

**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/:</u> Anthony Fleres
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May 16, 2017

The meeting was called to order at 7:00 PM at the Central Office. Topics covered included:

Strategic Planning Committee Presentations The committee heard from each of the three planning committees. Extensive give and take explored the direction associated with each strategy and activity.

Review Agenda Items: The finance agenda was reviewed. The committee supports the agenda items. Of particular note are: a resolution to determine the form of the bond refunding, professional service rates, transfer of capital project interest income, and the annual June resolution to add funds to capital reserve.

While not a formal part of the upcoming board agenda, the committee discussed a number of elements associated with use of referendums versus use of capital reserve. Committee members identified misconceptions some community members have about referendums. One is that even a successful referendum needs a great deal of board of education time and effort, and even if it is a successful referendum, time for it adds considerably to the date on which a facility is ready for occupancy. In addition, some in the community mistakenly believe that state debt service aid is paid up front in a lump sum to the district; in fact, such aid is paid out in annual installments over the life of the bond issue.

Prescription Insurance Renewal. Recently our broker informed the district of the results of its canvassing the prescription provider community. The interest shown in serving the district resulted in the district administration recommending continuation with Horizon with no increase in premium over the 2016-17 rates.

As of July 1, 2017, the second year of the two-year agreement with Delta Dental starts. The second year reflects a zero increase in premium.

Capital Reserve Resolution. A year ago, the June action was \$2,500,000, somewhat of a compromise among committee members: some wanted an increase to \$3,000,000 while others supported a continuation at the \$1,750,000 level of the previous six years. Back in 2008, the resolution called for \$4,000,000 while in 2007 the level was zero.

After some deliberation the committee supports a June 2017 capital reserve resolution level of \$1,750,000.

Budget Process Review Committee Recommendations: 2016-2017 Budget – What Worked/What Did Not. After discussion the committee felt that the present practices, including the use of board of education retreats, was working well and should be continued.

Transportation. A number of districts across the state utilize State of New Jersey fueling stations to fuel their buses during their operations. The district has met resistance from state officials in establishing this for our district. An appeal has been made to Senator Greenstein for assistance in a timely procurement of approval for the district. With West Windsor Township forcing the exit from the Wallace Road facility leased since 1990, the district will soon lose use of its district fueling station.

Bond Refunding. The district's financial advisor received proposals from underwriters and banks for the refunding effort. The advisor recommends using RBC Capital Markets and this recommendation is reflected in the board agenda. RBC was used in the 2015 refunding effort. In the refunding public hearing, estimated net savings for the refunding were projected to exceed \$700,000. Unless financial conditions shift a great deal, this expectation still holds.

Demographic Study The Superintendent reviewed the discussion to date. This included a growing interest in, at additional cost, a housing turnover analysis. The committee agreed that this was a worthwhile addition to the study.

Nonaffiliated Employees. The superintendent discussed this group of employees in relation to the coming school year.

The meeting adjourned at 11:50 P.M.

NEXT MEETING: Tuesday, June 13, 2017, 7:00 PM @ Central Office

Topic for Next Meeting

Review Agenda Items

Transportation

Bond Refunding

Future Topics:

Impact of Recent Legislation

Policies

Audit Progress