

Finance Committee Minutes – 2/19/15

Present: Dave Beaumont, George Fisher, Jim Hamtil, Porter Little, Gary Hoyer, Dan Malek, Hal Shute

Absent: Steve Bergenfeld

Other:

Minutes of 1/7/15: Minutes were not available.

Shared Services:

Construction Office- Looking to hire 2nd secretary to fill in schedule given expanded workload to support East Amwell work. George cautioned that the township is prohibited by state statute from utilizing the construction office as a profit center.

2015 Budget: Process just beginning. Department heads have delivered their wish lists.

Regional School Budget Analysis:

Dave distributed detailed analysis of Regional School performed to establish a financial performance baseline, which will be used to measure future budgets against. He used 5 year historical data from the pre-merger districts to create the baseline for the regional school. In year 5 of the study, the first year of operation of the regional school, saw a slight decline in enrollment but a substantial rise of 7.3% in the budget. While the first year difficult to budget this rate of increase is contrary to an expected and advertised cost savings for the regional school. Hopefully this rate of increase is an anomaly and not a trend going forward.

Dave also used available data to generate a peer group of schools similar to South Hunterdon. The other K-12 schools in the peer group are Point Pleasant Beach Boro and Midland Park Boro, which have similar enrollment and average property assessments, and Wildwood City, South Amboy City, and Palmyra Boro, which have similar enrollment.

Generally, South Hunterdon has a slightly larger budget and significantly larger tax levy than the other schools in the peer group.

Further analysis is recommended to determine the contributing factors to these observations.

JCP&L WAT substation upgrade: Nearly complete.

Proposed Penn East Pipeline: Scoping meeting with FERC is upcoming. There was some discussion regarding compensation to effected landowners should the project go forward but no conclusions or actions were identified.

Township Property Use (SHREC): The West Amwell K-6 facility and the Lambertville MUA have dropped out of the project. The solar project now consists of the large array to service the 7-12 school facility and the smaller array to service the municipal building. The lease due to WAT for the large array will be about \$27,000/year. Groundbreaking is expected in the spring.

Capital Plan- 2015 Projects: Tabled to next meeting

Other: Reassessment of United Water Co. facility should be revisited.

Next Meeting: March 19 (since rescheduled to March 17)

Submitted by Hal Shute 3/17/15