

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell Yu "Taylor" Zhong (arrived at 8:33PM)	<u>Administration:</u> Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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**May 17, 2016**

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

Review Agenda Items: The May agenda contains a wide variety of topics that organizes the district for the coming school year. The committee supports the finance agenda items.

Health Insurance – Wells Fargo: Early predictions for prescription and dental renewals indicated premium increases in the double digits. Our brokers at Wells Fargo were successful in finding credible alternatives to encourage our current insurers to be more competitive. In addition, the inclusion of the latest three months of prescription drug experience led to a more favorable "loss ratio" based on 2015 calendar year data. The prescription plan loss ratio was 93% (an almost sure recipe for a large premium increase); the rolling 12 month average with the ending point of March 2016 brought the experience factor down to 88%. The July premium increase is 9.5%; last year it was 12%.

Data shows the loss ratio of the dental program at 96%; at this level a premium increase is certain. The dental plan will see a 5% increase in the first year but commits to a zero increase in the second year. The last dental premium increase was four years ago.

Capital Reserve Resolution: A lively discussion ensued over the size of a June resolution to add capital reserve dollars. By law, capital reserve additions can only be made in June or as part of the annual budget cycle – no other additions to capital reserve are allowed. Placing dollars in capital reserve reduces the likelihood of the State of New Jersey making a "grab" of district dollars as the state did in 2008-2009. The committee recommends an addition of \$2,500,000 in June. This is prudent with the \$40 million of projects that are pending in the next 6-8 years, including replacements of both turf fields, and a new track at High School South.

Budget Process Review Committee Recommendations: 2015-2016 Budget – What Worked/What Did Not: This is the time of year to inquire of the Board of Education about strengths and weaknesses of the current budget cycle. The committee is generally satisfied with the process. There was a feeling that the retreats are important to this process. It was suggested that there be more use of open ended questions, such as "how much of an increase can be considered" and "what may be given up with a zero increase."

Edvocate's Inspection of Building Cleanliness and Cleaning Practices: As the last inspection of the school year, Edvocate will do an unannounced inspection of the facilities before the end of the school year. This is part of our continuing monitoring of Aramark performance and facilitates comparisons to industry standards for such efforts.

Water Testing Update: With all the attention nationally and in New Jersey to lead in drinking water, the district engaged environmental specialists to follow federal standards for water testing. Of the initial 130 tests, five were at a level calling for further action. The five were retested following national protocols and four of the five were satisfactory. To further investigate the one remaining unsatisfactory test,

additional rooms adjacent to that location were tested. After the additional testing was completed, five room locations have been removed from being sources of drinking water. A meeting was held with West Windsor Township health officials, our environmental specialist, the district architect and all agreed that the proper steps were taken. Future actions will be impacted by pending state legislation concerning testing and drinking water. Until that is determined, the district will continue to follow the protocols and actions called for by existing federal and township practices.

Bid Opening: Bids for the North track and associated sidewalk/pavement work were opened today. The second lowest bidder has raised objections to the low bid's acceptability. This may move award of the contract from the May 24<sup>th</sup> Board of Education meeting to a June agenda.

Open House: A community request reminded the administration of the original intent to hold an open house for the Village Addition. Last August the district, in addition to all the other start of school actions, focused on moving adults to the addition and other adults into the freed up instructional spaces across the district. In that rush to get children into the newly available instructional spaces, the idea of an open house receded in our priorities. With the end of school, an open house will be arranged. It will allow all interested folks to see the facility and hear about its favorable environmental aspects.

Finance Committee: Due to scheduling issues, the next Finance Committee meeting will be on Monday, June 20<sup>th</sup>.

The meeting adjourned at 9:34P.M.

**NEXT MEETING: Monday, June 20, 2016, 7:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
2016-2017 Budget  
Edovcate's May Inspection

Future Topics:

Impact of Recent Legislation  
Policies  
Transportation