

**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	<u>Guest/Public:</u>
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March 21, 2017

The meeting was called to order at 7:31 PM at Central Office. Topics covered included:

Review Agenda Items: The upcoming agenda and associated documents were reviewed. The committee supports the agenda items. Traditionally, the state review of the budget software leads to budget revision agenda items; however, at this time no revision is needed. The agenda also includes resolutions required by the accountability regulations concerning travel; there is no expectation of experiencing the stated level of expenditure but the regulations require a number and that the number be a firm ceiling on spending regardless of purpose or need. The committee has spoken of the upcoming bond refunding and the agenda includes a required first reading of the refunding bond ordinance.

The committee spent time in review of the draft February Report of the Secretary. Compared to a year ago, available balance is about a half million dollars larger. However, two million of that is associated with health care. Recognition of that position in healthcare is why, as discussed in presentations on the 2017-18 budget, no increase in the healthcare budget is proposed. Aside from healthcare, available balance is, on net, lower than a year ago.

2017-18 Budget. General fund state aid is identical to a year ago. Tentative total budget revenues and expenditures are three million dollars higher than a year ago. Overall, the budget to budget increase for 2017-18 is 1.76%. This budget includes \$5 million in tax relief from excess surplus.

Delran ESIP Documents. The district is often approached by vendors eager to provide services related to capital projects. A primary lure of such offers is the assertion that these services cost the district nothing. On a few occasions, districts have made public on the web details about their projects. Years ago Robbinsville did so. More recently Delran has done so. Once again the vendor generates a long list of projects, most with very long payback periods. As long as the estimated energy savings exceed the total costs, the project is allowable under state regulations.

The Delran project estimates that over 17 years there will be total net savings to the district of one half million dollars. However, early in the project, these vendors will be collecting one half million dollars in fees that WWPRSD generally does not incur when doing such projects. WWPRSD, by using capital reserve, saves on professional fees and pockets the energy savings directly. On such projects as outlined for Delran, net savings to WWPRSD by using capital reserve would be estimated at one million dollars. This is one of the advantages to capital reserve as compared to allegedly "free" projects from vendors.

Capital Reserve Levels. There is continued interest in the district's capital reserve of twenty million dollars. In recent years, use of capital reserve in support of capital projects has ranged between \$2.5 and \$6 million dollars each year. A provisional list of projects worth doing in the district over the next few years totals over \$40 million – well in excess of the district's current capital outlay dollars ability to provide. It is estimated to cost about \$13 million for an addition of about fifteen classrooms to an existing district school. Given these facts, the \$20 million has likely good uses in the years to come.

Bond Refunding. Preparations for a summer refunding move forward. The March 28 board meeting, as noted in the agenda review, includes a first reading of the bond ordinance.

Other Business. Work continues concerning the termination of the district's Transportation use of the Wallace Road property, which is owned by the township. The district purchasing specialist has succeeded in obtaining a reduction in the per copy copier fee to \$0.0036 from \$0.0042. This appears to provide a better rate than experienced by most districts. The State of New Jersey insists that the district pay tuition for two students attending an East Brunswick charter school; this appears contrary to several provisions in the State of New Jersey charter school regulations and the district will refer this matter to its attorney for analysis.

The meeting adjourned at 9:02 P.M.

NEXT MEETING: Tuesday, April 18, 2017, 7:00 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2017-2018 Budget
Transportation
Bond Refunding
Nonaffiliated salaries

Future Topics:

Impact of Recent Legislation
Policies