

**MINUTES OF BOARD RETREAT HELD  
January 17, 2012**

The Board Retreat of the West Windsor-Plainsboro Board of Education was called to order by Mr. Hemant Marathe at 6:06 p.m. in the Media Center at Grover Middle School. The following Board members were present:

Mr. John Farrell	Mr. Anthony Fleres	Ms. Dana Krug
Ms. Rachelle Feldman Hurwitz	Mr. Robert Johnson	Mr. Hemant Marathe

Board Members Hochman, Kaye and Walsh were absent. Present also were: Dr. Victoria Kniewel, Superintendent of Schools; Dr. David Aderhold, Deputy Superintendent; Mr. Larry Shanok, Assistant Superintendent for Finance/Board Secretary; Mr. Martin Smith, Assistant Superintendent Curriculum & Instruction; Mr. Russell Schumacher, Special Assistant for Labor Relations, Ms. Alicia Boyko, Director of Human Resources; and Larry LoCastro, Comptroller.

**CONVENE**

In accordance with the State's Sunshine Law, adequate notice of this meeting was provided by mailing a notice of the time, date, location and, to the extent known, the agenda of this meeting to the PRINCETON PACKET, THE TIMES, THE HOME NEWS TRIBUNE, AND WEST WINDSOR and PLAINSBORO PUBLIC LIBRARIES. Copies of the notice have also been posted in the board office and filed with Plainsboro's and West Windsor's township clerks and in each of the district schools.

No members of the public were present.

**BOARD PRESIDENT'S COMMENTS**

Mr. Marathe welcomed everyone to the retreat and thanked them for participating during this busy time of the year. He commented that two important topics will be covered: budget and negotiations. With both the administration and the board making up the body, the groups bring many different perspectives to discuss and come to a resolution. Mr. Marathe looked forward to a productive evening and to embracing the differences that will be discussed.

**SUPERINTENDENT'S COMMENTS**

Dr. Kniewel stated that tonight's purpose is to understand the district challenges as a context for setting direction for the administration in budget and negotiations. By the end of the evening, the following items will be covered: reviewing the recent history of WW-P budgets; developing an understanding of the financial picture for the 2012-2013 budget; establishing parameters for union contract negotiations; engaging the board and administration in a meaningful and powerful dialogue for decision making, and, listening in a way that forwards the conversation. Important topics not central to tonight's topics will be placed in a "parking lot" and will be examined at a later time.

**Board Member/Administrator Check-In**

Dr. Kniewel asked everyone to think about what they consider to be the most important aspect about being a member of this body. Comments included: representing children; looking at the school

district's future in long terms; building better understanding through communication in a diverse community; serve the community;

### **Setting the Budget Context**

Dr. Kniewel stated that the budget impacts how the goals get accomplished. We do have our strategic plan in place that is embodied in the phrase, "whole child, every child" and our 2011-2012 district goals. Now, we will need to focus on understanding our spending and cap; then we will look at our budget for the 2012-2013 school year.

### **Historic Perspective of the Budget: Spending and Cap**

Dr. Aderhold covered the stressful nature of the expenditure reductions made in the aftermath of the \$8 million reduction in state aid. The district's usual pattern of having three tiers of reduction plans (reductions for this year, possible reduction for next year, and likely reductions for the third year) was upset by having to go for most of them almost overnight. Virtually no area was untouched and this included a sizeable number of RIFs for the first time in many years. With the "low hanging fruit" gone, principals' conversations are more difficult now. Mr. Shanok reviewed the current cap regulations: essentially a 2% plus automatic adjustments plus bank cap for the general fund tax levy and up to the expected principal and interest on the debt service tax levy. The district has been within the cap rules each year. Board discussion noted that a budget is a plan and without the typical corporate safety valves of bank credit lines and bank loans, the budget and reserves must have dollars to implement the action plans of principals and directors or the district faces abrupt mid-year corrections to conserve dollars. Mr. Shanok led the review of the numbers. Even the last five years span a long enough period of time to illustrate how times have shifted.

Back in 2007-08 and 2008-09 the budget to budget increases were 4.3% - as they had averaged for the four years preceding those. While 4.3% sounds large today, it is good to recall that the six years before the 4.3 years had had increases that ranged from a low of 5.5% to a high of 12.2%. Earlier years had had a small amount of money returned to taxpayers but until the current year this result of prudent spending had risen to the \$5-6 million range. However, this figure is difficult to sustain and had fallen to \$3.2 million in 2011-12 – creating a budget problem for that year. This cycle provides a good reminder of Dr. Loretan's counsel to plan a budget with multiple years in mind.

### **Budget: Looking Forward and Setting Parameters**

This focused discussion on framing 2012-13 and 2013-14. Excess surplus on June 30, 2011 had risen again, this time to \$8.3 million [It was noted that several favorable events brought that figure up: ARRA funds; no dollars to a charter; fewer than usual special education tuition students; an opportunity to squeeze bussing costs – actually reducing year to year costs by squeezing out routes, instead of merely inhibiting the rate of growth of bussing costs.] With this excess surplus the district could drive down tax levy in 2012-13 but at the cost of creating a large increase (or a significant reduction in personnel and programs) in 2013-14.

There was consensus that having a large increase in 2013-14 should be minimized. This was to happen by splitting the excess surplus in two: part for tax relief and part to augment allowable reserves.

With the 2011-12 fiscal year calling on the depletion of capital reserve by \$4.1 million, it was recommended to replenish it. [ With over \$200 million of physical plant, a level, 40 year replacement cycle would call for over \$5 million each year in the annual budget for construction; with only \$1.5 million targeted for that use it is imperative to maintain capital reserve to support construction needs (and

utilization of ROD grants when available)]. In addition, some augmentation of the unemployment fund(after its drastic depletion by the outsourcing of Building & Grounds) and the maintenance reserve are good one time uses of the excess. This overall use of June 30, 2011 excess – some money returned to taxpayers and some addition to reserves - best balances the 2012-13 and 2013-14 fiscal years.

A consensus emerged. The overall impact on 2012-13 will be a budget to budget increase of about 1.9% and a stable total tax levy (not that that means no individual property tax changes; it means the levy total will be flat). The taxes collected by the towns will be part of that levy and the last part of the prior year's levy. With enrollment shifts and assessed values moving, individual taxes will change.

Convincing evidence from the State of New Jersey's Taxpayer's Guide to Education Spending demonstrates our central conundrum. WWPRSD's ratio of administrators to students is the highest in the county at 217.8 – the state average for districts larger than 3,500 students is 174.5. Princeton's is 140 – in other words WWP has 50% more students per administrator than in Princeton. In addition our ratio of students to teachers is 13.1 – this is at the high end of Mercer County schools, and well above the statewide district's with more than 3,500 student's average of 12.2. Pushing harder on the number of teachers and administrators will impact students through personnel and programs in a negative way. Indeed, the "low hanging fruit" has been picked reaching a per pupil cost figure \$1,241 below the average for districts our size.

By motion of Mr. Fleres, seconded by Mr. Johnson, and by unanimous approval of all present, the meeting went into Executive, Closed Session relating to negotiations and personnel at 8:14 PM.

By motion of Mr. Fleres, seconded by Mr. Johnson, and with the approval of all present, the meeting returned to open session at 9:48 PM.

### **New Item**

The governor's signing of the November election bill was remarked upon. Factors for and against movement were briefly noted. It was expressed that the April budget will pass this year; the Superintendent urged active involvement if that were to occur - each board member needs to see that about 500 citizens vote, as it may require upwards of 3,000 "yes" votes to counter the rising number of "no's."

### **Closing and Next Steps**

Reactions about the retreat were sought. Board members expressed satisfaction with the accomplishment of the stated goals of the , particularly in giving the administration clear direction regarding the parameters for the budget and for negotiations. The board members thanked the administration for their efforts. The superintendent and Mr. Marathe thanked everyone for their participation.

Upon motion by Mr. Fleres, seconded by Mr. Johnson, and by unanimous voice vote of all present, the meeting returned to open session and immediately adjourned at 10:02 p.m.

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Larry Shanok, Board Secretary

Prepared by:

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Kathleen M. Bertram