

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



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| <u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell | <u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro | <u>Guest/Public:</u> None |
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February 9, 2016

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

Review Agenda Items: The agenda was reviewed and the committee supports approval of the items. Discussion noted the efforts by the district purchasing agent to stay abreast of the complex purchasing rules and to maintain QPA certification (Qualified Purchasing Agent). To utilize QPA status for a higher district bid level, a district's business administrator/assistant superintendent must be a QPA. Mr. Shanok will attend certification related training but as part of his board approved contract.

The district auditor spent a great deal of time related to Chapter 68 (NJ pension liabilities) last cycle. The auditor has agreed to the next engagement at an increase of the fee of 1%. The administration and committee support continued use of the audit firm.

There was discussion of the two bid openings today related to construction projects: controls project for Grover and Town Center playground project. The second lowest bidder on the control project suggested that there are deficiencies in the lowest bid; the district awaits a formal statement and will involve the board attorney in any determination.

The Superintendent mentioned the poor reliability of a group of purchased Chromebooks and the steps being taken to adjust the devices utilized in the 1:1 program both now and in the coming school years. Tradeoffs among the options available are being weighed for effective use by students as well as cost and reliability dimensions.

2016-2017 Budget Progress: The district has been informed of the PERS payment that is due April 2016 for noncertified staff pensions. It amounts to \$1,349,974. The April 2017 payment will not be determined until well after the 2016-2017 budget has been set.

A general discussion of the major general fund expenditure categories was conducted. With the recent elimination of regular education aides (state law presently calls for not having regular education aides), the regular education budget will decline. With increasing programs, class sections, and higher tuitions, special services expenditures will rise. With the emphasis placed on the improvement of instruction, costs in that area will increase. Each of the last four years has seen million dollar increases in employee contributions toward health premiums. With the fourth and final contribution tier now in place, the bulk of premium increases will again fall on the district budget.

Capital project trends have long called for an increasing capital outlay budget. The recent inclusion in the capital outlay budget of a million dollars of technology reinforces the desirability of an increasing capital outlay budget.

Until the capital outlay budget level is three times the current level, the need for capital reserve dollars will be strong too. Some capital reserve will flow to the district from ROD projects. The State of New Jersey has required that the district submit Regular Operating District (ROD) grant projects, oldest first. Unfortunately, the oldest projects were done almost 15 years ago when documents were not collected as projects proceeded. Collecting information to satisfy state reporting needs developed into a time consuming forensic exercise. The tenth, of the ten oldest projects, is about ready for submission to the state.

The district is confident that the latest round of ROD projects collected relevant documents as the projects proceeded; unfortunately, the State of New Jersey will probably insist that the oldest, less documented projects must be submitted first.

Food Service Year to Date: The Superintendent discussed the role of Food Service in the Sustainable Jersey efforts of the district. While possibly positive for the environment, it would mean higher district costs – ten to fifteen cents per meal could be the financial impact of a move away from Styrofoam type products in food service operations. Ms. Ho noted that some environmentalists have raised concerns that a true, complete, life cycle analysis of things shows that products such as Styrofoam products may not be, overall, as negative as sometimes asserted.

The administration noted that contrary to the nationwide trend of reduced sales in school lunch programs, district sales have stayed steady compared to a year ago. Unfortunately, a higher utilization of labor and food products has gone into the sales. Work will focus on maintaining quality while curbing the higher than target costs. If that effort is not successful, higher meal prices will follow.

It was noted that higher meal prices beyond a certain level will likely reduce demand for lunches in the district. This is true whether due to higher prices because of environmental costs or labor/product costs.

Special Education: The district has received notice of the certified 2013-2014 special education costs at the county district. For example, the original 2013-2014 tuition cost for an autistic child was \$53,650; now, the state certifies the 2013-2014 tuition cost is \$56,603. Retroactively, by state law, the district must reimburse the county at the higher rates for services provided in the 2013-2014 school year.

SRECs Sale Update: The recent sale of SRECs (Solar Renewable Energy Credits) realized \$45,779.58. This represents a SREC value of \$282.59 each – the highest SREC sale price received by the district in years.

It was noted that the North solar unit has not been operating fully and Buildings & Grounds personnel are working to get the operation in full operating order once again.

The meeting adjourned at 8:55P.M.

NEXT MEETING: Tuesday, March 15, 2016, 7:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2016-2017 Budget
Capital Reserve Levels
Solar Cumulative Results

Future Topics:

Impact of Recent Legislation
Policies
Transportation