s vocabularies and practices. Undoubtedly, the present value savings of \$2.3 million from the recent refunding justify the additional effort.

The meeting adjourned at 9:22P.M.

NEXT MEETING: Tuesday, October 13, 2015, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 Budget
Audit

Future Topics:
Impact of Recent Legislation
Policies
Transportation