

Budget and Finance Committee Notes
Monday, February 4, 2008

Attending: Board Members Burke (by telephone), Garrity and Wetmore; Administrators Duncan, Mikos and Petrizzo. Absent: Strickland

Budget 2008-09:

Budget Goals: The committee reviewed the goals guiding budget preparation. They are:

1. Avoid layoffs
2. Support Curriculum & Instruction, both materials and personnel.
3. Health needs – restore PT nursing help at VS and IH
4. Technology – begin to address needs underlying 2007 separate Q.

Budget review: We noted the following budget request changes vs. 2007:

Special Svcs. +2.26% (\$39.8K), due to out-of-district tuition increases.

Athletics: +1.71% (\$10.2K) for increased Schedule B salaries and added sports. In an effort to find cost savings, we will bid out reconditioning sports equipment, and channel more purchases through the Ed Data buying coop.

Guidance: +17.1% (\$60.1K), due to additional vocational school tuitions. We can apply for a cap waiver for the increase >4%.

Blds & Grds: +3.36% (\$123.7K), due to rising utilities costs. We are working to funnel more purchases through Ed Data.

Transport'n: -3.84% (\$68.2K), despite gas price increases.

Admin.: +6.91% (\$2.646 million). This large category includes budget line items not included in school/departmental budgets, i.e. all salaries (except Schedule B's, summer C&I and CST work), all insurance (health, workers compensation and property & casualty), professional services (attorneys, auditors, architects), PERS Fica and Pension expenses and MCIA payments.

New personnel: 1 combined reading specialist/ G/T coordinator.

Waivers: We plan to request the following waivers from the 4% levy cap from the new Executive County Superintendent:

Temporary (1 year) waivers:

Increased capital costs (>4%) (incl. MCIA '03, '05, '07; \$200K for new BOE-Twp joint venture, and for Roggy debt service.	\$493.5K
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Increased energy costs (>4%, <u>not</u> gasoline)	\$ 56.1K
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Increased insurance costs (>4%) Property/casualty, workers comp only.	\$ 33.9K
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Increased tuition costs (>4%) (County Vocational School Regular Ed)	\$ 57.2K
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<i>Permanent Waiver (i.e., a cap adjustment):</i> PERS liability (>4%) (pension contribution for non-certified staff)	\$595.3K
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TOTAL	\$1.23 Million
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In seeking waivers, one obstacle will be that we exceed the state-determined “adequacy budget” by \$5.5 million. This is explained by two factors:

1. Salaries (\$2.8 million) – ours is a “senior” staff v. the rest of NJ.

2. Transportation (\$2.7 million) – in calculating our costs, the state wrongly assumed our transportation aid covered all transportation costs. The state may view a portion of our remaining costs as “courtesy” busing, but we believe these routes are “hazardous.” We will have the Holmdel police review these routes to assess their hazard.

Barbara and Michael will meet with the new County Superintendent on 2/15 to submit a copy of our budget and our waiver requests. The County Superintendent has broad discretionary power to review our budget line by line, and to grant or deny waiver requests. If for no other than political reasons, we do not expect all waiver requests to be granted.

Our first budget reading is planned for 2/27/08 and board adoption for 3/26/08.

Sponsorship Promoter Services RFP: The committee received a draft RFP, modeled after Toms River’s. Among other things, it requests separate accounting for Roggy revenues. Please review and send comments to Michael.

Refinancing Status of District Debt: No bonds are eligible for refinancing until Oct. 1, 2013. Our 1992 School Bonds (\$2.875mill) mature on 3/15/08. Our 2002 School Bonds (\$18.876mill) were refinanced in 2005, will be fully paid off in 2011 and are non-callable. The 2003 Refunding School Bonds (\$14.425mill), which refunded 1996 and 1997 bonds, cannot be called for refunding before Oct. 1, 2013. The 2005 Refunding School Bonds (\$13.415mill), which refunded 2002 bonds, cannot be called for refunding before March 15, 2016.

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Non-Public School Transportation, Aid-in-Lieu: We offer transportation to seven private schools: CBA, Oak Hill, RBC, St. Benedict’s, St. James, SJV and St. Leo’s. Families who elect not to accept that transportation are not eligible for aid-in-lieu. We offer aid-in-lieu of transportation to those who attend 15 other private schools because their numbers are too few to make a bus route economically sensible.

Other Matters: Colts Neck has instituted a “highly successful” full day kindergarten program. Of 115 kindergarten registrations, 100 opted for full day and 15 for half day. Families pay \$2,550 per child for full day, which goes into an enterprise fund and pays half the program’s costs incl. salaries. They offer some scholarships. The program is called “Continuing Kindergarten.” Savings come from eliminating most mid-day buses. They anticipate having fewer children who need basic skills support in the future, thanks to the stronger grounding from full day K.

Next Meeting: Mon., February 11, 2008 at 4:15 PM, BOE office.

| Respectfully submitted,
Barbara Garrity