

Budget and Finance Committee Notes
Monday, March 9, 2009

Attending: Board Members Garrity and Wetmore; Administrators Duncan, Mikos and Petrizzo. Absent: Burke and Luccarelli.

2009-10 Proposed Budget: Our BA and Superintendent began with a report on their budget review meeting with the Executive County Superintendent and BA. It went well – both complimented our past and present efficiency and accurate budgeting, based on both the 2009-10 budget proposal and our previously submitted five year budget analysis. They approved our proposed budget without change.

The budget document includes a significant re-categorizing of expenses, required by the new GAAP (Generally Accepted Accounting Principles) chart of accounts issued by the state. The changes make logical sense, but required considerable extra work in creating the budget.

After discussing questions raised by the committee, the not-to-exceed budget up for adoption on March 11, 2009 has the following parameters:

Proposed General Fund budget	\$51,747,848 (+3.4%)
Proposed '09-'10 levy	\$47,542,024 (+3.7)
Tax Rate Increase:	
Incr. due to our budget	3.73 cents
Incr. due to lower EAV (-\$24.6 mill)	<u>0.54 cents</u>
TOTAL	4.27 cents

Impact on avg. EAV (\$736,191) home	\$314.35/year
	\$ 26.20/month

State aid is expected to be flat, so all spending growth must be locally funded, unlike last year when our state aid increased 10%. Also, our tax base is now down \$65 million cumulatively since 2007. The not-to-exceed budget will be reviewed in a special closed executive session BOE meeting on March 25, and the final budget adopted on April 1, 2009.

2009-10 Budget Mailer: The committee reviewed a draft newsletter. It contained many blanks because the state has not yet released the 2009 Comparative Spending Guide, a major data source. Release is expected on March 16. To reduce costs, the newsletter has been reduced from 8 pages to 6. Committee members should send Michael their comments on the draft.

2009-10 Budget Presentation: The committee reviewed the planned budget presentation for the March 11 Board meeting.

Other Matters:

Shared Services/Equipment: Barbara Duncan and Michael Petrizzo will meet on March 30 with the Township Administrator to discuss possible additional shared services or equipment sharing opportunities.

MCIA: This year we will have an opportunity to purchase equipment through the Monmouth County Improvement Authority. Our goal will be to keep our financing payments flat, and make technology items our primary focus.

Recent articles re school consolidation: Recent press coverage of the Executive County Superintendent mentioned a feasibility study of a possible Holmdel-Colts Neck school district consolidation. As further discussed during the budget review meeting with the county, the scenario presumes the Freehold Regional HS district does not dissolve, and envisions the K-8 Colts Neck district (roughly 1,100 students) becoming part of our district. As the law now stands, there must first be a feasibility study, and any consolidation would have to be approved by the voters of both districts.

Next Meeting: Monday, March 30, 2009 at 5:30 PM

Respectfully submitted,
Barbara Garrity