

Budget and Finance Committee Notes
Monday, December 13, 2010

Attending: Board Members Collins, Garrity and Sockol; Administrators Duncan, Mikos, and Petrizzo. Absent: Pascucci

1. **2009-10 Audit:** The audit is complete and clean (no management letter comments). It confirms earlier estimates of fund balance (\$988,059.49), and funds available for maintenance reserve (\$795,648.56) and for funding 2010-11 budget needs (\$2,607,873.00). The audit will be presented to the full BOE at the December 22 meeting.
2. **2011-12 Budget:** The administration is halfway through the budget defense process, and Administrators will be submitting revised budget requests. The target has been to reduce departmental budgets by 10%, although some costs cannot be cut. We discussed cap waivers, which are available for increased enrollment, for districts that deferred pension contributions, and increased health benefit costs. We would only be eligible for the health benefits waiver, provided the voters supported it.
3. **Maintenance Reserve Projects:** Mr. Petrizzo reported on projects to be funded from the maintenance reserve. The Village School brickface repair has proven more costly than anticipated. As work has progressed, the damage has been fully uncovered, and will cost an additional \$105,034.28 to repair. The state has approved our request to issue change orders to cover the increase. Insurance did not cover this repair – the initial construction warranty had expired, and the damage is due to gradual deterioration, wear and tear and/or defects in material, and/or faulty workmanship/construction/design. We are investigating whether it makes sense to seek redress from the initial contractor, assuming they still exist. The Committee recommends approving the change order on the December 22 agenda.

HHS/Satz Paving Repairs: Performing this project as part of the Township's 2011 repaving work would cut the price by approximately \$150K, to \$248K, a 40% savings.

4. Old Business:

Pay to Participate: We discussed levying fees which would raise 25% of the actual cost of sports and clubs at HHS and Satz, or \$235K. Based strictly on "soft" costs and number of HHS participants, this would require fees of \$200 per sport and \$25 per club. The administration is still collecting transportation costs for clubs, so the numbers may change a bit. We will need to institute appropriate policies to initiate the program. The committee needs full Board input on this topic.

Regular Education Tuition Students: Historically there was some interest in this from staff members, but either tuition-free or at 50% of our cost. The committee discussed offering spots to staff children at 75% of our cost as a possible pilot program. Currently our 2010/11 per-pupil costs are:

Gr. 9-12	\$14,459
Gr. 6-8	\$13,141
Gr. 1-5	\$13,271
Pre-K	\$10,995

We have sample policies to guide us if the Board supports this approach. The committee needs full Board input on this topic.

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Next Meeting: Monday, January 24, 2011 at 5:30 PM.

Respectfully submitted,
Barbara Garrity