

Budget and Finance Committee Notes
 Tuesday, August 10, 2010, 5:30 PM

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

1. 2011/2012 Budget – 2% cap: Looking ahead to the 2011-12 budget, Mr. Petrizzo estimates that cost increases will exceed the 2% permitted under the cap law, specifically with estimated increases in health insurance, property/casualty insurance, and utilities. Although the law grants cap adjustments for health and PERS pension cost increases, this would be a challenge during our current difficult economic times.

Based on the above variables, we tentatively estimate a potential shortfall of \$800K - \$1 million in the 2011-12 budget, which we must address.

The committee began discussing ways to cut costs or bring in non-tax revenues. We'll be raising these for general input at future BOE meetings. They include:

A. Pay to Participate: Mr. Petrizzo reported that while many area districts are considering it, two (Millstone, Marlboro) have currently instituted pay-to-participate at the high school level. Millstone charges \$150 per sport and \$75 per club; Marlboro charges \$100 and \$50. Students eligible for free or reduced lunch are exempt.

Our district wide costs (not including insurance) are roughly:

Clubs:	Schedule B stipends	\$193	K
(2,200 kids)	Club Supplies	22	K
	Club Fees	<u>4</u>	<u>K</u>
	TOTAL	\$219	K
Sports:	Schedule B Stipends	\$396	K
(900 kids)	Supplies	67	K
	Equip., refs, rentals	97	K
	Membership/Travel	<u>8</u>	<u>K</u>
	TOTAL	\$568	K
Transportation		\$130	K
	Grand TOTAL	\$917	K

B. Accept regular education tuition-paying students: Potential revenue - \$14K per pupil. Several area districts do this now (Rumson-Fair Haven, Millstone, Deal, Little Silver, and Avon). The tuition charge - our budgetary cost per pupil. Some districts give preference to staff members' children. Given our reduced enrollment, we have available capacity. Issues include impact on test scores, and increased competition for coveted awards or roles.

2. Emergent Repair – VS Brickface: During site work for the rain garden project, we found the thin brick veneer on the 1994/95, modular six classroom addition had peeled away in some places and was failing in others. No interior damage was found. Michael Petrizzo has written to the Executive County BA seeking permission to enter into an emergency contract to address the emergent repairs (estimated cost - \$80K – \$120K). Because of the emergency nature of the repair, we would not be required to formally bid the job (if the county office approves the emergency contract request). The committee recommends approval.

3. Other Matters:

Graduation: The Roggy Field warranty prohibits spikes, such as high heels on the field, which rules it out as a graduation site.

Telecommunications: Vonage doesn't appear able to meet our telecom needs as they generally serve the residential and small business market. Anthony Gattini will attend our next meeting to discuss whether VOIP might offer both cost savings and the capabilities and service we need.

Next Meeting: Tuesday, September 21, 2010, at 5:30 PM

Respectfully submitted,
Barbara Garrity