

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



<u>BOE Committee:</u> Louisa Ho (Chair) Yu "Taylor" Zhong Rachel Juliana	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest:</u> Anthony Fleres
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**January 17, 2017**

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

Review Agenda Items: At this time of year, the finance agenda has a number of special purpose items. Among them are: the first installment in the 2017-18 budget discussion cycle; upcoming staff training; a long list of potential vendors on state or co-op contracts; the Board of Education's approval for one step in the disposal of surplus or out-of-date property; a resolution for the purchase from a co-op of four small busses in line with transportation plans for 2017-18; a capital reserve action that will fund a later purchase of four large busses in line with the district's 2017-18 transportation plan.

Transportation: The West Windsor Township deadline for the district's departure from the Wallace Road property looms closer. Everyone agrees that busses should be in-district; but, everyone believes it should be in-district, but not near them. The district is working to make some alternatives possible for action.

Bond Debt Refinancing: The district's financial advisor notes that in September, over ten million of district bonds become callable. With rules that allow a refinancing at most 90 days in advance, a sale is possible, should the financial markets remain favorable; this would lead to a June bond sale and closing. If current conditions hold true, present value savings of over \$600,000 could accrue. Board actions in this process are likely to commence as early as March. Our financial advisor and bond counsel will be in communication with the administration and Finance Committee as the process progresses.

Advocate's December Inspection: The committee noted the recent sound results from the December inspection process and reviewed data showing the steady improvement in custodial results over the years.

2017-2018 Budget Progress: There was a lengthy discussion of sensitive budget items such as tuition and benefits. The State of New Jersey has just ruled on allowable tuition rates for private schools for 2017-18. Unlike public school districts, private schools are not held to the general fund tax levy cap rules. An informal examination of private schools that often see placements of district children shows that most exceed 2% in their tuition increase. Thirteen such schools have 2017-18 increases in excess of 2%; 10 of the 13 exceed 5% and 4 of the 13 exceed 10%.

The Superintendent and Mr. Fleres joined the discussion from the Facilities Committee meeting. The district architect had suggested at Administration & Facilities Committee meeting, capital projects for action based on his participation in discussions with principals and his knowledge of the facilities of the district. The earlier total project list exceeded \$40 million. His identification of the greatest needs totals nearly \$16 million, but does not include the million dollar allocation for technology, nor replacements of the soon to be ten year old turf fields or replacement of the High School South track. It does include an addition at the Hawk school to allow for the imminent growth in enrollment due to likely residential construction. With those projects, the total spending is about \$19 million. Even if the budget allows an increase in the capital outlay portion of the budget to 3.6 million dollars, there remains a clear need for capital reserve dollars. Given that the total list exceeds \$40 million, the committee concludes that the district would be prudent to continue to add funds to capital reserve in the manner it has done so in the past. Until the capital needs of the district decline or the amount in the general fund of the annual budget increases greatly, the district continues to benefit from the existence of capital reserve.

Budget Presentations: The first 2017-18 budget discussion will be at the January 24<sup>th</sup> Board of Education meeting. This would follow the pattern of past budget cycles. The February discussion may focus on the property development outlook in the two towns and the possible impact on enrollment.

BOE Retreat: The administration and board seek feasible dates for the next Board of Education retreats.

ASBO Meritorious Budget Award/Certificate of Excellence in Financial Reporting: Mr. LoCastro spearheaded the recent submission of these documents to the evaluative process of The Association of School Business Officials. ASBO has strict criteria by which it judges two categories of school finance: the Comprehensive Annual Financial Report (CAFR) and the annual budget. The district is optimistic that the CAFR submission will earn the ASBO Certificate of Excellence in Financial Reporting (COE) for the ninth time. It is hoped that the budget documents may earn a fourth consecutive Meritorious Budget Award from ASBO. Last year about two dozen New Jersey school districts earned the COE and the district was the only New Jersey district to earn the MBA award.

Potential Meeting Dates/Times: Dates were discussed for the February through June committee meetings.

SRECs Sale Update: The previously authorized sale by auction is scheduled for tomorrow, January 18th. [Postscript: the SRECs brought \$258 each at auction for total revenue to the district of \$35,604.]

The meeting adjourned at 9:55P.M.

**NEXT MEETING: Wednesday, February 15, 2017, 7:00 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
2017-2018 Budget  
Transportation  
Bond Refunding

Future Topics:

Impact of Recent Legislation  
Policies