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FINANCE & FACILITIES MEETING MINUTES

Tuesday, January 28, 2020

Committee Members: Ray Egbert, Chair
Laura Simon, Carol Hample, Tom Wallace

Administrative Staff: Dr. Jonathan Hart, Superintendent
Jason Bohm, SBA/Board Secretary
Don Race, Facilities Manager (Items 8 & 10)

1. Budget Timelines

The Committee reviewed the budget timeline as follows:

- October 31, 2019 - Budget information distributed to budget managers
- December 2, 2019 - Budget details entered by budget managers
- December 2, 2019 -January 3, 2020 - Central administration review of budgets with budget managers
- January 28, 2020 - Preliminary review of budget with Finance Committee
- February 4, 2020 - Budget review at board meeting with the following departments:
Curriculum/Staff Development, Pupil Services, Technology
- February 25, 2020 - Budget review at board meeting with the following departments:
Facilities, Transportation, Administration and Personnel/Benefits
- February 28, 2020 - Overall review of budget with Finance Committee
- March 10, 2020 - Presentation of budget at board meeting and tentative approval
- By March 20, 2020 - Submission of preliminary budget to County for review
- April 7, 2020 - Board meeting and budget clarification
- April 28, 2020 - Board meeting with budget hearing and final adoption of budget
- May 5, 2020 - Board meeting in case budget does not pass on April 28, 2020

2. Budget History and Maximum Tax Levy

The Committee was presented with the tax levy history from the last eleven budget years. The Committee reviewed the current proposed tax levy along with the effect of incremental percentage increases. The current year compared to the proposed tax levy is below.

Revenues from Local Sources	2019-20	2020-21
General Fund	\$29,566,452	\$30,237,361
	2.7%	2.3%
Debt Service	\$2,000,870	\$2,049,038 **
	-3.5%	2.4%
Overall	\$31,567,322	\$32,286,399 **
	2.3%	2.3% **

** Anticipated to be reduced once State funding is released (ex. Debt Aid, etc.)

Potential Tax Levy Increase Cost (General Fund Only)	
Tax % Increase	2020-21
0.5%	\$147,832
1.0%	\$295,665
1.5%	\$443,497
2.0%	\$591,329
2.3%	\$670,909

3. Enrollment and Staffing

The Committee was presented enrollment and special-need enrollment projections for 2020-21.

4. Major Modifications in the 2020-21 Budget

The Committee reviewed preliminary budget major modifications as compared to the current year’s budget.

5. Projected Revenues

The Committee reviewed the projected revenues for 2020-21. The estimated revenue without state aid is currently \$34.6 million. The maximum tax levy increase from the current year is \$670,909 due to the State mandated 2% cap and utilizing remaining banked cap. Other minor revenue categories and State aid has been kept flat for the budget proposal.

6. Projected Expenses

The Committee was provided an Expense Summary and Expense details compared to the current year budget. The estimated expenses are currently \$36.5 million.

7. Projected Tax Levy Impact

The Committee was presented with the historical tax rates based on the average assessed home value. The District is awaiting the final average assessed home value amount.

8. Capital Projects and Reserve Balances

The Committee discussed necessary roof replacements at RMS and HBS. The plan is to replace roof sections in stages so that the cost can be spread out through several years due to the high cost of roof replacements. The HBS roof over the library and surrounding hallway is deemed to be the highest priority due to current leaking issues. The estimated cost is \$520,000 and the work would be completed the summer of 2020.

9. Major Action Items Remaining

The Committee reviewed the remaining items to complete the budget process listed below. The Committee felt the cost of the usual Budget Postcards outweighed the benefit. The postcard information will instead be published in the Readington News.

- Department Budget Hearings (February 4 and 25, 2020)
- State Budget Software Entry
- Release of State Aid (First Week of March 2020)
- Budget Presentation & Vote on Tentative Budget to Send to County for Review (March 10, 2020)
- Vote on Final Budget (April 28, 2020)
- Budget Postcard (April 2020) & Presentation to Township Committee (May 2020)

10. Items tabled from January 13 Committee meeting

- a. The Committee discussed the status of the RMS well #2 repairs. The repairs and required system chlorination have been completed. The well will be tested on February 5th with a second mandatory test five days later. The test results will determine if well #2 can be used or if additional testing needs to be performed.
- b. The Committee discussed the Securing Our Children's Future Bond Act. Once additional guidance is received from the State, the grant application can be completed.
- c. The Bus Driver salary guide discussion was tabled due to time constraints.

11. Finance Agenda Items/Bills List

The Finance agenda items and Bills List are normal in nature or have been explained above or below. The Committee is recommending approval of all items.

- a. A Resolution will be included on the agenda for the Direct Install Program which allows for the District to be reimbursed by the State up to 80% of the cost of replacing lighting with LED's.

12. Next meeting is scheduled for March 3, 2020 at 8:30 a.m.