

NOTICE OF MEETING:

TO ALL BOARD OF EDUCATION MEMBERS:

The regular meeting of the Board of Education of the Township of Union was held on Tuesday, February 16, 2016 at 7:00 p.m. at Union High School Library, 2400 North Third Street, Union, New Jersey, pursuant to notice sent to each member.

Mr. Nufrio called the meeting to order at 7:00 p.m.

Mr. Vieira led the Board and audience members in the Pledge of Allegiance.

Mr. Nufrio stated part of this meeting is to administer the oath to our new Board member, Mrs. Regis-Darby and I believe she is here this evening.

ADMINISTER OF OATH OF BOARD MEMBER TO FILL THE UNEXPIRED TERM OF LOIS JACKSON:

Mr. Vieira administered the Oath of Board Member to Mrs. Nellis Regis-Darby to fill the unexpired term of Lois Jackson (December 31, 2016).

PRESENT AT ROLL CALL:

Mr. David Arminio, Dr. Guy Francis, Mr. Steven Le, Mr. Ron McDowell, Mr. Jeffrey Monge, Mr. Vito Nufrio, Mrs. Nellis Regis-Darby, Mr. Angel Salcedo, Mrs. Nancy Zuena

ABSENT AT ROLL CALL:

None

ADMINISTRATORS PRESENT:

Mr. Gregory Tatum, Dr. Noreen Lishak, Mrs. Annie Moses, Mr. Manuel Vieira, Mr. Thomas Wiggins, Mr. Gerry Benaquista, Mrs. Ann Hart

Mr. Paul Griggs, Esq. was in attendance.

Mr. Nufrio stated once again I would like to congratulate our new Board member, Mrs. Regis-Darby and I would like to read a statement that I prepared for the "Tap Into Union" most of which was printed; but for those of you who may not have seen it. I would like to read it.

"Since my election to the board in April of 2011, I have always espoused due process, coupled with permissible transparency of actions by the board. On January 5th, at our re-organization meeting, my fellow board members elected me as president. Upon receiving Ms. Jackson's letter of resignation, I recommended that we should continue with the process of interviewing candidates in an open venue that our past president David Arminio initiated last August. Multiple media postings of the Board vacancy were initiated on January 8th with a deadline of January 22nd for interested candidates to submit their applications.

To add to the transparency of process and deliver it to the entire district, I recommended that it should be done within a special board meeting, videotape it, and subsequently televise it on Channel 34 (February 11th and 14th). I then polled the board members for their interest to be appointed to the Ad Hoc Committee.

Candidates' applications and resumes were received and carefully reviewed by the committee, concluding with an excellent interview forum on February 5th that included the entire Board and the public. At the February 9th Work Session Meeting, following an executive session deliberation, Mrs. Nellis Regis- Darby was nominated and elected during the public portion of the meeting.

As for the three candidates that applied, the committee and entire board were very pleased to be challenged by individuals who possessed impressive resumes coupled with notable skills and traits as they expressed and defined their sincere desire to be a part of a board who is progressive and driven in its goals and objectives that is to provide excellent educational services and experiences for our children.

I am very proud of our election process and results, as should our entire district be, that Mrs. Darby will be joining the board on February 16th (this evening), when she will be officially sworn in (which I wrote this before she was sworn in) to complete the unexpired term. I urge our community to attend and those that are here, thank you, and congratulate her. She will undoubtedly add to the positivity and progress which we are striving to achieve. On behalf of the entire board, I wish to congratulate and thank the two other candidates for expressing their interest and partaking in the true democratic process which will continue to improve as it is a work in progress for any future endeavors. Thank you."

Mr. Monge stated I just want to thank you for that and to avoid some concerns as it pertained to the process which I was part of that process and I was very sensitive to some of the outcomes that were obviously no fault of the Board – there was no intention there but I had experienced some things and I wanted to make sure that our future Board member and the other two candidates did not experience and we spoke to those issues that I had and I appreciate it and helping me get comfortable during the process.

Mr. Nufrio stated thank you Mr. Monge and that too is appreciated. And when I indicated that it is a work in progress – I think we can still do more and there was some opinions rendered as to how we could possibly improve it. Hopefully we won't have another situation at least not in the near future. But if we do, you can be sure that we are going to improve the process where it would be bullet proof.

Mr. Vieira read the statement required under the "Open Public Meetings Act", a copy of which is on file in the office of the Board Secretary.

COMMENTS FROM THE PUBLIC ON RESOLUTIONS:

None

APPROVAL OF MINUTES:

Moved by Mr. Arminio, seconded by Dr. Francis, that the following minutes were approved:

DISCUSSIONS:

None

(a) Worksession – December 8, 2015, (b) Executive Session – December 8, 2015, and (c) Regular Meeting – December 15, 2015:

AYE: Mr. Arminio, Dr. Francis, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena, Mr. Nufrio

NAY: None

ABSTAIN: Mr. Le, Mrs. Regis-Darby

MOTION CARRIED

(a) Organization Meeting – January 5, 2016

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena Mr. Nufrio

NAY: None

ABSTAIN: Mrs. Regis-Darby

MOTION CARRIED

COMMUNICATIONS:

Moved by Mrs. Zuena, seconded by Mr. McDowell, that the following communications be approved:

LETTER FROM UNION TOWNSHIP CHAMBER OF COMMERCE

Letter from Union Township Chamber of Commerce requesting the use of the Union High School facility site for the Chamber’s 6th Annual Mayor’s Day 5K Run, scheduled for September 25, 2016.

LETTER FROM UNION COUNTY GENERAL MANAGER

Letter from Union County General Manager requesting the use of the Union High School football field to hold Snapple Bowl practices for the 2016 Annual Snapple Bowl on July 12, 13, 14, 18 and 19 from 6:00 p.m. until 8:00 p.m.

REQUEST FOR UNPAID MEDICAL LEAVE - WATSON

Request from Danielle Watson, teacher’s assistant at Hannah Caldwell Elementary School, unpaid medical leave under FMLA for the period effective February 25, 2016 and with a return date of April 25, 2016.

LETTER OF RESIGNATION – MEHR

Letter of resignation, for the purpose of retirement, from Kathleen Mehr, teacher at Franklin Elementary School, effective July 1, 2016.

LETTER OF RESIGNATION – GODFREY

Letter of resignation, for the purpose of retirement, from Carol Godfrey, teacher at Franklin Elementary School, effective July 1, 2016.

DISCUSSION:

Mr. Arminio stated he wanted to wish Ms Mehr and Ms. Godfrey congratulations and good luck in the future and all of our employees who are retiring whether it is a teacher, an assistant, maintenance, in any area who worked for the District for so many years – so congratulations and good luck - especially these two who are retiring.

Mr. Nufrio stated as you recall at our last meeting, I indicated that we would be presenting resolutions to the retirees as soon as we formatted a particular language and each retiree would receive and will be acknowledged within the agenda. For this evening if you all look at page 6 – the process has begun where we do acknowledge those two individuals specifically and set apart from the others.

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena, Mr. Nufrio

NAY: None

ABSTAIN: Mrs. Regis-Darby

MOTION CARRIED

SUPERINTENDENT’S REPORT:

Mr. Tatum stated I would like to take this opportunity to welcome Mrs. Regis-Darby to the Board of Education. Mrs. Regis-Darby has been a very active parent in our District. She is a member of the District-wide Planning Committee and her work here at the Board of Education is going to be stellar. I look forward to working with her and sure that the remainder of the Board and Administration is also looking forward to the opportunity to working with her. Welcome. If we can be of any support to you please do not hesitate.

This evening we have our continuing reports from our schools throughout the District and tonight we are suppose to have presentations from Battle Hill Elementary and Hannah Caldwell Elementary. It is my understanding that Battle Hill School is not able to attend tonight but Hannah Caldwell School is here.

Video and presentation by Principal DiGiovanni.

Principal DiGiovanni stated thank you Mr. Tatum. Good evening central office administrators, board members and audience members. My name is Kathryn DiGiovanni, and this is my 2nd year as Principal of Hannah Caldwell Elementary School. I would like to thank you for this opportunity to showcase our school. With me tonight are our first ever student council officers, and teachers Ms. Goncalves, Ms. Weber, and Mr. D’Aloia.

In the 1-1/2 years I've been at Hannah, we have made tremendous improvements in areas such as academics and student safety, and have created more positive behaviors in students to improve their efforts and attitudes towards learning.

One thing is certain; our school offers terrific programs for the students with excellent teachers. Hands-on learning and activities are emphasized in the classrooms, and students will actively learn in various core subject areas.

But rather than tell you what typically goes on in our school, I've prepared a short presentation to highlight some of the special things we do at Hannah Caldwell School to enhance the educational process.

Presentation appended to the minutes.

Mr. Nufrio stated thank you Mrs. DiGiovanni and of course the staff and the children. It was an excellent presentation. You gave me an idea perhaps the Board members would care to consider it – before we start meetings maybe we can have Mr. D'Aloia do a little dance and we can all participate. It is dual purpose – one is a little exercise and the other is learning Spanish. Excellent job. Thank you.

Mr. Tatum stated I want to take this opportunity not only to thank them for a fine presentation and all the good things at Hannah Caldwell School, but I would like to take a moment to recognize a new staff member. I received some news this evening and Mrs. DiGiovanni mentioned her name but I will ask Mrs. Sharp, our support staff member to stand for a moment because I heard some great news about her tonight – she is the “support staff of the year”. I think a lot of times our support staff really goes unrecognized and I am sorry I just heard about this this evening but by the same token I just wanted to say this to everyone who has any connection with Battle Hill – that lady right there Mrs. Sharp wore me down until we got a brand new parking lot in that school just based upon her efforts so keep up the good work.

Mr. Arminio stated let's take a two minute break so that the students and staff can exit. Mr. Nufrio stated I agree – any objections by the Board. We will take a few minutes break.

Mr. Nufrio stated we are back in session. Thank you. Mr. Superintendent would you like to lead and begin with any questions at this point or simply permit the gentleman to make the presentation. Mr. Tatum stated I think Mr. Vieira communicated our concerns. I will turn it over to Mr. Vieira. Mr. Vieira stated I never received any questions in writing from the Board to present to Warren. Mr. Tatum stated it was my understanding that the purpose for you coming back was to give us more detail information of the audit report. At this time I will open it up to Board members who may have questions. Mr. Monge stated I know Manny did ask for question and I didn't provide any questions. I wasn't here for the presentation but I can watch it. Mr. Nufrio asked will it take you very long? Mr. Korecky stated it is just the three recommendations. Mr. Nufrio stated why don't we address that – at least the recommendations.

Mr. Korecky from Suplee Clooney and Company stated there are two reports – one is the CAFR and one is the Management Report. There are about 20 areas in here that the State asks us to look over. It is the rules and regulations that deal with State Codes.

Here are your three recommendations that were addressed and part of the Corrective Action Plan that was presented and if you want I will read them again. They are all administrative recommendations. The first one is the District's work papers maintained and support the on roll attendance and application of State school aid – qualifications by different categories and there are work papers that back that up that didn't support the applications. The second recommendation was that the Board revise its travel policies to ensure that payments will not be ratified after the travel events and the policy excludes regular business travel – so what it basically is saying if you are going to travel, it needs to be preapproved by the Board of Education. The last recommendation was prior to submitting reimbursement claims to the New Jersey Department of Agriculture, the meal plan should be verified with the meal count activities. You have a cafeteria operation and that meal count should be reimbursed at different levels for free/reduced paid meals. There should be meal count activity records and check worksheets. The number of students times the meals – they go on reports and you get reimbursed for State aid – so much counts as reimburseable rates. Those were the three recommendations and it should have been addressed in a Corrective Action Plan and I assumed it was. Mr. Vieira stated yes they were. Mr. Nufrio stated I'm sorry I missed that last part. Mr. Korecky stated I asked if there was a Corrective Action Plan to correct these recommendations. Mr. Nufrio stated Mr. Vieira you are saying that the Corrective Action Plan has been prepared for those three areas. Mr. Vieira stated correct. Mr. Nufrio stated at some point you might want to share that with the Fiscal Committee as well. Mr. Vieira stated the Corrective Action Plan was approved at the January Board meeting. Mr. Nufrio stated it was; so we can look back to that action. Mr. Vieira stated yes. Mr. Korecky stated you should look at it because it is a Corrective Action Plan.

Mr. Nufrio stated before I turn the floor to Mr. Monge – we as a Board felt that it was necessary to have you come back to answer some questions and I specifically did pass that information to Mr. Tatum and not that we were not completely satisfied with the presentation but since it was a little curious that we heard the word surplus throughout the presentation and currently without disclosing too much since it is still a work in progress as you know for the budget for next year, as such we wanted a formal clarification where those surpluses exist and certainly because the taxpayers and of course we are taxpayers as well and the entire District needs to know and of course it is a difficult program preparing a budget.

Mr. Korecky stated there are so many elements and it does get very confusing. Mr. Nufrio stated and it is not simple. Mr. Korecky stated that is correct because it not just one bottom line – there are different elements.

Mr. Monge stated on page 8 and 9 – I'm looking at the budgetary comparison – I'm looking at this eye level – you have your income, you have your expenses, you budget for the year, your actuals, you have some encumbrances, some expenses that you are going to incur at the end of the fiscal year that you are going to have to deal with so at the end of the day – if you have more money than you originally started off with less the expenses and you have a

difference – in this case a variance – to me the bottom line of being a surplus or whatever you want to define it as and then something happens and I think for everybody's education and I think very high level – I started off with this \$8.8 million number and I'm not sure if and direct me if that is the right number I should be starting off with before the magic happens as it pertains. Mr. Korecky stated you are right – I did make the presentation and I can go through each point of the budgetary statement. These are the statements that are most detailed in the report. There are a lot of P&L's that are present but they are all very well summarized. It starts on page 83 and goes to page 89 – it is a very detailed presentation of the operations for the 14-15 school year. It also acts as a profit and loss and how much your beginning surplus balance was and what happened during the year and your ending surplus. It also defines what it is broken down into. The presentation gives you one surplus; however, there are different elements of it. If you go on page 89 and you are starting with the actual column – which is the 4th column over and if you are looking at the surplus, you start with the beginning of the 14-15 year - \$25,003,530 and ended the year with \$22,544,000 that means you regenerate surplus back.

Mr. Monge stated define surplus. Mr. Korecky stated means you take your revenues, take all your expenses and you come up with what is left over. Mr. Monge stated how do reserves play into that. Mr. Korecky stated surplus are the one number and reserves are components of it – reserve, capital reserve, reserve for emergencies. Once the Board puts those moneys away for those particular purposes, they are locked into those purposes until you use it for those purposes. You don't have that money to use as freely. So at the end of the year you ended up with \$22,544,000 in surplus. It is like your savings account. That is for end of the year June 2015. However, the next explanation is there were components made in the \$22,000,000 and if you look down below it says a recapitulation and has restricted, unrestricted and assigned elements of it and I went over the different categories. Out of the \$22,000,000, there is \$4,689,000 in capital reserve – that is money put away for capital purposes. You have a long-range facility plan to make improvements and major renovations and things like that and can only be used for those purposes. Once it is in that fund, it can't be used for any other purpose other than capital purposes. There is a maintenance reserve – that is to maintain the general upkeep.

Mr. Monge stated I'm not seeing the Jefferson reserve for Jefferson School. Mr. Korecky stated that is on a different page – that is a capital, that is bonding, transfer from capital reserve – this is the general operating fund that takes care of the day-to-day operations. So you have a maintenance reserve – so that is up keeping, regular maintenance. Then you have an emergency reserve – you put a certain amount away \$1,000,000 – that money can be put away if you have an urgent condition. You can use that money any way you can. Mr. Monge stated so that could be whether it is benefits or roof. Mr. Korecky stated if something goes enormously high, you are able to grab that – it is a cushion. Mr. Monge stated as a contingency. Mr. Korecky stated exactly right. The other piece is the money that you use in this budget, this surplus presentation ends June 30, 2015 but now we are in the 15-16 school year – so that money is set aside that \$22,000,000. Out of that \$22,000,000 - \$7,066,000 is being set aside to fund up the budget – so 15-16 budget \$7,066,000 is being used. Then there is something called excess surplus – you are only allowed to keep your designated surplus – it is up to 2% of your operating budget – so anything above that, the State considers it excess and it has to be used in your budget in subsequent years. If you have \$4,589,000 after calculations have been done, you start with your

total expenses, there are few deductions on it times 2% and then that numbers comes up with \$4,589,000. That is the number you start out with when you are doing your 16-17 budget. Mr. Monge stated which we are doing now. Mr. Korecky stated which you are doing now and that is the minimum starting point - \$4,589,000. Then you have a reserve for encumbrances – these are orders Manny took in during the school year – uncompleted contracts – it is \$1,400,000. Now your unassigned unrestricted unreserved, the moneys that you can use for tax relief or use in the budget that you are going to start doing right now is \$2,696,000. So you go from \$22,000,000 with all these different components and restrictions for and reserves for certain things – it is only certain things that you can use it for. The total is still \$22,000,000. The State lets you break it down in different components.

Mr. Monge stated so going back to this unassigned fund balance. Mr. Korecky stated \$2,696,000. Mr. Monge stated Mr. Tatum what did we do with it as it pertains to. Mr. Tatum stated I believe that you had \$2,000,000, is that a floating number? Mr. Korecky stated it is your 2%. It hasn't been used at all. Mr. Monge stated where did that go? Mr. Korecky stated it is on the balance sheet you still have it. Mr. Monge stated but I'm saying – I know it is on our balance sheet but what are we designating it as. Is it money that we are using toward our next budget? Mr. Korecky stated you can use it in your new budget. Mr. Monge asked where do we have it in our budget? Mr. Vieira stated we are not using it in the 16-17 budget. We have never gone down below 2% of our fund balance. Mr. Tatum stated which we are allowed to carry per State regulations. Mr. Vieira stated right and in Union, that is the way we have always operated very conservatively.

Mr. Nufrio stated which numbers reflect the 2%. Mr. Vieira stated the \$2.6 million. Mr. Nufrio stated it is a reserve money that the State allows us to hold in abeyance. Mr. Vieira stated correct that is the maximum. Mr. Korecky stated you can use it if you want. The State says keep 2% do what you want with it. The question is do what you want – do you want to put it in your budget, you can. If you want to keep it in reserve, you can to. It is the Board's decision. Mr. Nufrio stated that is the general fund. Of these that you identified, the only one that is not transferrable is the capital reserve number. Mr. Korecky stated and the excess surplus numbers. Once it is excess, you have to use it. Mr. Nufrio stated so the \$6 million – is the excess. Mr. Korecky stated but you are using that this year already. Mr. Nufrio stated we are currently using that. Mr. Korecky stated it is in your 15-16 budget. Mr. Nufrio stated and of that number what will be left over. Mr. Vieira stated I won't know that until June 30th. Mr. Korecky stated right now you have to do projections to the end of this fiscal year. Mr. Nufrio stated I understand that. I would say we are a little passed mid-point so. Mr. Vieira stated I estimate maybe between \$2 and \$3 million dollars. Mr. Nufrio stated roughly close to half. Mr. Vieira stated right and that would be our excess surplus equity we use. Mr. Monge stated the numbers once again it ends up being a definition right. You have our budget, we have our expenses to date, we have our encumbrances prior to the expenses that we assuming that we are going to incur til the end of the year as part of this budget that we are in and then we have the variances. That variance ends up being the same column that we have in this last column and I'm just looking at this – it's my logic. Mr. Korecky stated you are in the right direction.

Mr. Monge stated right now in the numbers that we have in the report that we have - it is over \$8 million. What would be my assumption if that number is \$8 million today in our report?

I'm just trying to understand. Mr. Korecky stated I don't know anything about that. Mr. Monge stated no I'm saying this to Manny. Mr. Vieira stated I don't understand the question. Mr. Monge stated in our Secretary's Report, our expenses – we have our budget, the presentation that we have that we are working on today, we have our presentation that says this is our original budget was, this is how much we spent to date, we have the encumbrances column, which I'm assuming based on the definition I'm hearing your assumed expenses there and then you have the variances. Mr. Korecky stated I think I can answer your questions. The variance from this report – unexpended from the budget is like \$6.5 million – so if you say it is \$8 million – theoretically your surplus may go up because it would be \$1.5 million all the time. However, you are looking at those expenses as of today so there could be certain bills that come up next month. Just from this report. Mr. Monge stated and that is what I'm trying to find out. Mr. Korecky stated it was \$6.5 at the end of the year and that is how we generated this surplus. So if it is \$8 million it would actually be higher.

Mr. Nufrio stated would I be correct in making this statement – so the \$8 million, it is probably more than that, it is over \$9 if you add the \$2,696,000 plus the \$6,727,000 – both are in the surplus category. Mr. Korecky stated that is correct. Mr. Nufrio stated so it is actually over \$9 million. Mr. Korecky stated out of the \$6 million you already used. Mr. Nufrio stated I'm getting to that – so \$9 million minus \$3 million have already been used so we are down to about \$6 million – is that correct? Mr. Korecky stated in theory yes. Mr. Nufrio stated of which that \$6 million we may be requiring to use additional moneys for the rest of the year for whatever. Mr. Korecky stated for the next four months you have to use something yes. Mr. Nufrio stated we have to use something but I'm not the Business Administrator – but I am curious – what are we buying that is going to use all that? And that is a rhetorical question. Mr. Korecky stated salaries. Mr. Nufrio stated that is what the public needs to understand. Mr. Korecky stated you would have to do a projection and you kind of know what your salaries will be because you know who will be here til June 30th – so you make a projection. But where you don't really know is – you start getting to the end of the year, federal and State programs back to the budget and separate from what the bottom lines are going to be. Mr. Nufrio stated hasn't that already been established with the head count. Mr. Korecky stated I don't know if he has it charged that way. Mr. Monge stated as far as budgeting or projections – at this point in time as we're putting together a budget for the next year – should we not be projecting off - should we be considering actuals to date. Mr. Korecky stated absolutely – this is a year older and you are projecting 18 months in advance. The more current your information the better your budget is going to be.

Mr. Monge stated that is why I like questions here – on the Jefferson reserve and thank you for the letter and I don't know if everybody on the Board knows about the letter we received. Mr. Nufrio stated the letter Mr. Monge is referencing – I'm not sure if I forwarded it – I know I did to Mr. Monge and I don't know if all the Fiscal Committee got it. I can certainly do that. I have a copy here but the letter was requested in conjunction with Mr. Griggs, our Board attorney, who is here this evening because it is a necessary component to try at some point to unlatch that surplus that we are currently seeing from the Jefferson project which can only go for capital reserve. Mr. Korecky stated that is absolutely right. Mr. Nufrio stated and that is something the public needs to understand; that is why we asked you to come back because I was left with the impression that we had a lot of surplus and in fact that may not be the case or if it is the case, we need a better explanation of what we can do with that surplus.

Mr. Korecky stated on page 107 – it talks about the Jefferson project in detail. My letter goes to June 30th. You transferred money out of capital reserve that you have into this \$23 million project and once the money is in capital reserve, it says there, you don't spend it and it is transferred back into the capital reserve. The capital reserve you had in here of \$4.6 million was transferred back to \$5 million – that happens to be over \$11 million. You can only use for capital account for capital purposes – like new renovations, new roof, new building, major capital renovations. (inaudible) for surpluses. Mr. Nufrio stated and that is important for the public to understand. That is where it came from that is where it goes back. Mr. Nufrio stated so it came out and it was marked specifically for Jefferson and returned to that. That is an explanation of that surplus along with the \$6 million reflected in your report and so like you said it brings it to about \$11 million. Mr. Korecky stated in the capital reserve. Mr. Nufrio stated the question is what is allowable? Mr. Korecky stated anything that is in your long-range facility plan. Mr. Nufrio stated when I say allowable, what is permitted by the regulations? Mr. Korecky stated you have to file a long-term facility plan – I think that is \$48 million. Mr. Vieira stated that is correct. Mr. Korecky stated so that is potentially what the projects can be. So capital reserve can't exceed that. But since the long-range facility plan is really a function of the Board, there is no real limit on it as long as it is within reason. Mr. Nufrio asked do you think that is a healthy number. Mr. Korecky stated it is a healthy number for a district this size. You have a lot of buildings here and I don't know how old they are. Mr. Nufrio stated we are not guided by goals or caps? Mr. Korecky stated it is what you think you may need to keep those buildings up to snuff. Mr. Nufrio stated that money cannot be used for anything else other than capital improvements, long-range projects. Mr. Korecky stated that is right. Mr. Nufrio asked is there a limitation or deadline that it can be used? Mr. Korecky stated it keeps rolling. Mr. Nufrio stated I think that is important for the public to understand because again I don't want to keep repeating myself. Mr. Korecky stated capital is capital. Mr. Nufrio stated when the public hears surplus, my ears perk. I would love to have something. Mr. Korecky stated it is just different categories that is what makes it a little confusing. You have surplus but it is going to be restricted.

Mr. Monge stated that is extremely helpful. I know there was a new accounting presentation as it pertains to TPAF. There seemed like there was something that happened this year versus the previous years as it pertains to the pension. Mr. Korecky stated it was a new accounting rule for pensions. Mr. Monge stated and if you folks are looking at historic rules and looking at this year's audit that was a thing that stuck out like a sore thumb – if you could just touch upon that. Mr. Korecky stated page 26 – what happened is the State is dictated by what they call "GASB" (Government Accounting Standards Board) and they have these GASB rules and that is what dictates the accounting so what the State is forced to do is take the entire pension system – the PERS pension system and come up with the net pension liability. So we took all the assets that was all in cash or receivables, whatever you had, and took what the estimated to be the liability and came up with the net pension liability. This is one of the facets that again liability is going out years in advance because it is based on all kinds of assumptions – actuary assumptions not just a cash basis. It's services, raises, mortality rates, rate of returns – how many people are in it and out of it. It is State employees, school boards, authorities, municipalities, counties – anybody who is in the PERS because it is a comprehensive plan. So what they were forced to do was take all these entities and divvy up the net pension liability and

here you have to report that on your district-wide financial statement to show that this may be a potential liability somewhere down the line. We paid off this year, next year, ten years and we don't know it may not be a dynamic number but what that means it will be floating every year based on an assumption that is being made year-in and year-out. Mr. Monge stated it is an asset and a liability. Mr. Korecky stated that is where the confusion comes in. The State values the pension for contribution purposes – the Board by State regulations so it is law. This presentation is not impressed with what the State is doing so they give you a contractual amount every year and you pay that. You still have to pay and the State law dictates that number is. So on page 26 the State is saying your net pension liability – your share of this huge pie is \$34,630,000 that is just the PERS because of the comprehensive plan.

Mr. Monge stated page 78, you already mentioned this, the long-range facility plan – my question to you is are you looking at our actual plan against what we actually did? Mr. Korecky stated it is report type thing and goes down as potential projects. Again that is floating number. It could go up and down based on what you think you need. Mr. Monge stated the thing is, I brought it up a few times that we obviously have to update it because I don't know if you took a look at it – it is pretty old and so we are not necessarily following it and I wasn't sure that stating that where we are I don't know if that is something that shows up in a report of what we need to do versus what is being assumed that we are doing. Just to make sure that we are doing what we have to do on our end. Mr. Korecky stated this is what you want to do – it is not what you have to do.

Mr. Monge stated on the Jefferson expenditures – when you do your reporting, are you actually looking at those expenditures and how they relate to approval process and you have this letter basically stating – do you look at that? Mr. Korecky stated yes. Not everyone – it is a test check basis. Mr. Monge stated your test check basis – what was your approval process? Mr. Korecky stated your contracts awarded by the Board and then you have the written contracts and now the vouchers are coming due for the invoices so when somebody submits a bill, we are going back to the contract and make sure that bill is required. Mr. Monge stated but since we opened up the school a couple of years ago, we have a lot of expenditures that happened after the school was opened. Did you guys take a look at that and look at that process. Mr. Korecky stated there are a lot of payables at the end of the year. Page 107 – the bills are coming due and winding down there is not too much left. Mr. Monge stated I saw the P.O.'s not all of them are contracts. Mr. Korecky stated I know, I understand, they are direct charges. Mr. Monge stated as far as these stuff – potentially wasn't part of the original budget – did you guys ever take a look at that? Mr. Vieira stated Mr. Monge is talking about except for the equipment of the major construction of the Jefferson School there were some equipment and furniture that was purchased after the school was opened.

Mr. Nufrio stated maybe I misunderstood, so please help me to understand it better, when you said \$11 million earlier – that is strictly capital reserves. Mr. Korecky stated that is right. Mr. Nufrio stated that would be inclusive if we would be able to unlatch the surplus that is currently with the Jefferson project. Mr. Korecky stated that is right – right now it is \$6.4 million - \$5 million is the Jefferson school project. Mr. Nufrio stated how did that come up to \$11 million – that is where I am confused. Mr. Korecky stated it is \$10 million. Mr. Nufrio stated the question that will help me understand it even more is the only component, once again

forgive my repetition here, that is not usable for anything that we need other than capital is the one that is indicated as capital reserve – all the other components may be used for whatever purpose the District requires. Mr. Korecky stated for maintenance it has to be for maintaining the capital assets. Mr. Monge stated can you define that – what do you mean maintaining the capital budget – can you give some examples? Mr. Korecky stated if you acquire a capital asset, like buildings then you have to maintain them. In other words, it is just normal operating costs. Mr. Monge stated this is general maintenance. Mr. Korecky stated it is just a source of funds that provides for that. Mr. Monge stated that is you have flexibility in that beyond.

Mr. Nufrio stated I want you to identify the other which is the excess surplus that is not earmarked for capital reserve. Mr. Korecky stated that is just tax relief. Mr. Nufrio stated so tax relief – would the other term be bank cap for that? Mr. Korecky stated no. Mr. Nufrio stated so that is tax relief – so explain what tax relief means. Mr. Korecky stated when you are coming up with your budget you are coming up with the appropriations – under this excess surplus calculation, you have the \$6 million to fund up your appropriations – you are going to have State aid and you are going to have taxes and some miscellaneous, not very much. The minimum out of surplus you would have would be \$6-\$7 million in excess surplus that you have to use as a revenue, it is mandatory to fund up that side of the budget. Mr. Vieira stated in the 15-16 budget.

Mr. Nufrio stated you said earlier that we probably already expended a little more than 30% of the \$6.7 million. Mr. Vieira stated following your logic yes. Mr. Nufrio stated forget about my logic because I don't even know what I'm talking about. If I understand this Mr. Vieira, it may not sound logical but maybe we will get there at some point. Mr. Korecky stated you are funding up the budget with the revenue side of it – where are you going to generate your surplus facts, how much do you economize on the budget side. In other words, the less you spend more goes back into the \$6 million you are talking about. So if you stop spending right now, you roll back more – if you spend more, you roll back less. You have four months to go.

Mr. Monge stated the thing is to budget off of actual and projected end of the year is the prudent thing to do at least for starters and then you add on contingencies as necessary to get your cushion versus projecting off of last year's budget. Mr. Nufrio stated that I understand. If anyone has any questions jump in. I don't want to dominate this. Mr. Korecky stated it is difficult because you are working on the budget now that starts July 1st but you have to project 18 months in the future. Mr. Nufrio stated and that's the element that I think the public is unclear. Mr. Korecky stated you have to prepare this so far in advance and it is not that easy. If you go back two years who would have thought gas would drop down – but you budgeted \$4 a gallon now it is \$1.50 it went down. Mr. Vieira stated I just want to make a comment to the public – our general fund budget for 15-16 is \$123,000,000 so when we are talking about excess surplus of \$6 million – it is a very tiny percentage of the general fund budget – it is 4-5%.

Mr. Monge stated at the end of the day I think you have to be prudent in the way that we budget, we have to look at actual and historical as much as possible and frankly you have to project out the next year and based on what is going to happen this year, we are going to have some type of surplus. It is going to give us a picture into the future and we should take that into consideration. Mr. Korecky stated and developing a budget. Mr. Monge stated it is not just

about next year's budget that we are trying to put together, it is actually going to be the one after that. That is something we all should consider.

Mr. Nufrio stated Mr. Vieira, going back to that \$6.7 million, it seems to be a favorite number of mine right now, which you said we probably used maybe a little more than 30% and then the balance of that is for additional unforeseen or already planned expenses. Mr. Vieira stated I would say unforeseen. Mr. Korecky stated already planned because it funded up the 15-16 budget. Mr. Nufrio stated if it is planned, could you highlight just one or two areas for everyone to understand where. Mr. Vieira stated it is just spread throughout the \$123,000,000. Mr. Nufrio stated the question is – what did we do with that money if we already had salaries in place, benefits in place – where did this money go and I understand it went into the general fund but \$3 million is quite a bit of money – did we plan salaries – is that where it went.

Mr. Vieira stated we are also working with a budget with unsettled contracts so when the contract settles. Mr. Nufrio asked what contracts? Mr. Vieira stated the maintenance contract is unsettled and the principals/supervisors contracts are unsettled. Mr. Nufrio stated that is important to explain. That money and technically you usually hold what percentage? Mr. Vieira stated I don't want to talk about it. Mr. Griggs stated if you are not settled you don't want to talk about it. Mr. Nufrio stated I understand that and I understand what you are saying to me. The point is I think everybody should realize that even though it says surplus, it really is the reserve to use – which will probably be used at some point. Mr. Vieira stated until June 30, 2016, that money that has been appropriated is available to be spent in the 15-16 school year. We are always having unexpected things happening where we need money. That is why we do the transfers monthly also. Mr. Nufrio stated I'm not trying to diagram your sentences but I want the public to understand that the word surplus should probably change. Mr. Korecky stated when I come in I always say here's your surplus. Mr. Nufrio stated I love the word surplus. Mr. Korecky stated it encompasses those, the same thing with the salaries, whatever the rate you are giving – you would encumber even if you didn't settle the contracts – yes it is part of your surplus; however, it is earmarked for raises that are going to be settled. It is not really surplus. It is accounting – the definition of encumbrance is setting aside – it is not technically what you spent yet until you actually incur so much like as a component of surplus. Mr. Nufrio stated it is an anticipated or projected expense. Mr. Korecky stated it will be set aside. If you go back to the old system, we are set up as something else and it was taken out of surplus and it caused this crazy gap.

Mr. Nufrio stated what is your opinion of zero-based budgeting? Mr. Korecky stated it is o.k. It is fine. But when you come down to the very end and this is what you need, again you really have to project 18-months and it is very difficult to do. Zero starts becoming (inaudible). You should start with a reasonable base. Don't just put something in here and jump up 2%. What I would be looking at to answer your question – go through this statement and look at the variance column and if you are lapsing a lot of those balances – if there are a lot of big balances that you are lapsing – you have to ask yourself why did we budget them in the first place – that is where your zero-based budget comes in. If you are lapsing \$1 million in appropriations maybe you should go back to the actuals – what he was talking about actually budgeting the actual instead of putting in a number and lapsing it. Look at the schedule and look where all the balances are – some of them are very close. If you budget what you spent varies, but a lot of

them the numbers are pretty high. Look at your budget number again, it is still a budget and you are still trying to project that 18 months and you really don't know so you need that cushion. Mr. Nufrio stated in layman's term – just as an example – buying snow boots in April – putting money aside to buy snow boots in April – the end of the winter now you are putting money aside to buying the snow boots. Mr. Korecky stated I would equate it as if you know year to year you use one pair a boots but you budget for six. Mr. Nufrio stated in itself that is confusing to the public. Mr. Korecky stated it is just a spending plan.

Mr. Le stated my question focuses on this excess surplus and page 89 and I'm kind of cross-referencing with a couple of documents here – the \$6.727 million from what I interpreted it so far is the surplus that was generated in the 13-14 budget that was applied to the 15-16 budget. Mr. Vieira stated correct. Mr. Le stated that means that the \$4.589 million is the surplus that was generated 14-15 in which it was applied to 16-17. Mr. Korecky stated it is going to be applied. Mr. Le stated my question is and I'm not sure if it was answered before – what is our projected surplus for the end of this fiscal year on June 30th? Do you anticipate it to be less? Mr. Korecky stated you have to look at your spending patterns are right now. If you spend less, you will have more in surplus. If you increase your spending, you will use it and your surplus will be less. You have to look at your spending patterns are right now and what is left in the budget and what do you think you are going to use on your spending balances in the next four months. Mr. Le stated part of my question is has excess been used to bolster the revenues that we zero-out with the budget. So if by chance we have a less of a surplus for subsequent years we potentially work with less. Mr. Vieira stated that is correct. Mr. Monge stated if we continue to have on an annual basis a surplus upon surplus then essentially you and I'm all for being conservative in budgets, but when you have a situation where you are sitting here and carrying \$11 million in capital reserves but we have a boiler going out in the high school and we have half of our critical capital projects that we are talking about doing and we got presented and we talk about not doing all of them but part of them I don't get that part – I don't get how we can't have special projects that the Superintendent wants to do – why can't we budget that in there and we historically continue to have surpluses so why don't we set \$1 million or whatever that number is to do what we are always talk about doing.

Mr. Nufrio stated I think that is an item or items that you as a Chair of the Fiscal Committee along with Mr. Salcedo and Mr. Le – those items should be discussed and they are planning to meet with Mr. Vieira again along with the Superintendent.

Mr. Arminio stated I just wanted to thank you because your explanation tonight helped me understand a lot more than I did before so thank you very much.

Dr. Francis stated how is that you can achieve getting some money aside so that the Superintendent can use it. We put all this money in the capital reserve and you can't get to it – it has to be used specifically for buildings and repairs and other stuff. How do you set that money aside for the Superintendent to use some of this for our kids. Mr. Korecky stated you don't. The State defines what those reserves can and can't be. Anything that goes to the bottom line at that point in time is just called an unrestricted piece. So if you want to put money aside for something, you just appropriate the unrestricted piece in the budget and then you can put

whatever that project is and just set aside in the budget that is the only thing you can do with it. You have to use the unrestricted portion.

Mr. Monge stated to add to all of this – as we look at the tax levy and the idea of increasing, in my eyes it is not even necessary – if we do proper budgeting, we should not put the burden of – overly conservative projections on the backs of the taxpayers.

Mr. Nufrio stated and that was part of the explanations to help the public, the taxpayer of which we are as well, to better understand where the tax dollar is spent and of course there are many areas that it is spent but primarily the capital reserve cannot be spent anywhere else other than capital improvements. It is really ironic but at the same time it is sensible because you need schools that are functionally properly before you can educate the kids. Mr. Korecky stated you do that because they realize it is very difficult to get referendums passed. So you put some money aside and start doing these projects without going out for big bond issues and you do it through cash and it is a lot cheaper.

Mr. Nufrio stated we thank you very much and it is very much appreciated the explanation like Mr. Arminio said.

Mr. Tatum stated I don't know if I can top any of what has been stated tonight but I will do my very best and I will bring with the remainder of the Superintendents Report.

For the month of January – Student attendance: 95.36%; Staff attendance: 94.50%

There was a special request last month that we talk a little bit about student residency in the District and what I decided to do was to take a look at the number of students that we have exited over the last three years regarding those students that we have deemed not domiciled in the District. As you know there is each month a resolution on the agenda that speaks to the number of students that have been removed from the roles.

What we did was take an average cost of the students that are being removed and the average cost is based upon the tuition that we charge which varies from elementary to high school. The average cost we are using tonight is \$13,000.

2015-2016	32 students exited	\$416,500
2014-2015	44 students exited	\$572,000
2013-2014	39 students exited	\$507,000

What we find is that we are averaging about a half million dollars per year in exiting students from the District.

Monthly highlights: We failed last month to recognize that last month was School Board Recognition Month – so we take this opportunity to recognize the fact all of the Board members that are here tonight for all their hard work and diligence and the undesiring need to find out where all the money is.

Battle Hill School's PJ Day fundraiser for Leukemia and Lymphoma was a huge success. Approximately \$750.00 was raised for this cause.

The students of Livingston School enjoyed an assembly on the life and times of Martin Luther King Jr.

No Name Calling Week was recognized at Connecticut Farms School. For the entire week, students recognize the week by participating in various events such as: Be a Good Sport Day, Be a Hero and Stand Up to Bullies Day, We all Rock Day and Put a Cap on Bullying Day.

Washington School's current Youth in Philanthropy cause is the Leukemia Society's "Pennies for Patients" Campaign. In addition, 4th grade students will be raising money for the American Heart Association's Jump Rope for Heart Campaign on Friday, February 19, 2016.

Connecticut Farms' After School Enrichment Program is off to a great start. Students and parents have expressed their delight in having the programs. They plan to showcase what the students are doing with information in our town's local paper very soon.

Student Recognition:

- 6th grader at Kawameeh, Nicholas Elker, is participating in a prestigious national choir in Boston at the end of February.
- 7th grader at Kawameeh, Catherine Bevenssee, participated in a production of "Beauty and the Beast" at a community level.
- Many elementary students throughout the district participated in the annual Martin Luther King Jr. Celebration held at Hannah Caldwell School. The students were recognized for their participation with certificates signed by Senator Lesniak, Assemblywoman Quijano, and Assemblyman Holley.

Upcoming Events:

- The next Planning Committee Meeting will be Tuesday, March 1st at 6:30pm.
- Battle Hill School will have their Jump Rope for Heart on February 25th
- Kawameeh's student play will be held February 26th, 27th & 28th at 7:00pm

Mr. Nufrio stated thank you Mr. Tatum for the recognition of the Board members. We try our best to do the work that is tireless dedication and I personally want to say thank you to the Board for putting up with me and many times I know I bother you guys a lot but I'm going to keep bothering you because that is how things get done.

EDUCATION/STUDENT DISCIPLINE COMMITTEE RESOLUTIONS:

Moved by Mr. McDowell, seconded by Dr. Francis, that the following resolutions be adopted:

- E-1. Item moved to F-15 per discussion at worksession meeting of February 9, 2016.

E-2. APPROVE LIST OF STUDENTS REMMOVED FROM ROLLS

That the Board amend list of students removed from the rolls [six (6) students exited from January 2nd through January 29, 2016 for a total of thirty-two (32) students for the 2015-2016 school year] who are not domiciled in this school district and zero (0) students who will be allowed to complete the 2015-2016 school year, in accordance with the information appended to the non-public minutes.

E-3. APPROVE CURRICULUM GUIDES

That the Board approve the following Curriculum Guide(s), in accordance with the information appended to the minutes: (a) Art Grades K-2 Curriculum Guide 2016, (b) Art Grades 3-5 Curriculum Guide 2016.

E-4. This agenda item was pulled during meeting.

E-5. AFFIRM SUPERINTENDENT’S RESOLUTION ON HIB

That the Board affirm the Superintendent’s resolution of Harassment, Intimidation and Bullying (HIB) conclusions for the period January 8, 2016 to February 5, 2016, in accordance with the information appended to the minutes.

DISCUSSION:

None

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena
Mr. Nufrio

NAY: None

ABSTAIN: Mrs. Regis-Darby

MOTION CARRIED

Mr. Nufrio stated the movement of E-1 to Fiscal was because again it is part of our transparency process that we are committed to doing and certainly probably ill placed and that is probably a better explanation.

FISCAL AND PLANNING COMMITTEE RESOLUTIONS:

Moved by Mr. Monge, seconded by Mr. Le, that the following resolutions be adopted:

F-1. ACCEPT TREASURER’S REPORT

That the Treasurer’s Report dated January 31, 2016 be accepted.

F-2. ACCEPT SECRETARY’S REPORT

That the Secretary’s Report dated January 31, 2016 be accepted.

F-3. CERTIFY TREASURER’S AND SECRETARY’S REPORT

Pursuant to N.J.A.C. 6A:23-2.11(a), I certify that as of January 31, 2016 no budgetary line item account has obligations and payments (contractual orders) which in total exceed the amount appropriated by the district Board of education pursuant to N.J.S.A. 18A:22-8 and 18:22-8.1.

/s/ Manuel E. Vieira
Manuel E. Vieira, Interim Board Secretary

Dated

Pursuant to N.J.A.C.6A:23-2.2(h), we certify that as of January 31, 2016 after review of the secretary's monthly financial report (appropriations section) and upon consultation with the appropriate district officials that to the best of our knowledge no major account or fund has been over-expended in violation of N.J.A.C. 6A:23-2.2(d)3 and that sufficient funds are available to meet the district's financial obligations for the remainder of the fiscal year. This certification is solely based on the information provided by the School Business Administrator and Interim Board Secretary and is assumed by the Board to be correct.

F-4. APPROVE APPROPRIATION TRANSFERS

That the Board approve appropriation transfers in accordance with the information appended to the minutes.

F-5. APPROVE CONTRACTS AND/OR PURCHASE ORDERS

That the Board approve the attached list of contracts and/or purchase orders pursuant to the requirements of N.J.S.A. 18A:18A-5 (bid exceptions to requirement for advertising) and 18A:18A-10(a) (purchase through State agency; procedure), in accordance with the information appended to the minutes.

F-6. Approved at February 9, 2016 worksession meeting.

F-6a. APPROVE DISTRICT WIDE TRAVEL AND RELATED EXPENSES

That the Board approve district wide travel and related expenses pursuant to the requirements of N.J.S.A. 18A:11-12, N.J.A.C. 6A:23A-7 and Board Policy File Code 6471 and in accordance with the information appended to the minutes.

F-7. PRE-APPROVE DISTRICTWIDE STUDENT FIELD TRIP DESTINATIONS

That the Board pre-approve districtwide student field trip destinations and purposes pursuant to N.J.A.C. 6A:23A-5.8 in accordance with the information appended to the minutes.

F-8. APPROVE AMENDED LIST OF STATE CONTRACT VENDORS

That the Board approve the amended list of the 2015-2016 State Contract Vendors pursuant to N.J.S.A. 18A:18A-10(a) (purchase through State agency; procedure) to facilitate schools' purchasing, in accordance with the information appended to the minutes.

F-9. ACCEPT THE FOLLOWING DONATIONS

That the Board accept the following donations: (a) \$1,034.57 - Lifetouch National School for use by Connecticut Farms Elementary School, (b) \$2,000 – Up fund Corp-Union Plaza Diner for use by Special Services, (c) \$1,173.06 – Lifetouch National School for use by Livingston Elementary School, (d) \$1,265.38 – Lifetouch National School for use by Jefferson School, (e) \$336.80 – General Mills Box Tops for use by Jefferson School, in accordance with the information appended to the minutes.

F-10. APPROVE CONTRACTS AND/OR PURCHASES

That the Board approve the attached list of contracts and/or purchases pursuant to the requirements of N.J.S.A. 18A:18A-5(21) (paid by funds raised by or collected by students), in accordance with the information appended to the minutes: (a) Worldstrides Heritage Festivals - \$22,000 (1st payment) – Union High School – Chorus/Band Fundraiser for competition in Williamsburg, VA, (b) Worldstrides Heritage Festivals - \$15,000 (2nd payment) – Union High School – Chorus/Band Fundraiser for competition in Williamsburg, VA, (c) Worldstrides Heritage Festivals - \$10,944 (final payment) – Union High School – Chorus/Band Fundraiser for competition in Williamsburg, VA, (d) Anderson's - \$1,915.25 – Union High School-Senior Prom for 2016 senior prom supplies, (e) Passaic Valley Coach – \$3,429 - Union High School-Ski Club for transportation for trip to Stowe, VT, (f) Passaic Valley Bus Company - \$3,500 – Kawameeh Middle School – Ski/Snowboard Club trip to Stowe, VT, (g) Ski 93 - \$9,000 – Kahwameeh Middle School – Ski/Snowboard Club trip to Stowe, VT.

F-11. APPROVE INCREASE IN P.O. #16-00813 WITH ABRAHAM MORGANOFF, MD

That the Board approve an increase to P.O. #16-00813 with Abraham D. Morganoff, MD to provide neurological evaluations for the 2015-2016 school year from \$5,400 to \$9,900 to meet the District's needs, in accordance with the information appended to the minutes.

F-12. APPROVE INCREASE IN P.O. #16-01587

That the Board approve an increase to P.O. #16-01587 with ATC Healthcare Services to provide nursing services for the 2015-2016 school year from \$120,000 to \$200,000 to meet the District's needs, in accordance with the information appended to the minutes.

F-13. APPROVE INCREASE IN P.O. #16-00801

That the Board approve an increase to P.O. #16-00801 with Morris Union Jointure Commission to provide occupational therapy, physical therapy, speech and instructional aide services for the 2015-2016 school year from \$226,000 to \$306,000 to meet the District's needs, in accordance with the information appended to the minutes.

F-14. *For informational purposes only – vote not required.* List of legal services paid for the 2015-2016 school year, in accordance with the information appended to the minutes.

F-15. APPROVE AMENDED OUT-OF-DISTRICT STUDENT PLACEMENT LIST

That the Board approve the amended 2015-2016 out-of-district student placement list, in accordance with the information appended to the minutes.

DISCUSSION:

Mr. Le stated I have a few questions – I noticed that on F-1 when I was looking at a particular row for the general fund number under the monthly cash receipts – I noticed in previous reports that amount has been higher typically around \$11 to \$13 million – what is the nature of that decrease – is it normally that time of the year that it decreases a little bit or what is the nature of the number. Mr. Vieira stated about 2/3 of our budget comes from the municipal tax levy and in the beginning of the year, we put together with the Township a payment schedule

– we don't receive the same amount every month – we receive the money from the Town and they have their cash flow that they have to work with – property taxes are collected quarterly.

Mr. Le stated so we wouldn't know what would be coming our way for March, April. Mr. Vieira stated corrected. A 12-month payment schedule for the 15-16 school year – it is not the same amount every month.

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena
Mr. Nufrio

NAY: None

ABSTAIN: Mrs. Regis-Darby

MOTION CARRIED

OPERATIONS COMMITTEE RESOLUTIONS:

Moved by Mrs. Zuena, seconded by Mr. Monge, that the following resolutions be adopted:

O-1. Item moved to E-5 per discussion at worksession meeting of February 9, 2016.

O-2. APPROVE SECURITY DRILL AND BUS EVACUATION REPORTS

That pursuant to N.J.S.A. 18A:41-1 and P.L. 2009, Chapter 178, approve the following security drill and bus evacuation reports for the 2015-2016 school year, in accordance with the information appended to the minutes.

O-3. APPROVE TO ADVERTISE FOR DISPOAL OF STAIRWAY LIFT

That the Board approve to advertise for the disposal of an electric AC Savaria B.07 Stairway Lift 300 lbs lifting capacity with fold up foot rest/seat.

O-4. APPROVE RENEWAL OF HORIZON HEALTH INSURANCE PLAN AND ADDITION OF THE OMNIA PLAN

That the Board approve (a) renewal of Horizon Health Insurance Plan for the period of 3/1/2016 to 2/28/2017 and (b) the addition of the Omnia Plan as an option for healthcare insurance, in accordance with the information appended to the minutes.

O-5. APPROVE REQUEST FROM UNION TOWNSHIP CHAMBER OF COMMERCE

That the Board approve request from the Union Township Chamber of Commerce for the use of Union High School facility site for the 6th Annual Mayor's Day 5K Run, scheduled for September 25, 2016, in accordance with the information appended to the minutes.

O-6. APPROVE REQUEST FROM UNION COUNTY GENERAL MANAGER

That the Board approve request from the Union County General Manager for the use of Union High School football field to hold the practices for the 2016 Annual Snapple Bowl on July 12, 13, 14, 18 and 19 from 6:00 p.m. until 8:00 p.m., in accordance with the information appended to the minutes.

DISCUSSION:

Mr. Salcedo stated I have a question. Mr. Vieira can you discuss because I wasn't at the worksession, the Horizon Health Insurance Plan and more specifically the addition of the Omnia Plan. Mr. Vieira stated the Horizon Health Insurance Plan – we are renewing the plan for the period of March 1 through February 2017 – the increase in the premium is approximately 9% and that increase is shared by the employer and also the employees. The Omnia Plan is a new plan offered by Horizon. It is a lower cost plan and has higher deductibles and it is just an option given to our employees. It is their choice if they choose it or not.

Mr. Salcedo stated going back about a year ago – we thought the increase was going to be a lot higher. What happened? Mr. Vieira stated our broker, BGIA, shopped the market and the smallest increase was with Horizon and part of it is due to our experience and that is how the premium increase is determined. As Mr. Korecky was saying, it is difficult to project what the premiums will be in the future because of the marketplace and the health of our employees. If we have a year where we have some employees have a million dollar health issue would cause our premium to spike.

Mr. Nufrio stated when you say shopped the market – can you explain that. I understand that and I'm sure the Board members understand it, only because Horizon Blue Cross Blue Shield was in place before. Mr. Vieira stated correct. Mr. Nufrio stated how that actually reduced the premium. Mr. Vieira stated BGIA goes out to the market place and they see what the other health insurance companies are offering as far as premium costs and Horizon had the smallest increase. Mr. Nufrio stated the initiative to try to reduce the cost by presenting other possibilities that the Board might consider. Mr. Vieira stated correct.

Mr. Monge stated Mr. Salcedo was mentioning the projected increase, but last year we had a budgeted number that was a 20% increase budgeted against the previous actual year. We had that conversation. Mr. Vieira stated is the question, why wasn't it 9%? Mr. Monge stated from 14-15 to 15-16, you budgeted 20% increase from one year to the next. Mr. Vieira stated I will have to check those numbers. Mr. Monge stated I just have the numbers you provided me. This year it seems like we overshot and that is why we have a million dollars left over from the benefits. What do you think our increase is actually going to be for this budget year 15-16. Mr. Vieira stated I know for the period March 1, 2016 through February 28, 2017 – it will be 9.5% and March 1, 2017 – I have no idea what it is going to be. Mr. Monge stated we budgeted about 20 – we are about half way there on the actual and that is why essentially the increase assumption from this year's budget that we are in to next year's budget is essentially is flat. Mr. Vieira stated repeat the question. Mr. Monge stated from 14-15 to 15-16 we assumed that there was going to be a 20% increase, we are going to realize less than 10% increase – so we over-budgeted by 10% so now with what you have in front of us so far as far as the projected budget for 16-17 – the increase from budgeted this year to budgeted next year is essentially flat so I am assuming that you essentially trying to catch it at 9% increase that we had in the proposed year. Mr. Vieira stated the reason it is flat is because it is going from 15-16 to 16-17 – we have some proposed cuts on the table. Mr. Monge stated undebtedness. Mr. Vieira stated undebtedness, yes. Which I don't think we should be discussing.

Mr. Monge stated my last point, we had a question to Paul as it pertains to a broker – do we have to have an insurance broker in the future. Is that a requirement of the District? Mr.

Griggs stated I don't think it is a requirement - some school districts go directly to the carrier. The advantage obviously of a good broker is that they can shop the field and come up with the best rates. Some times what happens with a way of an example of one of our other clients, they just found out that they had horrible experience and pretty significant losses so now they are going back to the school employees health benefit program with the State. It is kind of an annual type of thing but a good experienced broker, they are valuable. You obviously have to have confidence in them – you get confidence in them by seeing what other districts they represent and what they have to say. You don't have to have one but I don't see a downside to it. Some brokers charge you a fixed commission versus a percentage depending on the broker. In our practice, we do a lot of labor work so probably 5-7 different brokers. Some are the bigger companies and some are the smaller companies. Mr. Monge stated I appreciate that. My issue is that we have a broker who is essentially making a quarter million dollars in fee and a sole submitter of an RFP. There is not that competitive process that I would hope for that is just my issue. Thank you very much.

Mr. Nufrio stated if I can just go back to Mr. Vieira's reference how the premiums can be affected. I would like to give a comparison – it is somewhat synonymous with car insurance companies do – you have an accident some companies right way increase your premium especially if you are at fault and in fact if you are at fault you can expect an increase. Some companies have a forgiveness for first accident. In the health insurance, it is an aggregate number of expenses that the insurance company has incurred for the District which could potentially impact the premium. Correct Mr. Vieira. Mr. Vieira stated yes that is how it works. Mr. Nufrio stated that is a general explanation because I know I would want to know why the premium increase and certainly that is the reason.

Vote for Agenda Items #O-2, O-3, O-5 and O-6

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena
Mr. Nufrio

NAY: None

ABSTAIN: Mrs. Regis-Darby

MOTION CARRIED

Vote for Agenda Item #O-4

AYE: Mr. Arminio, Mr. Le, Mr. McDowell, Mr. Salcedo, Mrs. Zuena Mr. Nufrio

NAY: Mr. Monge

ABSTAIN: Dr. Francis, Mrs. Regis-Darby

MOTION CARRIED

PERSONNEL COMMITTEE RESOLUTION:

Moved by Mr. Arminio, seconded by Dr. Francis, that the following resolutions be adopted:

P-1. Approved at February 9, 2016 worksession meeting.

P-1a. APPROVE PERSONNEL ACTIONS

That Personnel Actions be approved in accordance with the information appended to the minutes.

P-2. Approved at February 9, 2016 worksession meeting.

P-2a. AMEND SUBSTITUTE LISTS

That the Board amend Substitute Lists for the 2015-2016 school year in accordance with the information in the hands of each Board.

P-3. Approved at February 9, 2016 worksession meeting.

P-4. Approved at February 9, 2016 worksession meeting.

P-5. APPROVE THE CURRICULUM WRITING TEAMS

That the Board approve the following Curriculum Writing Teams at a rate of \$20/hr. per person (with a not to exceed maximum per guide of \$300 per person): (a) Senior Topics- Adapting Film Through Literature – Jon Tummillo, (b) Senior Topics – Horror Literature – Andrew Kenny, (c) 6th Grade Science Curriculum Guide – Bridget Sloan (replacing Christine Boris), (d) 9th Grade Science Curriculum Guide – Michael Atzbi (replacing Laura Leibrock), in accordance with the information appended to the minutes (Acct #11-000-221-104-01-54-0612/7083).

P-6. APPROVE PROFESSIONAL SERVICES CONTRACT – TRINITAS

That the Board approve a professional services contract between the Board of Education and Trinitas Regional Medical Center Department of Behavioral Health for the 2015-2016 school year, in accordance with the information appended to the minutes.

P-7. Approved at February 9, 2016 worksession meeting.

P-8. APPROVE LEAVES FOR THE FOLLOWING STAFF:

Leave of Absences

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Leave Dates</u>	<u>Leave Type</u> <u>Regarding updated info only.</u>	<u>Notes/ Corrections</u>
Watson, Danielle	Teacher's Assistant	HC	2/25/16-4/24/16	Unpaid Medical Leave under FMLA	
Jurgens, Danielle	Teacher-Elementary	HC	3/2/16-6/10/16	Paid Maternity and Unpaid FMLA	Correction to location.

P-9. APPROVE RESIGNATIONS/RETIREMENTS FOR THE FOLLOWING STAFF:

Retirements

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Effective Date</u>	<u>Reason</u>	<u>Years of Service</u>	<u>Notes/ Corrections</u>
Godfrey, Carol	Teacher, Elem.	Franklin	7/1/16	Retirement	36 years	
Mehr, Kathleen	Teacher's Assistant	Franklin	7/1/16	Retirement	31 years	

P-10. APPOINTMENT OF LAW FIRM

That the Board appoint the law firm of Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC, as special counsel for the Jefferson Elementary School Capital Project to include presentation in any legal actions.

DISCUSSION:

Mr. Arminio stated I wanted to point out and thank Mr. Benaquista for the new way the leaves/absences and the retirements/resignations are being presented. They are now easy to see, read and understand. Thank you for that.

Mr. Nufrio stated I know we spoke about it with Mr. Benaquista that we are hopefully nearing the completion of the language resolution which will be given to the retirees. Mr. Benaquista stated yes. Mr. Nufrio stated thank you.

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena
Mr. Nufrio

NAY: None

ABSTAIN: Mrs. Regis-Darby

MOTION CARRIED

POLICY:

Moved by Mr. Arminio, seconded by Mrs. Zuena, that the following policy be adopted:

POL-1. APPROVE POLICY 9126a – PART-TIME BOARD ATTORNEY

That the Board approve Policy 9126A – Part-Time Board Attorney, in accordance with the information appended to the minutes.

DISCUSSION: None.

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena
Mr. Nufrio

NAY: None

ABSTAIN: Mrs. Regis-Darby

MOTION CARRIED

APPROVAL OF BILLS:

Moved by Mr. Le, seconded by Mr. Monge, that the Board concur with the bills listed in the permanent bound register appended to these minutes and be ordered for payment.

DISCUSSION: None

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mr. Salcedo, Mrs. Zuena
Mr. Nufrio

NAY: None

ABSTAIN: Mrs. Regis-Darby

MOTION CARRIED

UNFINISHED BUSINESS:

Mr. Le stated I want to bring up something from our Planning Session last week. Over the past week, I read the newsletter from the NJSBA and I read something about the new legislation that was passed in Congress in December – the every student succeeds act and when I was reading this article it made me think of last week when we discussed the Ed Connect concerning priority of the schools. I'm going to read an excerpt "in New Jersey one of the State's operating under the No Child Left Behind Flexibility Waiver, Priority and Focus Schools must continue to implement strategies currently in place according to the January 28th letter. However, the State will have the option of freezing its existing Priority and Focus List or update the list by March 1st". Considering what we discussed at the Ed Connect concept last week, which was a very interesting concept and we had discussions about priority and focus schools and the pricing and priority and focus schools may have that program for free – my question is – are there any repercussions or considerations as this legislation continues to be executed in guiding our decision with moving forward with Ed Connect considering its provision regarding focus and priority schools.

Mr. Tatum stated I think the answer is no. Of what I understand from what I said last week, for those schools that are identified as priority and focus and those schools that are not, I don't know if there are any sanctions or plans to moving forward with that. I think it gives us a base on which we start to build upon. I think when we talked to the Assistant Superintendents who manned this whole process, it is more prescriptive than anything. This is an academic profile from which to work from and to improve the skill levels in that district instead and this might be inappropriate assumption on my part but the reactive results have been achieved in the districts that are part of that. Mrs. Moses stated you are correct and after doing research myself, there are schools that are with Ed Connect and it is transparent on the website. It is actually being proactive and ahead of the game with our students up to par and helping our teachers stay with the standards and measuring delivery of the instruction to its students. Also Ed Connect representatives will be visiting and meeting with all the supervisors and all of the principals, administrators in the District on the 19th. We will get a better idea, we will get more collateral, more information and we will work together in deciding to move forward, move back, get more detailed information on how to support our students and instructions that they will be receiving.

Mr. Nufrio stated Mrs. Moses and Dr. Lishak I read an article in the Local Source last week and I was unable at the time to communicate to Mr. Tatum and I might as well indicate it

now, I would urge you to, and I have a copy home if you like, try to get a copy – it was on page 14 and a neighboring district was complemented on their achievements and it had to do with a federal project that started in 2013 whereby districts that wanted to be part of that program were actually able to obtain actual serious equipment, such as computers, laptops, etc. – I am not going to take the time to elaborate from memory because I won't recall all of it; but I urge you to look at it and also Mr. Tatum if it is still an open program, by all means let's look at it and see if we can qualify.

NEW BUSINESS:

Mr. Arminio stated three items of new business. One the Union High School boys track team won the County Championship last week with 59 points – two young men on the team – Jonathan Mobisa won the 1600 in a school record of 4 minutes 25 seconds and Anthony Mekwuyewho is going to the University of Pennsylvania – he is a senior – won the 400 and the 55 hurdles for Union High School. Congratulations to the Union Boys Track Team.

Next week Wednesday – 6:00 p.m., Friday – 6:00 p.m. and Saturday – 9:00 a.m. – Union High School will host as it has done in the past 17 years – the Region 3 Wrestling Tournament here in the Louis Rettino Gymnasium. Come out and watch some great wrestling and hopefully there will be a lot of Union High School wrestlers in the Region 3 Wrestling Tournament and finally Tuesday, March 1st, there is going to be a double header in our gym. The girls are playing in the County Tournament at 5 p.m. and the boys will be playing in the County Tournament at 7 p.m. We have a lot of athletic activities taking place right here at Union High School.

Mrs. Zuena stated that our wrestling team did make it to the State sectionals. Our first match was against Perth Amboy which they won 40-27. They did move on to verse Watchung Hills and it wasn't as fortunate of a score but it was very honorable that they made it as far as they did this year. Congratulations to them.

Mr. Nufrio stated I don't want to spoil the surprise but I believe that Mr. Tatum placed on the agenda next month – a recognition for the entire wrestling team.

Mr. Le stated over the past month there was some recognition of high school students. The first I encountered was the recognition of three students who participated in the Arts Administrators of New Jersey Emerging Artist Exhibit at Kean University. We had three of our own students among the 50 selected throughout the State – Michelle Qui, Joshua Scott and William Sabogal who were recognized among 50 students at that reception at Kean University on January 31st.

I think just today there was an article about the "U Success" alumni honors for February. There is a bulletin board in the high school honoring three alumni and this month they honored Nicole Medina, Class of 2005, who is a senior account manager at Yext NYC, Dr. Ijeoma Chimezie, Class of 2005, who is a senior medical associate at Ogilvy Common Health Worldwide and Nicholas DeCorte, class of 1997, who is a principal at Memorial Middle School in Cedar Grove.

Mr. Nufrio stated that is an excellent report which shows where our youngster how far they have come in the world and hopefully we played a small part in their lives. I know we did. Final note on new business, I sent an email today to Mr. Vieira and I'm not sure if all the Board members received the bulletin on the legal bootcamp from NJSBA – please check with Mr. Vieira, there are two sessions that are scheduled and I know Mr. McDowell and I will be signed up for it – if you can communicate with Mr. Vieira at some point who can give you the details and possibly forward the actual bulletin. Mr. Vieira stated we did. We forwarded the bulletin to all the Board members.

Dr. Francis stated a question for Mr. Tatum – are we going to post for all head coaches for the coming year and the second question is what is the process? Mr. Tatum stated annually we post and the process is to make sure they meet the qualifications and then there is an interview process by Mrs. Ionta and I believe the building principal and I believe they set up a small committee involving some students. I know annually those positions are posted and it will be a process where the applications and interview process. Dr. Francis asked will we be doing it this month. Mr. Tatum stated I believe they do it by season because just recently they were looking for someone and as seasons ends for example we will seeing fall sports very soon because a lot of the practice session starts over the summer. We want to have them appointed before the end of the school year so they can start their program over the summer.

COMMENTS FROM THE PUBLIC:

Mrs. Barbara Lamorte stated I'm here as a representative of Union Township Historical Society about two of our initiatives. The first one is re-instituting field trips to the Caldwell Parsonage - our headquarters and the museum of Union. I would like to thank Mr. Tatum and Mrs. Moses for supporting this and with a partnership with the Township of Union Education Foundation. Mrs. Lipstein created a grant application for teachers to submit and the foundation will pay for some bus trips from their schools to the Parsonage and she helps to get this program started next month and the second initiative was initiated solely by the Historical Society with the support of the Union County Freeholders and I would like to thank Mr. Tatum for his support of this. We are going to put on an assembly hopefully in every elementary school in the Township. It is a one man show by Meredock Bilport who is a Union High School graduate and also a candidate for Master in Counseling at Kean University and he portrays Reverend James Caldwell and he is going to incorporate character education into teaching the children about Union's role in the American Revolution. We are going to meet with Tom Matthews on Monday at Washington School to schedule the first of these assemblies.

Michael Dennis stated when we were talking about the budget before and the surplus. What we use this year out of the \$6 million is all accounted for. In an instance where we had to use stuff that wasn't accounted for, boiler break, etc., let's say this surplus runs out, where do we pull from, is that something that is taken into consideration? Do we cut jobs? Do we raise taxes? Where does that money come from since we only have such a small amount to work with? Mr. Tatum stated I think one of the areas that was mentioned regarding those contingencies you mentioned – there is 2% that we carry in the budget because they are in place for those kinds of things – that is why they let us carry that amount of money because things like that happen and did happen.

Mr. Monge stated there is an emergency reserve for \$1 million and another \$1 million in maintenance reserve so I think Manny Vieira has done a good job in being conservative as it pertains to that. I think that the discussions that we were having was when you have a situation where you are carrying money on an annual basis but you have places to use that money for instance the boiler and when you are not repairing it on an annual basis and you are chasing your tail. So that is where we are trying to hopefully do as a Board trying to make sure that we do some of these critical improvements that we need to have, like roofs, and things of that nature but also take into mind the education of kids a safe place and an excellent education.

Mr. Dennis stated no jobs are going anywhere if anything ever happened. Mr. Tatum stated as of right now, we can't discuss that.

Mr. Paul Casey stated I just wanted to thank Mr. Tatum for inviting me to be part of the Planning Committee. I have also joined the grants and afterschool committees as well. Hopefully those committees can bring in more resources into the District. Mr. Tatum stated I have to give you an update too. Mr. Case stated I was also glad to be here tonight for this presentation because the information that was shared with regards to the budget is really important to understand. Relieved to hear Mr. Monge had made the comment on the tax issue and we certainly don't want the taxes to go up. One of the questions that I heard tonight and I didn't get an answer to – when Mr. Le asked about the projection to what the surplus would be for this year – the way I heard tonight was that the \$6 million that was in surplus from 13/14 that was rolled into the 15/16 budget so that makes sense to me. But what I want to understand is and I have two kids in the District – how are our resources being used is looking into the 16/17 and 17/18 – how is that surplus going to be part – is there a surplus that is going to be moved into each year's budget and if there is do we have any idea what that is because the auditor was not able to answer that. Mr. Nufrio stated Mr. Vieira do you want to take a shot at this.

Mr. Vieira stated if we do not generate surpluses and we use up our reserves, then moving forward our only source of revenue is the tax levy. Mr. Casey stated I understand that. Mr. Vieira stated that means we would have to cut our expenditures. That answers the first part of the question. The second part – I guess in the 15/16 school year – what are we estimating for surplus, possibly \$3 million - if I had to throw a number out.

Mr. Casey stated so with four months left in the year, you don't have any kind of, you are just estimating as to what the surplus will be? Coming from someone who works with budgets, what I am projecting, I really want to know what my end of one year is going to look like as I go into the next year but I am concerned about that because you don't have a stronger answer than that but I agree that we want to have a surplus that rolls in so you have those resources available. But knowing what that is, I really think that is important.

Mr. Monge stated I think we can do Mr. Tatum based upon where we are today and based on where we think we are going to be at the end of the year. There is a calculation to figure that out. It is not unfair to ask based on where we are today. The encumbrances that we see and what we think our variances are going to be as far as we are going to be under budget by x-amount of dollars based on that. We should be able to come up with what the surplus would be and where the rest of the money will be thereafter. Surplus is a calculation. So not 100% of the

money leftover goes into surplus, it is a calculation. Am I correct Mr. Vieira? Mr. Vieira stated that is correct. The surpluses come from the revenue side which the variances are a lot smaller on the revenue side. Usually what we estimate for revenue is the actual is very close. It is on the expenditure side that there is the unforeseen. We have a lot of maintenance issues that come up, transportation issues and one of our largest issues is the special services department and those services are so expensive and as children move in and out of the District, it swings our special services costs and we do try to estimate what they will be but like I said a special ed student could cost the District six figures. Mr. Monge stated I don't think we shouldn't say cost – I think there are different ways of presenting that argument but I think that where we are today, you have a million dollars that we essentially over budgeted on the maintenance line, seems like there is a big variance there as well. Where we are today we should be able to come up with an assumption on where we will be with the surplus and the rest.

Mr. Tatum stated I think what we are really saying is that the projected versus the anticipated actual because everything that we have done up to this point is all things and I think there are some other revenues sources that we are still waiting to hear from and one being the State aid and some of the grants that we are also need to get information from them to get the actual numbers. Mr. Vieira stated we are just talking about the general fund and the State aid figures haven't been released yet for the 16/17 school year. From what I hear from the County it is going to be flat and which it has been flat for the past four years.

Mr. Casey stated has there been a trend and maybe I don't want to use the word surplus but I know going back a few years, each year you are seeing some kind of surplus at the end of each year – has there been a trend analysis done to see where that revenue is coming in higher than maybe than what had been expected? Because if two-thirds of the revenue are coming from tax dollars in Union then do we know why or where that additional revenue is coming from – as a taxpayer. Mr. Vieira stated two-thirds comes from the tax levy about a quarter comes from State aid. As far as our surplus to balance the budget, it ranges somewhere around 5%.

Mr. Nufrio stated as I said earlier, the Fiscal Committee is planning to meet again with both Mr. Vieira and Mr. Tatum. I said last week at the worksession meeting, the Board would love to see a little clearer or get a better understanding of the numbers and the actualities as opposed to simple projections. I guess in final analysis is that we will probably again address this next month and probably have some clearer answers because you are absolutely right, the taxpayers are entitled to know where the fraction of that dollar put into this District is going and what we could expect down the road. There is nothing wrong with answering those questions and we intend to address it as often as we need to.

Mr. Casey stated the other reason why I asked that question is because now serving on this committee with the grants is that when going after grants, one of the things that gets evaluated is how you spend your money in District in the past and how you have to handle additional grants – you are talking about tech grants before and 21st century grants, there are a lot of different federal and private grants that are available to the District that do things that maybe you can't do because one of the things that was described tonight was because you had \$22 million that you spoke about but it really isn't \$22 million because it is restricted. Grants allow you that opportunity to have flexibility to spend on more things directly. But there has to be a

clear picture on the way things are being managed in the District. From a financial standpoint that decreases your opportunity to get a grant and I look forward to helping with that. I ask these questions as a taxpayer. Thank you very much.

Mr. Nufrio stated the only thing about grants that needs to be clarified is that many of the grants are not recurring and at some point the District is left with having to pay for that particular project or initiative but having said that grants are absolutely important and essential. Thank you.

Mr. Le stated I have a question for Mr. Vieira regarding grants. When the school district receives money from a grant, does that go to the General Fund 10 or does that go to Fund 20. Mr. Vieira stated that goes to Fund 20. It is restricted for that particular purpose. Mr. Le stated in conclusion then money is generated from grants does not help the situation in terms of balancing the budget for the general fund. Mr. Vieira stated exactly.

MOTION TO ADJOURN:

There being no further business before the Board, it was moved by Dr. Francis, seconded by Mr. Monge, that the meeting be adjourned at 9:45 p.m.

AYE: Mr. Arminio, Dr. Francis, Mr. Le, Mr. McDowell, Mr. Monge, Mrs. Regis-Darby, Mr. Salcedo, Mrs. Zuena, Mr. Nufrio

NAY: None

ABSTAIN: None

MOTION CARRIED

Respectfully submitted,

MANUEL E. VIEIRA
INTERIM BOARD SECRETARY