

TOWNSHIP OF UNION BOARD OF EDUCATION
PUBLIC HEARING MINUTES – APRIL 26, 2018

NOTICE OF MEETING:

The public budget hearing meeting of the Board of Education of the Township of Union was held on Thursday, April 26, 2018 at 7:00 p.m. at the Union High School Library, 2350 North Third Street, pursuant to the notice sent to each member. Action was taken.

Mr. Nufrio called the meeting to order at 7:04 p.m.

PRESENT AT ROLL CALL:

Mr. David Arminio, Mrs. Sherry Higgins, Mr. Jeffrey Monge, Mr. Vito Nufrio, Mrs. Nellis Regis-Darby, Mrs. Linda Richardson, Mrs. Mary Lynn Williams

ABSENT AT ROLL CALL:

Mrs. Minneci, Dr. Francis (arrived at 7:08)

ADMINISTRATORS PRESENT:

Mr. Gregory Tatum, Mr. Gerry Benaquista, Mrs. Moses, Mr. Gregory Brennan, Mrs. Kim Conti, Mrs. Ann Hart, Mr. Barry Loessel

ALSO PRESENT:

Mr. Paul Griggs, Esq.

Mr. Nufrio led the Board in the Pledge of Allegiance.

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

Mr. Nufrio read the District’s mission statement.

COMMENTS FROM THE PUBLIC ON RESOLUTIONS:

Steven Le stated I come today to oppose this budget and to wash this misleading and sugar coating from this administration on the fiscal health of the school district. The reality is this school district is paralyzed with a budget crisis so extraordinary and uncommon in our community. The situation is so dire that even with the addition of \$1.4 million of State aide and \$2 million in property taxes, this school district is reported to be \$9-12 million shortfall. This administration blames the children with special needs for this crisis. This happened because of the incompetents and negligence and mismanagement of this administration. This administration says revenue is fixed and that is true but knowing revenue is fixed means the way to be fiscally responsible is to control your spending and it is clear that this administration went into an unsustainable spending frenzy that resulted in \$6 million loss in the general fund over the past 12 months. The numbers don’t lie. Money was never saved. It was wasted and no misleading statements or budgeting of numbers can hide that. This budget was the biggest let down for the children, parents, the taxpayers, the faculty and the staff of this school district. Thanks to this

budget, the children will see and feel the cuts in regular programs and instructions – basic skills and remedial instruction, extracurricular activities, health services, speech occupation and physical therapy services, library services and technology. Cuts which means potentially fewer programs, larger class sizes, decreased services for the children; not only the children will be hurt but so will the taxpayers. The tax levy will go up by 2.4% and \$74.80 increase in tax only applies to the average assessed home. If you pay \$10,000 in property taxes last year, the reality is this budget will be an \$85 tax increase. If you pay \$12,000 in property taxes last year, this budget will be \$102 tax increase. Lastly I want to talk about our teachers whose livelihood are at stake with this budget and the announcement of layoffs comes after the majority of this Board gave two top administrators 2% raises. Several Board members say that these increases are a drop in the bucket but a drop in the bucket for them. It is several months of mortgage payments for the average homeowner. A drop in the bucket for them is the entire healthcare deductible of the average patient. A drop in the bucket for you is two years of student loan payments for the average young adult. Trivializing raises for well off administrators at the expense of their faculty and staff showcases how out of touch this administration is and for those who voted for these raises may it be on your conscience when a teacher has to go home to their family and tell them that they are out of a job. When a teacher can't afford their bills, their rent and their mortgage - when a teacher loses (inaudible) and professional identity when a teacher loses all sense of security. In conclusion there is more losers than winners in this budget. The taxpayers, the residents, the faculty, the staff and children all lose out in this budget. The only winners here are the administrators that sit at this table with their \$150,000 plus salary - the administrators to be quite frank who got us here in the first place. So rather than us giving them raises, they should be giving us their resignation. The Fiscal Committee chair can join them; that would be the only way to give our school district the chance to reform in and rebuild a once reputable school district. I have hope that we will rebuild and will make this school district better. It only can without them and without this budget.

Danielle Kobler stated I teach science at Kawameeh, serve as the middle school at large representative on the UTEA executive board. I was here at Tuesday's night meeting. My questions never got answered. My concerns have not gone away. Teachers are worried about keeping their jobs, they are worried about their schedules, class sizes and demands of next year in light of this budget deficit. I'm worried about my colleagues, especially the non-tenured staff. I'm worried about my family. I don't know what my life is going to look like for my own children if I have less money coming in and I have larger class sizes but the same amount of contact time with students. It is going to be a really hard balance. It already is. It is starting to look impossible. I worry about my students and if I will be able to provide everything that they truly need with this stress in our life. I want to reiterate what I said on Tuesday that teachers, counselors, paraprofessionals, nurses, security guards, secretaries – none of these are the people that created this problem. None of these created the deficit and they should not be the people that are paying the price; nor should the students and the families that we serve. Yesterday during the meeting at our school about health benefits and the new plans and options available to us and although we were told it was to help us make informed decision, it really felt like a hard sell to the lowest possible plan. It seems to me that the goal of some people is to force all the staff to the lowest possible plan so the Board saves money and I guess if that is the case, I wonder how many of us would have to choose lesser healthcare to save all the jobs.

I feel that a lot of teachers are held accountable for student learning. In fact many teachers that are not in this room tonight are at home crunching numbers and data to try to determine and prove their effectiveness, their value because the deadline is approaching quickly. Accountability is important, measuring the effective is important, requesting an instructional practice and striving to do better for our students is important so why is it not important that we hold the leadership of our school district accountable. Why don't you share the data and the numbers of what has been happening for all this time with the rest of us. Why aren't we pinpointing the problems? Why aren't we creating an action plan that so many teachers have to do better next year? I don't pretend to know the various ins and outs of the school district budget but it is no secret that every year costs are going up, healthcare is rising, supplies have become more expensive, inflation causes our staff to ask for more money to make ends meet. It seems to me that these things are the reason we hire individuals to run our business office and teachers to run our classrooms. If their job is to prepare for what is expected and unexpected to ensure that we do not end up in the situation just like the one that we are in today. The word "waste" was used several times on Tuesday night. I can't help but wonder if we know where the waste is now was it not there last month; was it not there last year? Perhaps a thorough administration would have been able to anticipate and prepare for these problems. I actually remember the decisions you swallowed over and refer to them as "drops in the bucket" tonight are the very livelihood of our staff and the futures of our children. Even the largest oceans are made of drops of water so I will ask you again like I did on Tuesday night – what happened to the money and who is responsible for it?

Mr. Nufrio stated I'm sure in the presentation to follow so maybe some of that will be answered. Ms. Kobler stated you told me to ask them again tonight. Mr. Nufrio stated I don't have answers for you.

Rich D'Avanza stated UTEA vice president. I grew up here in Union. I'm back like many others to educate our students. Today I had a first year teacher come up to me and what the conversation was about was she wanted to know what was going on. She attends monthly meetings where it is rah rah first year teachers – hopefully everything is going good and we want you on board for the long term and it was pretty hard for her to fathom that the position of the budget and individuals are going to be laid off – it is hard for her to understand how it came to this point and what lies ahead and numerous questions and hopefully a lot of them will be put to rest and answered tonight. When we look at the district of Union and a lot of it is a result of the history of education – back in 1954, you have a famous Supreme Court case – Brown vs the Topeka Kansas Board of Education which dealt with the segregation of public schools. Primarily a town of segregation was prominent and students were separated by their skin color. Over the years laws were created to de-segregate these towns and where busing was quite prominent to unblock the color barriers that were established by the schools. When we look at the Township of Union today, the demographics have changed significantly. Much of the Town for the most part is quite integrated to begin with. The cost of busing can be upwards of \$2-3 million out-of-school district that still exists. The question is when do we go back to neighborhood schools. When we face financial crisis that appears in front of us today and at any time has that been scrutinized and looked out especially with the renaming of Central 5 to Jefferson School and rumors about that over the past couple of years.

Another thing that has come to attention as well and has been discussed at Board meetings is the over development of the Township of Union and in part with the Merck property and it is the case where the Township of Union and the Board of Education are on different paths. There is not too much conversation regarding these development and how it impacts on schools in particular. Here we are today looking at the shortfalls of the budget, the loss of staff that will impact lives, student lives, parents and instead of looking to cut staff what could be the impact of those units at Merck property on that one side of Town – really Washington School is left hanging out there and that needs to be looked as well.

Liz Pennachio stated I have been a para in this district for over 15 years which I'm happy to serve. Every year I would wonder if I would have a job the following year. It is only recent that I did not have to worry because I have been here for so long. However, paras are in need throughout the district. We play a valuable role with assisting the teachers in their educational plan and we also help the students learn and achieve academic success which is why we are all here. If the children don't come first then who does. I am asking the Board to please consider not letting go of any paraprofessionals in this district or non-tenured person because the reason why we are all here is because we chose this profession and we chose to make a difference. I am happy to say that I have five children who went through all the school system in this Town and they have all succeeded very well. My youngest is now working in the district; I would hate to find out that she would not be in this district any more after being a student here. I am asking that you please reconsider not letting non-tenured person go and not letting any paraprofessional go who is a valuable asset to the Board of Education and mainly to our students.

Anne Margaret Shannon stated I was in business before I was a teacher and I do understand I have a business degree so what I want to talk about that you consider when you have to make these decisions – we want to protect any program that directly affects the students and that is what we are here for. A lot of times people will look where it may be easy to cut but the long-term affect could become detrimental especially classes sizes. We ask that you look at the programs. Pre-k has been mentioned many times and hopefully it will be a revenue source and when you guys consider these things that you reach out and when you consider all the extra expenses, especially special education vs general education pre-school and it sounds good and it could be a money maker but there is a lot of stuff that goes into it. Please look at those programs really carefully. Rich mentioned about the school and Town working together. When these developers come in is there a chance for the Town to say you can come in but you have to build a school? That may be the way to go. Unfortunately you have to talk about cuts but I would ask that if the cuts do come – across the board – not just heavily on the non-administrative. We have to look at every corner. I appreciate if you would look at every possible solution.

Laura Detjen stated there has been a lot of changes and I'm hoping I have gained some insight tonight and I only know how PTA budget works and I know when we create a budget it is well in advance and it is based on prior experience and we have the ability with a vote to move a line item and that might not be the case for this particular budget. I don't want to assume that things were mismanaged but it is hard for us not to think that when we walk in and we see somethings changing but not others. I don't have my smartboard fixed at Kawameeh but yet we have brand new floors in the office but there are other resources that we need. I'm not saying we don't need that – our bathroom is not working that is fine. I am not here to judge where the

priorities are but I would like some insight as to when we go through the year and you see your underspending in one area, can you move it to an area that becomes a needed area. Also living in Town I would like to see a vision for future children not just planning for this year but planning for the future. Our population is growing and we are not going to be able to house these kids so where is the vision for the next bond referendum to get us the school and get the resources.

Woman in audience stated I am here to advocate for the ESS program at Burnet Middle School. My understanding it is going to be cut for the school year 2018. I think it is something that is going to hurt our children. Those counselors are there to help them with academics, socially – our children that are IEP as it is they don't get enough help. This is a program my daughter has been involved in for the past two years. She doesn't know yet that this is going to be going away. I can't imagine what it would do to the children not having those counselors there. Instead of cutting back we should look forward to maybe expanding it to Kawameeh Middle School, to the Union High School – to prepare these children as they transition from middle school to high school – not hurt them. Give them the help that they need. As IEP students they struggle as it is day in and day out. I don't understand why the Town would consider cutting a program that has been so important to our children. Maybe some of the Board members could sit when some of these sessions are happening. Interview some of the children before they make a decision to cut and leave our children hanging out there. I believe I had spoken before the President of the Board at a PTA meeting at Burnet and advocated how wonderful the program is. Let's rethink if the choice is to cut and consider it going forward for next year and expanding it to the other schools and not take it away from our children that need it.

Ashley Prada stated I'm proud of Union. I went through the Union Township Public Schools. I'm here on behalf of myself and all the other non-tenured employees of the District. I know this presentation is all about budgeting and numbers but I just want you to consider all the lives that are going to be affected.

Man in audience stated he has been here a couple of times – if it was up to him it would be based on the size of the school population. Many times it was talked about what needs to be done to make sure that this is a community school. There are many good programs but if we don't have the money for them then why do we have them. The last he was here was the roll out of the computers – if we think we can't afford this – let's stay within our means. You can achieve the same goals if we all work together. Tonight with the budget and the teachers are not happy now – how did we get here? You can't continue to spend. The Board cannot expect that the revenue should be used and some it should go back to the parents. The culture is to pick up everything and there are things that the parents are obligated for. Now we have a huge problem. It takes courage to do the work up here. Why should the district buy PSAT for the student – it should be the parent. Based on our size – what do we need to do to reduce the population of our school.

Cathy Sharpe stated I thought I wasn't going to talk. I sit up here every month talking to you people and you have to listen to me asking for this, that and the other thing and half the time I walk away I'm not happy. A little bit of the time I am happy. Tonight I'm sitting here and I'm

not asking anything for the staff, I'm not asking for anything that is a major thing to the UTEA. What I want you to think of tonight are the children in this District. I have been hearing rumors and I haven't heard it from the man and anybody else so they are rumors that scare me like Union should go the way of other districts and cut things that are not core curriculum. To me I watched these children for 36 years and watching a child with a paint brush in their hand but they can't add 2+2 but they are on top of the world. Art is important. I see students stand up on the bleachers and sing their hearts out at programs. They may not be able to spell the word "cat" but they can memorize a song and sing it and they are so proud of themselves and their parents sitting in the audience are so proud. Music is important to our children. I see students walking into media centers. To me there is nothing like a child walking in, looking around and taking a book and holding it in their hands opens a world to these children. Libraries are important. Computers are important too but I haven't heard rumors about other things. I am asking you tonight to put yourself in the place of a child walking into school, it may be the only place they get to hold a book in their hand, play an instrument, sing a song or pick up a paint brush. Please if there is any place that you don't cut – don't cut the arts from our children.

Nicole stated I want you to reconsider because I'm a first year teacher making a difference for the public schools just like all the other teachers and support staff in our district. I came in September thinking that this would be the start of my wonderful teaching career in a district where I'm proud to be an alumni. I work hard to try to stand out due to this career being competitive. To think this could be pulled out from under me due to budget issues is disappointing. It has been instilled in my administration that I am a valued teacher but I now question it.

Shawn Browne stated my son has been in this district for eight years and I have sat at this table. What else can you take from this school district? There is no fun here and there is nothing for them to do. They don't go on trips. I complain about Burnet Middle School. This place is a mess I just don't understand. My son doesn't come home excited about one single thing. When are we going to expose our kids? I work for a company – people helping people in need. I work with people with disabilities. They are having a hard time. If they are not getting a good education, vocational training and you are not taking them out and exposing them. Where is the money going? Why do we have a budget problem? The last meeting we had a million dollar surplus for legal counsel so there should be some money from that. My son is here – special services is a joke – you need to tighten up on that. Whatever is going on there is not helping the kids. I joke about it but I say it is a "special disservice" – you are not helping it – you are dumbing it down so kids seem like they are doing better but they are not doing better. You keep taking from them – what are we producing from you? I bought a home here because I thought the school district was good here but by the 6th-7th grade, forget about it. I watch them for three years in middle school doing nothing. Why? Where is the money for anything for them? The school lunch is terrible. Who is taking care of that? Who is watching anything around here? And now you have no money. I have to find where the money is going because I hear about \$10 more to the police and not the school. I hope that is not the case. I am going to do the research but we are homeowners and if we are paying school tax dollars in no way should you be having money trouble. Someone needs to be paying attention to the books and get this thing in order; it doesn't make sense. Somebody needs to do something besides giving kids a Chromebook.

Mr. Nufrio stated I'm hoping the presentation which will follow will at least touch upon many of the questions that were asked.

Woman in audience stated who did make the presentation because before you told me that you hadn't seen it and you have a lot of hope in it – like where the money, who is responsible – who made the presentation. Mr. Nufrio stated the presentation will be given by Mr. Brennan, the Business Administrator. Woman in audience asked Mr. Brennan did you create the presentation or are you just giving the presentation. Mr. Brennan stated this was a collaborative effort of all the Central Office Administrators – Superintendent, two Assistant Superintendents, myself and Mr. Vieira.

Mary Ann Dagastino stated with due respect to Mrs. Browne, I do take offense to the fact that Union is not a good school system. I have lived here close to 35 years and my children came through the school system and they are very successful. My concern is that we have to put the children first. We have to think about them and their needs and their happiness and I think we have to focus on that and their successes. I know I go to work every day and I have taught first grade and now I'm a co-teacher in third grade and I go to work with the intention of fulfilling my responsibilities and making my children successful. I don't want Union to be a school system that is looked at as a failure because it is not. I work with some wonderful staff, administration and I think if we just focus on the children and their needs and not on ourselves so much that we will be successful. I just want to state that I take this personally because I live here and I love this Town and I respect the diversity and I respect the people here and I respect the businesses and especially my school system. I want you to make the right decisions, I want you to keep these non-tenured teachers that have dedicated the rest of their lives for children and I want this to be a successful school system and I know it is. I want it to be better and better. I know in my heart that this is one of the best systems in New Jersey.

Kathleen Brunsmeyer stated I had no intention of coming up here. I am blessed and honored to work in the District. I know there is no solution that everyone is going to be happy with. This is a large amount of money. I don't know the policies across the board. I did try a couple of times to click on and read some policies and we have thousands of policies. My one comment is when it comes to lunch and because I work in the school – the lunch system is bad and the food might meet standards across the board – it is just really bad. I was told that at Kawameeh they are getting the same portion as the elementary schools but they are charging more and it came down to the nutritional value thing so when I did ask the person from the lunch service company why are we charging more if we are giving the same amount – they said we will have to get back to you and that was 2-3 years ago. I know for a fact that there are children because the service doesn't give a sandwich any more, they allow them to go into the negative. There are children with hundreds of dollars in the negative. One child who was joking about it in school today that he is \$700 in the negative and they have two siblings in the school so I'm sure if one child is then they all are and they are not the only ones. If that is one school and that is just a few kids that I know of that are in the negative, I can't imagine the amount of money districtwide that we are losing right now. I agree that every child deserves to eat lunch – it is not the children's fault, but something needs to be done to make the parents accountable – that is years' worth of not paying – food doesn't come to you from the food fairy. I would like us as a district to step up and try to tighten those controls because I think that might help.

Christopher Hodge stated I am a teacher at Jefferson School. Having grown up in Union and having gone through the Union school system I take pride that I came from this school. I look at the teachers that I had – I went to Battle Hill and Central 5. One of the teachers I had in Central 5 had such an undeniable impact on my life and what I wanted to do on my life. I devoted all my time to going to college and coming back to be a teacher. I had spoken to Dr. J, Dr. Martin and of course Mr. Tatum in my efforts to become a teacher in the Union school district. I would love to keep working here and I want to make it happen and being there for the students in my class – all of them. The idea of not being able to do that is gut-wrenchingly awful. I know there are people sitting behind me – co-workers of mine – who are working in other schools in the district who I grew up with and we are all here for the same reason. We are here for the kids and I want you all to know that. That is our purpose and I hope you guys see that as well.

PRESENTATION OF BUDGET:

Mr. Brennan stated I am the Business Administrator and I'm here to talk about the 2018-2019 budget. It is a difficult presentation for me to make. I would like to thank the Board President, the Board members, Mr. Tatum, Mr. Benaquista, Mrs. Moses and Mr. Vieira for putting this together. We have worked over the last couple of months diligently and have had to make some very hard decisions. I will go over the numbers in the first part of the presentation and then the Assistant Superintendents will take over with the curriculum piece of the presentation.

The District technology budget – we have made significant strides over the last two years with installing Chromebooks and infrastructure for those Chromebooks. The infrastructure is made up of switches, routers, wiring in both the middle and high schools. We have met the one-on-one initiative and we are also PARCC ready. The plan was to phase in Chromebooks and infrastructure into Jefferson School but under the conditions of the budget, we chose to put that off for one year. We will be sustaining our technology budget for the next year.

We started the budget process in October. We met with several areas of the school district – mainly Central Office Administration. Mr. Tatum called up all the principals up to his office and they had a sit down about each school budget.

Mr. Nufrio stated at the request of the Board, we would like to pause for a few minutes and provide each of the Board members with copies. (5 minute recess)

Mr. Brennan stated thank you for your patience. I am going to start from the top. We have worked on this presentation and the budget with Manny Vieira, Mr. Tatum, Mrs. Moses and Mr. Benaquista. I was corrected. I will go over the financial part of the presentation and Mr. Tatum will lead with the curriculum with some input from the Assistant Superintendents. Again I would like to thank the Board President, the Board Members, the Administration and all of you who came out tonight and voicing your concerns. They are understood.

2018-2019 budget – technology – we will sustain that budget for the 18-19 year. The last few years we made great strides with Chromebooks and infrastructure in the high school and

middle schools. We did that through lease purchasing and we are phasing Chromebooks for Jefferson in the 2019-20 school year. We are going to skip a year and that will size us over \$500,000.

Budget meetings – we had budget meetings throughout the year. We started in October and we started with Central Office Administration. Then Mr. Tatum meets with each building principal and goes over their needs. We also meet as a group with the Directors, Supervisors and the Vice Principals are also included in the building principal meetings. We had many finance committee meetings and also special finance committee meetings to go over this budget with Mr. Monge and the Finance Committee.

We also brought this budget shortfall to the attention of the public back in February at the Planning Session meeting - not in detail but we put it out there.

Budgeted Fund Balance – this is why we are in this situation. The 2018-2019 fund balance is \$5.9 million less than we had for this current 2017-2018 fund balance. Budgeted Fund Balance originates from unexpended appropriation in the budget. Whatever is left and unexpended it falls to fund balance and we have been fortunate in years past where it has been anywhere from \$4-\$6 million. At the end of June 30, 2017, the fund balance was \$1.4 million. Why the \$5.9 million less – we had increases in special education costs. We went from 130 out-of-district students to 150 and each student averages \$100,000 between special education, aides, health services and transportation.

Salaries go up over the course of years and that snowballs too and eats away at the surplus of the fund balance that we have had in previous years. Our benefits for the 18-19 school year just increased March 1st of this year – went up 15.8%. We did finalize the agreement with the UTEA so that will get better and will lower the increase to 12% but still that is a lot of money – about \$2.4 million.

Transportation has been going up and increasing and it is over \$6 million per year. \$3 million of that \$6 million is for special education students.

This year was the first year in many years that we got State aid increase. We got \$1.4 million additional in State aid. Thirty-five percent of our budget is funded by State aid. We have been flat and that is another reason why the surplus has been eaten at because we have been flat in State aid so the revenue for State aid has been flat all along for 35% of our budget although salaries are going up, health benefits are going up for that portion of the budget.

The tax levy increase went to 2% and that amounts to \$87 million of \$130 million budget – we can only assess the 2% on the \$87 million – that is \$1.7 million.

Banked Cap is \$321,000 and that is 0.37% of the tax levy. As I said many times, we have \$130 million approximately operating budget, the \$1.7 million and the \$300,000 is about \$2 million and it equates to about 1.3-1.4% and if you divide that amount - \$530 million. Across the board we are only bringing in 1.4% and that creates this problem.

The cost per pupil this year comes out to be \$15,017. We have 1,236 employees in the district. We have 7,150 students on roll.

Here are the revenue numbers for 18-19 – our local tax levy which is assessed on the general fund plus our debt service, which is about \$3.9 million, is \$92,543,494. We got an increase of \$1.4 million in State aid so our State aid is \$34,372,420. Our federal aid is \$2,771,794. Our budgeted fund balance for the general portion and our debt service is \$1.5 million. Our withdrawal from capital reserve of \$1.5 million is \$1.1 million and that is for capital projects throughout the District and \$400,000 is for miscellaneous revenue; for a total of \$132,693,719.

On the appropriation side – we have general and school administration/central services/technology - \$9,219,359. Our capital outlay is \$2,256,013. Our debt service is \$2,932,350 – that was previously voted on by the voters in the years past. Our salaries and instruction is \$64,230,578 - \$11 million is special education tuitions for out-of-district. Operation and maintenance is \$10,496,262. Employee benefits went up \$2 million - \$22,162,590. Student support services is \$15,042,068. Transportation is \$6,354,499.

A couple of questions were about the surplus and where did it go – I want to give you an example of actual numbers and it is not blaming on one department, it is a culmination of things. We have State mandates that children with individual education plans – debt services and since the 14-15 school year through now, our special education budget has increased from \$29 million to \$37 million. When you ask where the money goes, a lot of it goes to that program.

The tax impact on the average homeowner for 2018 – the general fund is an increase of \$77.26. Our debt service fund had a decrease of \$-2.29 – so it nets out at a total increase of \$74.97. That is down from last year which was an \$82 increase and the reason for that our tax rate went from 2.09% last year to this year 1.86%. The reason for that is a little bit of good news is that the real property in Union has increased. The way they calculate the tax rates is they take the dollars that need to be raised for the school district and divide it by the real property and it comes up with a tax rate. The tax rate is less so you see less of an increase.

Mr. Nufrio stated this would be a good time to address any questions to you. I want to point out that Mrs. Higgins indicated in an earlier part of your presentation you said an 18-19 budget but you were talking about the health cost increase and that was absorbed in the 17-18 numbers. Mr. Brennan stated March 1st is when our new rates come out and we were fortunate the prior year to have a 0% increase from March 1, 2017 to February 28, 2018. March 1st we had a 15.8% increase from Blue Cross/Blue Shield. Mr. Nufrio stated that is to cover March through what? Mr. Brennan stated we did settle the contract so March, April and May. Mr. Nufrio asked did that money come from 17-18? Mr. Brennan stated it did come from 17-18 – but for 18-19 we are still going up 11.8%. Mr. Nufrio stated just a correction for everyone.

Mr. Monge stated the revenue page – what is the assumption for extraordinary aid? Mr. Brennan stated we budgeted \$1.2. Mr. Monge stated miscellaneous revenue? Mr. Brennan stated \$400,000. Mr. Monge stated as it pertains to the capital outlet – that includes the \$1.1 million capital reserve? Mr. Brennan stated that is correct. Mr. Monge stated as far as salary

and instruction that is our total. Does that also include instruction and undistributed expenditures? What makes up the \$64? Mr. Brennan stated as I said before it is salaries, \$11 million is for out-of-district tuitions, also supplies, textbooks and that nature are included.

Mr. Nufrio stated I'm sure yours shows salaries and instruction also added to that also says out-of-district tuition. Mr. Monge stated I see that. Are you going to have a breakdown of this anywhere else? Mr. Brennan stated we advertised the user friendly budget – that has to be 48 hours from approval. We will have the user friendly budget up on the website and it also has to be posted.

Mrs. Higgins stated you have cost for pupil – how many students are there that are out-of-district? Mr. Brennan stated that is just general education; that excludes out-of-district special education. Mr. Tatum stated we will provide the information on how many students we have.

Mr. Nufrio stated Mr. Brennan there is an expense as well that the public needs to know that if a resident's whose child is attending a school in another town, bus expenses are refunded to the parents. Mr. Brennan stated \$1,000. Mr. Nufrio stated that is State mandated. Mr. Brennan stated yes and we have 400 students - \$400,000. Mr. Nufrio stated we currently have 400 – I thought the number would be much less.

Mr. Monge stated one of the line items I have been talking about for the last couple of months is custodial services. Where is that number? Custodial services includes utilities and many things right? What is your budget carrying for custodial services? Mr. Vieira stated custodial salaries are about \$4 million. Mr. Monge stated this is summarized but I have asked for some detail behind some of these numbers and you had custodial services at \$6.4 million. Mr. Vieira stated the operations and maintenance is buildings and grounds salaries, the custodial salaries, also utilities – which run a little over \$2 million a year and there is more detail in the user friendly budget which will be posted on our website tomorrow. Mr. Monge stated that is the issue. Mr. Vieira stated I will look. Mr. Monge stated we are talking about voting on something. Mr. Nufrio stated you are absolutely right but the only condition is we are mandated by certain deadlines. This is why we are here tonight. If we can request additional information, can that deadline be postponed? Mr. Brennan stated we are having the public hearing tonight. Mr. Nufrio stated as Mr. Monge said we are voting on something which hasn't been yet been clarified. Mr. Brennan stated we will clarify it in detail here.

Mr. Vieira stated the maintenance budget is \$2 million. Mr. Monge stated I'm talking about custodial services – 11-000-262- that one. Mr. Vieira stated 262 is \$6.5 million. Mr. Monge stated I just want to offer the clarity and I have been talking about this a couple of times. This is for folks to understand that historically we have been under \$6 million and appropriations for the rest of the year that number is \$5.7 million so then we are budgeting about \$800,000 more than we actually used this year. I do see transfers and in this last meeting is we were moving a lot of money from that line item because we are under our projections and we are moving it off to other line items and that is a concern that I have expressed in a couple of the meetings and it is a concern tonight.

Mr. Vieira stated I can give you a breakdown of the \$10 million. Operations and Maintenance totals \$10 million. The maintenance department – plumbers, electricians, skilled workers that is \$2 million; then we have our custodians and utilities are \$6 million; the grounds area \$500,000 and included in the \$10 million is also our security which is our security officers, supplies and that is \$1.6 million for a total of \$10 million.

Mr. Monge stated under instruction and this is what I do at night – I put together spreadsheets on the last four meetings worth of transfers. Under instruction – expenditures – I had my last meeting a couple of weeks ago with Mrs. Richardson and we had \$11.1 million. Mr. Vieira stated on the budget line you are talking about is the out-of-district tuitions. Mr. Monge stated where we stand today is the assumption that line item will end up being \$10.57 million so we are assuming based on our actuals versus our projected number that should be going up about 5% - is there a justification for that? It is about \$500,000. Mr. Vieira stated the out-of-district special ed schools – historically they raise their tuition approximately 5% per year. Again going back to a tax levy of 2% and an overall revenue increase of 1.4%, the expenditures are increasing at a lot greater rate than the revenue is, hence the budget deficit.

Mr. Monge stated going to security – I have a \$1.5 million number is that still the number. Mr. Vieira stated that is the current year. Mr. Monge stated I have a proposed. Mr. Vieira stated the proposed security budget for 18-19 is \$1.5 million. Mr. Monge stated where we are today on actuals and projected actuals, we are about 1.279 based on F-2 on Tuesday so that we get us to over a 15% increase in that line item and is that inclusive of the overtime – we were talking about time and half that we were covering basically allowing folks to use the school but we were also covering the cost of custodian and security at time and a half. Does that include that? Mr. Vieira stated yes. Mr. Monge stated we said before that we were going to start passing those costs to the people that were using the facilities. If you want to use it, you don't have to pay for the facility but you have to pay for the costs so why are we assuming a 15% increase when we should be expecting a line item to go down? It can be a point taken Mr. Vieira.

With technology we said that the budget was going to stay the same. We actually have to cover additional cost on the technology side so is it the same from budgeted or is it the same from where we are today? Mr. Vieira stated the technology budget is approximately the same next year as it is this year. Mr. Monge asked what is the dollar amount? Mr. Vieira stated \$900,000. Mr. Monge stated \$900,000 last year's original was \$925,000 but we actually spent more in that line item this year so it really is a reduction based on what we actually spent not what we budgeted last year. It is a decrease in that line and there may be a justification but more importantly and just as important, we talked about the phones and please make sure that is something that was taken into consideration because of the security aspect of it – connect the phones to the police department, among the classrooms and we ask the Technology Committee if we could offer serious consideration to that because the cost of the phone system, the return is you can't quantify it. Is that part of our budget? Mr. Benaquista stated no. We are researching right now. I talked to the architect today and there was an article yesterday about security money coming from the federal government. He is going to inform me as soon as he hears more about how we can start going for some of that money.

Mr. Monge stated Mr. Tatum we talked about planning is important but we talked about action being more or just as important. If we go through planning, we are not going to be able to do anything next year – it will be the year after and everybody is obviously concerned about heightened security as they should be and it seems like it is a low dollar amount based on the impact that we can have for the school district in security. Mrs. Higgins asked how much of the \$900,000 is freed up? Mr. Vieira stated the \$900,000 is basically maintaining what we have. Mr. Monge stated it is not just maintaining what we have because we spent more this year so it is actually less than what we spent. There is a reduction. While we budgeted \$925,000, I think we are at a million and change. I'm not talking budget vs budget, I'm talking about actual vs what we are trying to budget. This is a point of information that it is a reduction in our current spending so it is not the same so there will be an expected cut to technology.

Mr. Nufrio stated I would like to change track. Mr. Vieira can you please explain to everyone when approaching negotiations of any contractual agreement that is expired or about to expire – what is typically done in the business office to prepare for that. Mr. Vieira stated to project salary increases? Mr. Nufrio stated and to require a possible amount in the basket to draw upon. Please explain and how this particular year, when the Memorandum of Agreement and the contractual agreement governing the salaries, the differences between what was actually appropriated to what is actually the expenditure and what that number came to? Mr. Vieira stated the UTEA salaries were approximately \$60 million. When we compared the 17-18 school budget based on the estimated revenues, we budgeted 2% for salary increases. So 2% of \$60 million is about \$1.2 million.

After the negotiations, the settlement coming in about \$1.7 million – the 2.7% for the teachers, 3% for the support staff which is \$1.7 million increase so it is \$500,000 more than the actual salaries. Mr. Nufrio stated it is even more than that because each year the percentage needs to be added on to the former number. Mr. Vieira stated since we have a signed contract I knew for next year the budget now a larger percentage again it goes back to revenue increasing at 1.4%, salaries plus benefits increasing 6% - the salaries and benefits are \$100 million for the entire district. Mr. Nufrio stated when you prepare for the upcoming negotiations you typically set aside 2%. Mr. Vieira stated we use that as a benchmark. Mr. Nufrio stated it has no correlation to the 2% cap? Mr. Vieira stated if 100% of our revenue is coming from the tax levy that would make sense but since only 65% of the revenue is coming from the tax levy – we shouldn't be settling contracts for more than 2% - it should be less than 2%. Mr. Nufrio stated the question was so you would be informed on how that translated to an additional expenditure that had not been appropriated. So \$500,000 is the number and going forward you will of course need to put in enough to offset that for the subsequent year – 2 more years to the contract. Having done numerous contracts with all different units, I know that when I had approached any negotiations I was confident that the business office was being at least frugal and cognoscente of how big the wallet is as opposed to expectations which is fine that is not the issue. The issue then becomes how it is translated in terms of numbers. So just for everyone to know that \$500,000 was not appropriated but typically in the years past Mr. Vieira, what was the percentage that you would put into the basket to approach negotiations? I did prior negotiations. Mr. Vieira stated 2-2.5% but when it was more in the past is because we were generating more excess surplus so we had more wiggle room. Our surplus is down to \$1.4 million for the 18-19 budget so it is a small percentage of our budget.

Mr. Nufrio stated in the past and I have negotiated at least one or two contracts, we had a little more revenue and more wiggle room. When you appropriated the percent, which is a requirement, you can't just enter into negotiations without having the basket with money in and now you are working with an unknown factor that could result in a couple of million dollars or thereabouts in additional unknown expense. The assignment of 2% was predicated on the size of the wallet you had – would that be correct? Mr. Vieira stated yes.

Mr. Nufrio stated going forward you have to make that adjustment for the next two years which would translate to approximately over \$1 million. Mr. Vieira stated right. Mr. Nufrio stated \$500,000 plus a percentage and it is like compound interest. Just so everyone can understand that in any negotiation, in any settlements, you try to set aside what you can. You try to be as wise and act intelligently with regards to how much money you can actually appropriate.

Mr. Monge stated the capital outlay, you have \$1.1 million and I know this is part of our vote tonight. What I have been saying over the last couple of months is if we don't have the opportunity to replenish our capital reserves then it would be not smart of us to spend \$1.1 million in capital reserve this year if we only have \$1.5 remaining. Someone said this evening which is part of the conversations we were having as well is that a referendum is the most prudent thing to do and an example that Mr. Brennan and I spoke about is that if you finance \$10 million in project costs and that is costing you \$100,000 a year – we here have an opportunity to really do a referendum and being able to do something material across the District and it would actually cost us less on an annual basis because we would be financing it. That is something that goes back to that \$1.1 in there – is there any thought about replenishing that reserve? Is that part of the plan, did you figure that out? Looking at F-2, the surplus and we use words and people have different definitions of those words but we are going to be under budget based on that too and freezing our budget other than special services where we need to spend, we have a little more than \$4 million that is unappropriated. I would think that money is remaining and that may be an opportunity to replenish that reserve. You guys haven't gotten that far in thinking. Mr. Vieira stated in June we will review the Secretary's Report and if there are any unexpended appropriations at that point, they will be transferred to capital reserve. It can only be done in the month of June by statute. Part of that \$4 million that you are talking about is the \$1.7 in retro pay and also all the extra pay that has to be paid for April, May and June. The spring is high season for extra pay. Mr. Monge stated that should be budgeted. Mr. Vieira stated it is budgeted but it is included in the available balance on the Secretary's Report. It is appropriated. We don't encumber it until we do the retro pay.

Mr. Monge stated a couple of months ago when that number was \$7 million we talked about trying to put together a budget on how we are going to try to protect as much of this money as possible before the end of the year. If we are not going to have an opportunity to replenish that line then it should be very clear that we are not going to spend that money unless we have an opportunity to replenish it.

Mr. Brennan stated we already had a conversation with Mr. Loessel about that and he has agreed to not go and spend the whole \$1.1 million. The sizeable amount in that fund and when I say sizeable I'm talking about \$400-\$500,000. There are a lot of projects that need to be done.

Mr. Nufrio stated would that obliterate what has already been scheduled or anticipated? Or is this aside from that? Just a concept – yes Mr. Loessel is prepared to work with the finances but would that in any way obliterate what already has been scheduled to be done. Mr. Brennan stated no. Mr. Nufrio stated to get a clearer number for everyone – what is the aggregate number between the actual 5.9 and the underfunded capital reserve? Mr. Brennan stated I'm not sure I understand. Mr. Nufrio stated we have a deficit of 5.9. Mr. Brennan stated that is in our general fund – capital reserve. Mr. Nufrio asked what is our reserve in that? Does that include the reserve money that we should have? Or is that aside from that? Mr. Brennan stated separate.

Mr. Nufrio stated let's get an aggregate number. We have general fund 5.9 – what should be a safe reserve? 2%? Mr. Brennan stated 2% of our expenditure – we are at 1.5. Mr. Nufrio stated so we are a half percent shy in the reserve. Let's go to capital – capital we have a reserve and how shy are we on a reserve for capital? Mr. Brennan stated capital reserve we are at 1.5. Mr. Nufrio stated so we are half percent shy in capital reserve in what we are expected to hold and the State recommends. Mr. Monge stated there isn't a recommendation. Mr. Nufrio stated there is always a recommendation because of unanticipated emergencies.

Mr. Monge stated there is an emergency reserve which we are not counting. Mr. Nufrio stated where are we with that number – are we at a safe number or redline. Mr. Monge stated we haven't touched that number since I have been on the Board. Mr. Brennan stated we have \$1.5 in capital reserve and \$1 million in the emergency reserve. Mr. Nufrio stated \$1 million is what I'm referring to. Does that translate to what is recommended to have in an emergency reserve? Or how far below are we? What I heard two weeks ago was that the number came close to \$11 million with counting all the deficits – real, reserve, real, reserve. Mr. Vieira stated let's go back to the emergency reserve. By statute you can put 1% of your general fund budget into an emergency reserve – up to \$1 million. One percent of our budget is \$1.3 million. Years ago when we had a \$100 million we put \$1 million into the emergency reserve and it has been sitting there for several years.

Mr. Monge stated there is another reserve on top of that - \$1 million in capital reserve, maintenance - \$250,000 – there is another reserve. Mr. Vieira stated we have \$400,000 in a maintenance reserve. Mr. Monge stated which we don't touch. Mr. Vieira stated the cap reserve, the maintenance reserve, the emergency reserve – they are for emergencies.

Mr. Nufrio stated it is also important for the public to understand, you cannot take money out of the capital reserve – whether it is the emergency or otherwise and put it in the general fund. It stays there and it is ear marked only for that. The public may have a perception – you have money in capital, bring it back – you can't. I just wanted to get that out.

Mr. Monge stated this is the last thing I promise. We are floating two 6's - \$6 million that I understand is about 25 new students that are out-of-district - \$2.5 million and we talked about the new contract - \$1.7 million and we talked about healthcare – (inaudible) and the other number and it is hard to offer clarity on this \$6 million that we lost – we lost \$6 million in revenue and I'm going to try to offer a layman's response.

Mr. Brennan and Mr. Vieira call it revenue because income revenue that is the term that you all use. For us it is savings. It is money you have in your pocket - \$20 – you didn't spend it two years ago and two years later you have the ability to use it. You go and you use it but you can't expect that you are going to get that \$20 next year because it is a onetime shot. When someone says we lost \$6 million, we didn't lose it – it was money that was used and if there is money left over at the end of the year, you will use it two years down the road. Mr. Brennan stated you carry it two years down the road – to offset taxes.

Mr. Monge stated let's talk about that \$6 million. Why did we have \$6 million for this year vs \$1.5 million for next year. Let me educate folks because this isn't going to happen again. There was an assumption that our healthcare costs would go through the roof – it was our old brokers that made that assumption and it was through the business office and the finance committee which Mr. Le was part of that finance committee. There was an over budget of that line for \$2.8 million so at the end of the year we had \$2.8 million more than we had. We also had a budget for custodial services that was over budgeted \$1 million so that is \$4 million and then on top of that we said the sky is going to fall because we are going to get this big hit on health insurance, we took a \$1 million banked cap. We taxed the community \$1 million on top of that in preparation for the sky to fall. So at the end of that year we actually had money left over – over \$7 million. Of that money a percentage goes into surplus and it ends up being the \$6 million that got used up this year. Is that revenue? No guess what because the taxpayer paid a \$1 million on top of the \$1.7 million and then that gets compounded. Once you pay it, you keep on paying it on an annual basis. So when we say we lost \$6 million – first off we made a mistake by having the \$6 million – so we can't talk about why did we lose that money – ultimately at the end of the day the taxpayers are the ones that paid for it because that was the \$20 we had in our pocket that we used this year and we won't see that money. I hope that made a little more sense.

Mr. Nufrio stated at the request of Mr. Arminio, we would like a simpler explanation. I think I may have just the ticket. You have a salary, some people get overtime, suppose this year you made \$25,000, and another \$1,000 in overtime, can you be certain you are going to make that same \$1,000 next year and that is how that translates. So the overtime is what the overage was but it is not recurring. You are never guaranteed that. In business management, you try not to think about that \$1,000 – that is party money so to speak – to buy things this year. Next year you say I'm going to buy a more expensive car, but does it fit your wallet? Otherwise you would have to borrow against some other dedicated money earmarked for something else – now what happens to that particular item we were supposed to buy – now you can't buy it because we decided to go over the budget – meaning you decided to use that non-recurring income. I hope that helps a little bit. Mr. Monge stated that is a great example and if you are going to use that money don't use it for recurring expenses. Mr. Nufrio stated exactly because you are not going to have it and it is not guaranteed. The only thing that is guaranteed is what the State, federal government and the local tax levy give us. Mr. Brennan stated that is a big part of it – the increase I laid out in my presentation with special services, with salaries, with benefits, with transportation – goes along with all of that.

Mr. Nufrio stated the major aspect of preparing for tomorrow is getting it right today and yesterday.

Mr. Tatum stated the program offerings in the budget despite the information that you have heard so far and the fact that earlier it was stated that we would be losing many of our programs – as always that is not completely accurate. One of the things we talked about at the last meetings is to continue our half-day pre-k program and pilot three full-day pre-k. Let me explain how that works. I used the term the other night – waste – now that we defined what I meant when I said waste is that we have people in the District and are being utilized for something that because we don't have enough students in that particular classroom, that we are using them to do things that are not required of them – working in the AAP program. I would like to take my full-time pre-k teachers that are doing AAP and put them into this program which not only does that help us with some revenue in some regard because we are looking at possible State funding as well as grants but also most of our pre-k classes have a few aides in there. In looking at the way this program will be structured and I know Mrs. Conti mentioned something to me about using them for enrichment programs and that could possibly save some people. Keep that in mind as we move forward.

But to continue with our full-day kindergarten program, continue with our regular academic pre-k through 12 program. Continue to maintain our afterschool enrichment programs. Again let me explain about our enrichment programs – the elementary program was something that we hadn't had for a number of years. They were long-time coming. Some years back we found some money that had no real purpose. We repurposed that money to give to the children. I'm happy to say that we are starting to maintain those programs moving forward.

We will continue with our I-Ready programs that we have in place for grades K-5. The Apex Learning program that we put in place last year will still remain. The edConnect program we started last year grades 2-12 will be maintained.

All athletic sports – fall, winter and spring will continue to be maintained. Co-curricular activities throughout the school district will continue to be maintained.

Extended summer camps – grades 1-5 will also be maintained. Title I programs at Franklin, Jefferson, Burnet and Union High School will be maintained. Our extended school year (ESY) will remain in place for special services.

Our computer literacy application program for grades K-8 remain in place. We mentioned Chromebooks continue at the high school and middle schools and we will furlough for a year the implementation at Jefferson School. We will further try to maintain the After School Academy and Saturday Academy which we put in place last year.

The two big pieces – the Response to Intervention – grades K-8 and the RTI for grades 9-12 – those programs are designed to restructure some of the current programs that we have in the District and some of the use of our faculty. One of the things that we have found is that the programs that support children are those that supplement the regular instructional program and it is for students that qualify for that. The response intervention and RTI are designed specifically to meet children where they are. You have heard me speak about it quite often in terms of being where they are. You remember both our middle school principals had gone to Atlanta over the

last year for training and they really have been excited about it. About a month ago we had a presentation here about those programs. This morning I held a principals meeting with all the District principals and one of the things I talked about was how this would impact on their current staffing. What I found out was that there are many teachers being utilized right now that are not needed because this will be built into the schedule. Folks talked earlier about the change in the schedule and how that would impact the school day – these programs that we are bringing in will allow them to be reutilized and many of the teachers that are in some of the programs will be repurposed. Here is what is going to happen. The first thing is that all tenured teachers will be placed in their particular subject matter. My math and science teachers are people that I will be working really hard to make sure that we maintain. I will also be taking a look at certifications because as we expand our programs, I recognize that there are a number of teachers who have pre-k certification. We are going to expand those programs and maintain some of those teachers by asking them if they would like to move over into those programs. We are actually taking a look at what schools we are going to target those programs for.

You walk around and you hear all these different rumors but remember we are in that room trying our best to make sure that we are doing what we can – not only for a students but for our teachers as well.

I can't say to you that there won't be any reductions but I can tell you right now that when this budget first started – I was told 149 teachers. I am happy to announce today we are down to about 49. We are pushing that number down and we are working very hard to ensure that as many of our folks that we brought in here maintain a position.

I said it the other night and I will say it again – most of you young folks that went to school in Union – I went out of my way to find a position for them because they took a desire to become a teacher in Union. The teachers that are here in this District who we will maintain; however, some of the issues with State aide, revenue are somewhat out of our control but we still continue to work hard and try to maintain and repurpose that to maintain the quality of education for our students. Someone said they heard we were at the bottom of the barrel – instead of people talking and criticizing us, try to talk to the State of New Jersey – try to talk to them about the improvements that this District has made over the last few years. A couple of weeks ago we had Mr. Powell from the State of New Jersey and he made a presentation before our education and personnel committees and he had very good news about the District and the direction we are going in. I'm remised by the fact that there is a possibility of losing some folks but that certainly is not my desire. We are going to work really hard to do everything we can to maintain as many of our positions as possible. Mrs. Moses will speak on Educational Advances.

Mrs. Moses stated as our teachers continue to educate and administrators continue to guide, the math department will continue to elevate on computer science courses, student learning standards and to enable students to solve the new kind of problems that they are faced in this future. We have the elevation of new resources for the high school and middle schools – implemented last year. Moving forward with new resources for our high school students in the math curriculum pieces for them and right now there is a lot of research that we do – the Board of Education approves how we research, how we make sure that we make the best purchases and

we know that the material that we buy will help elevate our student learning. The math department is moving forward with that at the high school level.

The language art classes will continue to implement the rigor of literature and informational (cross curriculum) text. Classes are designed to prepare students for success for colleges by implementing a strong infusion of interdisciplinary writing techniques for grades 1-5. We heard the voices when we had a town meeting with parents and they want more writing. Our K-5 – we are implementing a new reading series districtwide. We are working with the State right now and I'm in contact with the State on certifications for teachers that they can take online learning so they can get a certificate for that and that will not only help them to service their children but help them elevate their careers as well. It will not cost the District a penny. Also towards the literature and writing circles – that is going to be something implemented by the supervisor of language arts, science and social studies. We know the 21st century – communication, collaboration, problem solving, creative innovative ideas. So in the classroom we must push those four 21st century skills. We use them every day as adults. They are using that in the high school and that is very important. Students once upon a time had one novel for the class but now we are going to use more than one novel. The kids will go to collaborative groups, they will learn Ted Talk – communication skills are very important. We know in their world that they are going to communicate cross global so we know we need that for them; so language arts K-5 – new curriculum material.

The science we are going to continue what we have in place and advance in that - with our STEM program we are going to use a lot of project based this year. We want our students to use their Chromebooks for a lot of reasons. We know as we move through this 21st century that everything that we purchased right now is paper and technology so they will have a text book with them, they have it on their Chromebook – that is the future. We are going to put texts books on there. Our kids are tech savvy. This is their generation. This is their era and this is how they work. This is how they are motivated. They like research. They like to find out. You say something and they will be searching and that is a beautiful thing. We are moving with technology and I have to say that our technology department has done a wonderful job and they are making sure that we are equipped with what we need and that is for every student.

Mr. Benaquista stated in social studies we will continue to increase the depth of understanding of our global society – values of American democracy and citizenship, using student learning standards, supporting students to think critically about local, regional, national and global issues – grades K-12. A whole new curriculum is coming up for next year.

Physical education – we will continue to implement the weight/fitness program of our student athletes during PE classes. Our wellness is a way to life for grades K-12 and fitness assessment for grades K-12.

Mrs. Moses stated I would like to say something about the art and music piece – that is very important. The rumor – rumors always try to put you down and let me tell you that the art and music is not going anywhere. The teachers that are here – especially elementary – how do you get your prep if you don't have a music or art specialty. You get five preps a week – if you take away the art and music how would you get your prep. There are 240 minutes of educational

student contact time – that is what every teacher must do every day – 240 minutes of teaching student contact time and that is mandated. Every teacher has to have that. Our kids are not missing out on music and art. Music and art are good for a lot of children. It is a way to express yourself. You can use art for writing. You can use music for math. It is all integrated. Those things are very important. Please do not believe for one minute that we will compromise the children of Union education at any time we will not do that.

Mr. Tatum stated there was another decision I made today. The long leaves of people who are on leave will be filled by a teacher, not by a long-term substitute. Every possible way to bring a teacher back and keeping them working; someone said to me today what are you going to do when the other teacher comes back? I'm hoping that by the time that teacher comes back by then we would have done something monetarily or where there may be a situation where another teacher will go out on leave. It happens all throughout the course of the year. That is a creative way that you have to do things in order to maintain your staff. I will say it again – we are going to do everything that we can humanly possible to make sure that happens.

Mr. Benaquista stated like Mrs. Moses said, there are a lot of rumors out there. Like Mr. Tatum said the start – the number was 149. The easiest thing if we really didn't care about this District, our teachers and our students is we could have easily taken that number and equate it to a number of positions and cut them out. We are talking about non-tenured first. But did we stay there no. In a short time we are under 50 teaching positions and we are not done yet. Unfortunately the rumors take over and we are not working in isolation. We have had several meetings with all administrators to ask them what they think and what they suggest. They are working in the buildings with you. They know what they can use and where they need to cut, they can cut. It is not us up here just cutting because we don't care about anyone. We wouldn't stay hour after hour at night brainstorming between Mr. Nufrio and Mr. Monge said what the people in the audience said, I took notes – tomorrow I'm going to the notes and I'm going to investigate in the budget and if it could mean two or three more positions, then that money will be reallocated and it will be less positions cut. I can reassure you like Mr. Tatum did and the Board President, like Mrs. Moses did – we are not going to stop until we got it down to the lowest possible number because we care about our kids.

Mr. Nufrio stated there isn't anyone on this dais including the teachers and the staff would even dare suggest that this cut is easy to do and we have a balanced budget. I think it is important for the public to understand the numbers that Mr. Tatum and Mr. Benaquista just alluded to that it started with 149 possible cuts. Two weeks ago at the worksession I stressed that clarity is important, transparency is important – let's really give the numbers as they are because currently the budget that is presented to the County is technically a balanced budget. The question is that is a conundrum because how can you have a balanced budget and say we have a deficit. What the County Superintendent and the State expects from every district is to see a balanced budget. That is where the number 149 generated because the County would never approve a budget to show \$6-8 million in deficit. They had to present a plan. You start with a plan and you are not committed to that plan. The commitment is that if no other resolution or solution is available then you have to do that. What we are hearing is that there are other possible solutions and that is the job that takes an extreme amount of time and planning and figuring it out. In the simplest term, we need to do a better job for the future to make sure that

we don't get into this predicament. I have one comment to make and I sat on this Board since 2011 and after a couple of years, I always saw a seesaw budget – one year up, one year down. I understand that concept. Most people still think that this is the number, this should be this, this should be that so tonight we learned that there are many components that go into building a budget and many unknowns that are presented throughout the year so that you really have all these unanticipated cuts in revenue and rises in expenditures. About four years ago I said I think it is about time to go to zero-based budget and a zero-based budget simply stated is defined by putting everything on the table and you have a number. You add to that number what the anticipated revenue may be and it has to be a recurring revenue and you build with that and you look at least three years into the future. My only concern is I know we began to address the zero-based budget last year and two years ago when I was president I reemphasized the need to go there because the only way to resolve the mysterious seesaw is to start from scratch. I'm assured that the zero-based budget was executed. Mr. Brennan stated it was executed; however, being that there were under budgeted numbers for special education in previous years, we had to transfer money into special education. Yes, we started with a zero-based budget; it was a good plan; we have a foundation to work on for this budget and future budgets but with costs rising as they are 7-8% per year and the revenue stream staying at 1.4%, there are challenges.

Mr. Nufrio stated that is understood and I hope that it is clearer for everyone that you start with a number and you hope that it all comes out even at the end. There is never a guarantee of that. With the execution of a zero-based budget which means that you build right from zero and work up. At some point those numbers need to match. They don't match – we are in a financial whole. Educationally we have made some strides of course. Program wise we have made a number of strides but all that does come with a cost and at this point probably the wisest thing would be to plan below the revenue from here on – way below because we can have the same scenario next year or the year after. I just wanted to get it on the record that the zero-based budget was adopted and executed. Mr. Brennan stated that is correct.

Mr. Monge stated the one thing that I have been studying on the Board is looking at actuals and I have been saying actuals would be able to generate budgets. Historically what I saw was looking at a budget and comparing it to previous budgets vs looking at actual numbers and I entertain you with all my spread sheets and trend analysis and all that other stuff that I do to make it very clear. I actually have to ask Mr. Tatum if it is o.k. to share this and go over it with the staff and Mr. Tatum has always been pushing me to do so. Mr. Tatum stated I'm starting to understand your spreadsheets.

Mr. Monge stated what you heard from Mr. Tatum and Mrs. Moses and Mr. Benaquista is the origins of why I said what I did and I would apologize maybe it's not a good term that I use – drop in the bucket – I was the one that was being referred to that. The point I was making was that the raise equated to \$6,000 between the both of them - \$3,000 each and they are sitting here saving millions of dollars, trying to regulate things and we just agreed on the union's contract which was well deserved and we have folks that are fighting for our kids and my kids go to this District – a \$3,000 raise for work well done I think is well deserved. That was the point I was making so I apologize for the term but that is not the point I was trying to make – I was trying to say \$140 million budget and we had \$6,000 to be able to have folks that are fighting for us and it is well worth it and I think they deserve it.

Mrs. Moses stated I would to say to the teacher that said “action plan” – you say we have to do “action plans” but I’m here to tell you so do we. We have to do an action plan and we did an action plan. I want you to know that whatever you do is because we have to do it too. We are State workers just like you and if you have to do action plans, we have to do action plans. Mr. Tatum stated that is 100% correct. When Mr. Nufrio talked about the County Superintendent, about a week ago I got a call from the County Superintendent’s office and he said to me Mr. Tatum I’m looking at this budget before we go in, are you really going to be laying off that many staff members. I know in the past you sent numbers down here and then you find a way to find the money. You are not going to do that again are you? I said Juan unfortunately the dollar amount is real but I won’t commit to the number of positions that are mentioned there because I am going back into that room again. We are in that room every year but I don’t want it to be perceived that we just go into that room since I was Superintendent. I was in that room many times as the Assistant Superintendent – for eight years – I was in there with other administrators, other Assistant Superintendents, the Business Office – I have been around that table for days. I don’t want it to be perceived that this is some new trend because we have worked for the last couple of years on a very small percentage of increases and restored programs that this District didn’t have with that little money that we had to work with. I was also here at the time that there was a 4% increase on the tax levy and when there was a whole lot of surplus and I have to say all fairness we didn’t have the programs that we have now.

The physical plan highlights for the 2018-19 school year – asbestos districtwide – whenever we have an area that contains asbestos, we try to maintain money to correct those problems. Bathroom renovations we continue try to upgrade our facilities to make them nice for our staff and students; ceiling and light projects – districtwide; auditorium for Washington School – floor, seats; a wall needs to be repaired at the Administration Building – last year was a lift; paving districtwide; refinishing gym floors districtwide. One last point, we came back from spring break with a new gym floor and cafeteria and that money is only earmarked for those purposes. Some of the money needs to make it nice for the children and you and your buildings as well. Remember, our facilities are old. The newest building is Jefferson School. All our other buildings need upgrades and we are trying to put some money aside to make these things happen. This is small list of maintenance things that we have here. It would be nice to come back every time you go on break to something new or fresh and something that will make you feel good when you walk into your classrooms and when parents come in and you are not embarrassed by the conditions you have to work in.

Mr. Monge stated as far as the future, we have been talking about referendum and the reality is that we need way more work. What was our long-range facility plan number – like \$40 million. Mr. Brennan stated closer to \$50 million. Mr. Monge stated we have \$1.1 million that we have. A referendum – if that is something that this District would seriously look at – maybe we should start working on it next year. The rhetoric is going to be the referendum – oh my taxes are going to go up but the reality is cash is king. If you have a lower cashflow payment on an annual basis and you are able to take care of your school without it breaking down all the time – that is a smart way to go. I’m a finance/capital guy – this is my thinking. If the community understands that and you hear the rhetoric because it will be out there you have to ignore it as

just that – rhetoric. It is politically driven rhetoric. We want to continue to push the District forward so we have to do the right for this District, our kids and our staff.

Mr. Arminio stated we had that report that was given to us a few weeks ago and I think to take that into consideration before we try to go forward with any long-range projects. The \$50 million wish list; I think it has to come in conjunction with that report on whether we are going to re-district or change things around as far as grade levels in the schools that all has to come into the mix before any decisions are made on what projects we are going to go forward with.

Mr. Tatum stated Mrs. Detjen mentioned earlier, why don't we sometimes consider repurposing and redirections of the schools. In all actuality that is one of the long-term goals of the District is grade level configuration. We have taken the first step on the demographic study that was just done and a capacity study. We had a presentation done a month ago on just that. I spoke to Mr. Haber and I said the one thing I was happy to see was that he took into consideration what the capacity use to be and what the capacity of the buildings are now considering the programs and the needs that are in front of us.

We talked about expanding early childhood – back when Governor Corzine was in office, we had a whole section of Hannah Caldwell just for that purpose. We are kind of ahead of the game now should that instance come forward. All is not necessarily bad. As we get through this we will see that we are in better shape than most people will realize.

Mr. Monge stated to Mr. Arminio, I have the numbers here, the report stated just the permitted housing development, not ones that are in the plan, the report shows 134 new students coming into the District because of those new housing developments. It did not include Summit Court which has 270 units so just a rough estimate of 150 students that is going to be affected by the new developments, not the future ones because there are other ones in the pipeline. If you times that by \$15,000 a student, we are talking about \$2.2 million. Those projects have received tax abatements, meaning those new taxes that will be generated won't be coming to the schools. The question about how can we have a say, we are not at the table. The State's says that the school district should be at the table but it is not required and Mr. Le is part of the planning committee for the Town – the reality is those developments came back and the feedback to us is it is going to have zero impact on our schools but we have a third-party report on just those that are in the ground now and the majority of them are at Washington and Livingston. People say our enrollment isn't going up but our taxes are going up but the reality is that it is overcrowded in Washington and Livingston and that is translating to Kawameeh and eventually it is going to keep on going from there. Once you get additional units here because there are plans for it and they give out tax abatements. I renovated my kitchen and my taxes go up.

Mr. Nufrio stated it is good to have some wishes and it is sometimes fantasy – more fun than reality – I survived this long and I have done so only because I was practical in my expenses so I could raise my family and stay above water. The reality of the fact is here we are talking about referendum and I think the public needs to understand what that actually would translate to and that is reality. Mr. Brennan assuming a referendum is somewhere in the future let's talk a number - \$10 million – what would that translate into me as a taxpayer. One million dollars translated to approximately \$24 – something like that. I know I'm not going to be a happy

camper if my bill goes up ten-fold. Let's talk reality and be practical. A wish list of \$40 million of projects is not going to get solved through a referendum because I will be the first one to come to this Board and say are you crazy? I'm already paying too much and bear in mind with the new tax laws, we can only claim up to \$10,000 and I'm way above that already. Practical vs fantasy that is a hell of a fantasy to conceive – no disrespect to you Mr. Monge, but it is easy to say but I dare say it is not going to be. Mr. Monge stated it is actually \$8. Mr. Nufrio stated that is not true. I remember the \$1 million banked cap because we set it aside because the reality was going to be that year we were going to be at least \$24-\$34 more and that was by a number Mr. Vieira presented before you came on. Let's talk reality. We have a crisis right now that needs to be addressed. Let's not even think about the wish list because I would love to own a Mercedes but I can't afford it. We need to be more practical on how we spend our money that is recurring money not the little extras here and there – even the additional extra fund we got this year. Is that guaranteed for next year? Mr. Brennan stated no, it is up to Governor Murphy. Mr. Nufrio stated that is the overtime pay I spoke about earlier. A referendum is a nice concept if it comes from somebody else's pocket. I know that I won't be willing to pay that additional yearly increase which is only a part of what the increases are because you have the county and the local to add to that and that is all I have to say about that.

Mr. Monge stated let me give you the math. Mr. Nufrio stated I'm not going to dispute this. Mr. Monge stated I just want to offer the math. Mr. Nufrio stated I did offer it. Mr. Monge stated it is wrong. Mr. Nufrio stated Mr. Vieira could you please either confirm or dispute that when we did the \$1 million banked cap, we realized a \$24-30 annual increase. Mr. Monge stated I'm not questioning that I'm questioning the referendum. Mr. Nufrio stated I don't want the public to get the wrong perception that we can fix this and we are going to get another \$40 million and we are just going to put out a referendum out there. You must be kidding. I'm asking Mr. Vieira a question and I need an answer. Do you recall when we talked about the banked cap and how much it would change what we would tax the residents. Mr. Vieira stated you are asking what the average increase would be on the homeowner somewhere between \$50 per house per million dollars. Mr. Nufrio stated I underestimated that because I recall \$24-34. But the reality for \$40 million – we may as well close the doors. You will see a bunch of residents including myself looking into another Town.

Mr. Monge stated let me do the math please. Mr. Nufrio stated I don't know what math you are talking about. Mr. Monge stated if you would let me talk. Mr. Nufrio stated I will let you talk but I don't know what math you are talking about. Mr. Monge stated I will let you know right now. If you have a \$10 million referendum, the back of the napkin is you would pay \$100,000 a year. \$100,000 a year when you look at that against a million dollar banked cap – that is 1/10 of what the cost would be for a million dollar bank cap – so that is \$8. Mr. Nufrio stated you got it all wrong. I don't want the wrong numbers out there. Mr. Monge stated this is what I make a living doing. Mr. Nufrio stated I don't care, it doesn't matter. You are not our Business Administrator, you are a Board member. Mr. Nufrio stated Mr. Vieira can you repeat that again – the \$1 million banked cap – what the actual number is? Mr. Monge stated it is not a banked cap it is \$100,000. Mr. Nufrio stated let's move on please. Thank you.

Mrs. Detjen stated I would actually like to know because as a taxpayer because we have had a bond referendum before and I believe it went up about \$9 and I ran all over Town to try to

get everybody to vote for the budget and the bond referendum and that is how we got handicapped accessibility at Jefferson and I would like moving forward to see even more improvements and it may not be valuable to you but it is valuable to me and it might be to my neighbor too to invest in our Town. Mr. Nufrio stated I'm predicating my comments on what was on the million dollar banked cap and what actually would be passed on to the taxpayer. With that I would like to move on.

Mrs. Higgins asked is there anything that you think that you will have to cut? Mr. Tatum stated I think we will be able to sustain considering the dollar amount and there are possible cuts but these are the things we will keep. Mrs. Higgins asked is there anything that isn't on here that you are currently doing today? Mr. Tatum stated yes, we are continuing a lot of these programs that are on this list and we are going to do them for the following year. Mrs. Higgins asked is there anything you had to cut that isn't on here. Mr. Tatum stated we repurposed some things but certainly not educationally. Mrs. Moses and Mr. Benaquista – correct me but we have not cut any of educational programs. Mrs. Moses stated educational, no.

Mrs. Richardson stated as we go into next year, are we going to be looking closer at the appropriations and restricting that they not be overspent so we don't have to keep transferring funds from one item to another and then come up short at the end of the year. Mr. Tatum stated one of the main things that I would love to see and we will work harder on to see that it happens is to keep the original appropriation on the line that it remains and it is spent throughout the course over the year and I think what has happened is during the course of the year and I have said that on more than one occasion – appropriate one amount, something happens contingency wise, we have to reduce that line in some cases, then the line is appropriated and then they are reduced and over a couple of years and eventually it is like this and one end where you continue to reduce but then the expenditure and then what happens is a situation where expenditure is far greater than the actual money you have provided for and I think that is where we have to do a much better job in managing our budget and also maintaining a full eye on how those transfers are being made and for what purposes.

Mrs. Richardson stated Mr. Monge and I were fortunate to get a report on the March budget report and we are hoping that we can get one – all of us – every month so we can see where the appropriation was, but was transferred into it or out of it so that we can see for ourselves, month-by-month how we are doing in the District. Mr. Tatum stated Mrs. Richardson I think you gave us a corrective action plan. I think that is something that is doable and something that we need to do.

Mrs. Williams stated the 49 people that the positions that we are talking about eliminating – do we know where they are going to be eliminated from? Mr. Tatum stated right now we are looking at variety of positions. We are trying not to be all classroom teachers – we are looking to do something across the board. Some of the positions that were planned even for Central Office, will be removed to help support the deficit. The assistant that was for Mr. Loessel is gone. The Title I director is gone. That number may decrease by retirements which we just received one today. That sometimes will help offset that number. There may be people that will leave us over the summer. Those positions will go to those that are certified. I will not recommend hiring anyone new unless it is in an area that we don't have a person with that

certification. Mrs. Williams stated so there is hiring freeze too. Mr. Tatum stated absolutely unless it is an area that we don't have someone certified. Like a physic or chemistry person is very difficult. We don't have an abundance of those certified people. When it comes to elementary and middle – most cases if someone leaves or we will find a way to bring those people back into our District.

Mr. Nufrio stated there is also something else that needed to be disclosed Mr. Brennan that you and I spoke about with regards to what was and what is current in terms of substitute costs. Before you do that Mr. Tatum you referred to the difference between someone leaving and a new person being hired or replaced – that is the attrition that is always being referred to so everyone understands that. Mr. Brennan stated not including help for special education – approximately 120 substitutes per day on average. Mr. Nufrio asked what does that translate to cost? And what was the prior year? Mr. Brennan stated we just started running the report this year. We don't have last years. Mr. Nufrio stated you indicated a number to me about last year or previous year that it's gone up.

Mr. Benaquista stated let me explain one thing. As far as the positions, let's say the number is 120 average right now – not all employee absences. I don't want everyone to think that we have 120 employees on an average out – we don't. Approximately, 30 of those positions are still existing needs in special education to cover IEP's for aides. I can probably get you an accurate number by taking out those jobs but I would need some time. Mr. Nufrio stated I wasn't intending to malign anyone – it is just numbers that the public is entitled to know. Mr. Benaquista stated it equates to a dollar amount. Mr. Nufrio stated even with your number even if it is 90 a day, it still translates to a dollar amount. Mr. Brennan stated \$9,000 a day. Mr. Nufrio stated and that is something you can't project or predict. A lot of time it depends on the type of flu or situation that goes around and that is another expense that is above and beyond salaries.

Mr. Monge stated I know we have talked about the future of Hamilton School. One thing that you can potentially take into consideration – we have room in some of our schools while others are overcrowded and I was asking the guys about the cost of running that school. Mr. Tatum stated right now it is being used as office space. Mr. Monge stated we came up with about \$200,000 a year to keep those offices open but it may be something that you would consider and I don't know how many people are there and if there is an opportunity to bring those folks back into the other buildings that we do have space – that is \$200,000 that we can save by winterizing that building and waiting for another opportunity. Mr. Tatum stated at one time all those people were someplace else in the District and that is only over the last few years that we moved them.

Mr. Nufrio stated anytime you are going to redesign or redefine a use of the building, taking into consideration that there are a number of options, one is I would love to see the other aspects of education – vocational education and how we can best advance but we don't have the money right now. It is certainly something that we need to look further into. May be the Governor will reconsider how he is going to fund districts. There is a lot of talk out there about full funding. I have been around too long to take that to the bank.

Budget presentation appended to the minutes.

FISCAL AND PLANNING COMMITTEE RESOLUTIONS:

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

F-1. APPROVE GENERAL FUND TAX LEVY - \$89,776,128

Approve the General Fund tax levy of \$89,776,128 in the 2018-2019 school year (includes use of banked cap in the amount of \$321,359), in accordance with the information appended to the minutes.

F-2. APPROVE WITHDRAWAL FROM CAPITAL RESERVE TO CAPITAL OUTLAY (FUND 12) - \$1,100,000

Approve withdrawal from Capital Reserve to Capital Outlay (Fund 12) in the amount of \$1,100,000 for the following projects, in accordance with the information appended to the minutes:

1. Bathroom renovations – districtwide	\$ 286,412.00
2. New flooring – districtwide	\$ 66,000.00
3. Auditorium (floor, seats, lighting, paint) – Washington	\$ 199,100.00
4. Brick Wall – Administration building	\$ 139,013.00
5. Paving – districtwide	\$ 136,400.00
6. Refinish gym floors – districtwide	\$ 68,200.00
7. Masonry – districtwide	\$ 103,400.00
8. Asbestos – districtwide	\$ 33,000.00
9. Ceiling, lighting – districtwide	\$ 33,275.00
10. Windows – districtwide	<u>\$ 35,200.00</u>
TOTAL:	<u>\$1,100,000.00</u>

F-3. APPROVE TRAVEL EXPENDITURE MAXIMUM - \$85,000

Approve Travel Expenditure Maximum (\$85,000), in accordance with the information appended to the minutes.

F-4. APPROVE ESTABLISHING A MAXIMUM DOLLAR LIMIT – PROFESSIONAL SERVICES AND PUBLIC RELATIONS - \$1,869,000

Approve establishing a maximum dollar limit for professional services and public relations (\$1,869,000), in accordance with the information appended to the minutes.

F-5. APPROVE USE OF BANKED CAP

Approve in the proposed budget the use of banked cap in accordance with N.J.A.C. 6A:23A-10.3(b). The District has fully exhausted all eligible statutory spending authority and must increase the base budget in the amount of \$321,359 for the purpose of increases in negotiated salaries for the 2018-2019 school year.

F-6. APPROVE USE OF EXCESS SURPLUS FUNDS

Approve the Board of Education to include in the General Fund Budget \$1,455,646 of the Board of Education's excess surplus funds (@ 6/30/17 per audit) to help reduce the local tax levy.

DISCUSSION:

Mrs. Regis-Darby stated F-3 – I see that there is an increase – why? Mr. Vieira stated \$5,000 increase – just cost of living. Mr. Monge stated what have we spent this year? Mr. Brennan stated it is a maximum. Mr. Vieira stated it was on the proposed requests from the different departments. Mr. Vieira stated for 17-18 I think it was \$80,000. Mr. Monge stated what was the actual? Mr. Vieira stated I don't have that information with me. Mr. Nufrio stated would you say this is factual increase based on need. Mr. Vieira stated the only thing I notice as the \$321,359 appears twice – the second time is how that money is going to be used. It will be used towards salary increase.

Mr. Arminio stated can you please detail for the Board – F-1 – if it passes, what happens, and if it does not pass what happens? Mr. Brennan stated if it passes within 48 hours we post the user friendly budget to the website and also we notify the County with the resolution that is approved that the Board has voted on this and in fact approved the budget that was approved by the County. If it doesn't we have to go back to the drawing board and we have some dates down there. Mr. Griggs stated if it gets defeated, the County Superintendent would have to be advised. The administration would have to go back to the drawing board to look at the budget and bring it back to the Board. The Board would have to approve that revised budget after being approved by the County Superintendent. The County Superintendent has to approve the revised budget and then you will have to have another public hearing. The deadline for that public hearing is May 7th and then the last day to adopt the budget is May 14th. That is the timeline. There will have to be a lot of meetings for the administration to go back and look at the budget and come back to the Board with a recommendation. I would add that the levy may not actually change because of the 2% - it would be the budget in terms of what is in that budget – wouldn't probably be a reduction of the levy – I don't know that to be a fact but probably that would stay the same but how the budget allocated that is what would be looked at.

Mr. Nufrio stated so everyone understands, what is the current tax levy – what does that translate to in terms of percentage. Mr. Brennan stated the tax levy is 2% on the \$87 million which is about \$1.7 million and then the \$321,000 banked cap is about 0.37% of the tax levy so it is 2.37% of the tax levy. However the whole budget is \$137 million. Do the math – divide the \$2 million by the \$130 million and you come at to 1.3-1.4% over the whole budget. Mr. Nufrio stated the 1.3-1.4% - we are below the 2% technically. Mr. Brennan stated technically if you look at it over the whole budget but you have to correlate the percentage to the tax levy itself.

Mrs. Richardson stated if it goes back to the County Superintendent – if it doesn't get approved – do you think they are going to be looking for additional layoffs or additional decreases that we would have to make. I'm just wondering what they are going to be looking for. Mr. Griggs stated it would be the same process of what just occurred. When they look at the budget and I will defer to Mr. Tatum but when the County Superintendent's looks at the budget it will probably be the same exercise he did for what you now have before you. Examine the budget and talk with Mr. Tatum and he wants to be comfortable that the program is adequate in terms of delivery of services to the children. Mrs. Richardson stated I'm just wanting to ensure that there wouldn't be any further cuts in personnel. It think you have outlined it pretty well.

Mr. Tatum stated I could not say with 100% certainty that it would not – I would think that it would not but I can't say that with certainty because it is something that we have not done before. Remember that everything is pretty much fixed in terms of tax levy and things like that. It is really out of our control – that is compliance.

Mr. Nufrio stated the County approved a balanced budget which included approximately 149 cuts. As we were told currently by various means creatively reducing that number from 149 to 50. I don't know how that number would change. Mrs. Richardson stated I just wanted to be sure of that because I know Local Government Services maybe would come back and say no this is what you are going to do. I know it is a whole different department but this is what you are going to do and I don't want to see any other jobs lost. I want to be sure that we don't come up against that wall.

The other question is on the \$1.1 million – we are looking at not spending all of that money. Is that correct? We are looking at just what is necessary. Mr. Brennan stated what is necessary. We have had conversations but I don't have a specific dollar amount but it will be less than the \$1.1 million. We talked about Mr. Loessel scaling back unless some things are absolutely necessary.

Mr. Monge stated F-4 – physician/related - \$1.4 million – that is 159% increase from last year – it was \$559,800 – is there a reason and what is the number this year? Mr. Brennan stated it is special services.

Mr. Nufrio stated \$1,450,000 physician/related expenses are all generated from special services. Mrs. Conti stated you will have to clarify for me I don't have the agenda in front of me. Mr. Nufrio stated physician related – for what I heard Mr. Brennan indicate that is all special services. Mr. Monge stated it is an increase of \$890,000 – last year it was \$559,800 and now it is proposed at \$1.45 million – that is almost \$900,000 increase.

Mr. Griggs stated I will chime in as a former business administrator. These are estimated maximums; they are not the actual expenditure. The County Department of Education requests each school district provide a number which is an estimate in terms of what will be spent in those various categories, including special services so it is not the actual of what you are going to spend it is potentially the maximum and what you are limited to of course is what you put in your budget. Mr. Monge stated if you don't know what the actual is for this year, and there is a 159% that's \$900,000 – and we have had this whole conversation about savings and if you increase a ceiling and you know what is going to be happening is we are going to get transfers and we are going to sign away and the money is going to get spent – if you need it then. Mrs. Conti stated I need some clarification. With physician and related are you talking about related services? Mr. Vieira stated anything that is contracted out. Mrs. Conti stated we are comparing this to last year's? As Mr. Griggs said, we have to make sure that we are asking for enough to cover the costs for the students but if you look at the related service lines – we contract out now for behaviorist services and that has been a huge increase this year. Also nursing too has been a big increase over the years. There has been a huge increase for nursing, behaviorists needs. The nursing is needed because children with needs need to have a nurse with them on transportation

and some need a nurse, beside the school nurse, during the school day. When I spoke to you that was one of the lines that showed that had one of the biggest increases.

Mr. Monge stated I see nothing actual vs budgeted that would scream 159% increase so to me – why would you have a ceiling of a number that you can't afford. To me a ceiling would be something that would offer you near your budget or thereabouts but 159% that is telling me that this year this is how much we spent and why we are budgeting so much. It may be a mistake and look at it and shift the money over or is this something we can table until we get an answer. Mr. Griggs stated you can't table it. It is part of your budget approval from the County. When you sent it over to the County for approval, this was in there. Mr. Vieira stated yes. Mr. Nufrio stated it is acceptable to change? Mr. Monge stated if it is needed, the question is not being answered. What have you spent this year to show that need? That is a tremendous increase. Mrs. Conti stated when I was giving you a presentation, when we ask for a certain amount we put our budget forth on the real numbers based on the needs of the students that is the number that we need that we think will cover but the needs are increasing and I know you know what I'm saying. Mr. Monge stated if this piece here is related to how much we are spending this year and then last year we under budgeted that number. I don't know. It would be great if we could understand what that number is because you are asking us to increase from last year. Mr. Nufrio stated it is being predicated by what is being said by Mr. Griggs who is the legal counsel. Mr. Griggs stated this is part of your budget approval from the County Superintendent. Mr. Nufrio stated the County had it in front of them. Mr. Griggs stated if you make a change, that is a problem technically if you make a change to this number. The only thing that I can suggest is that you approve it and Mr. Tatum has a conversation with the County Superintendent that the Board had a concern about these numbers and what do you suggest. I think your point is clear Jeff and I agree with you – current vs actual vs projected.

Mr. Nufrio stated could that number down the road can be reduced. Mr. Griggs stated I would say it could be but I think a conversation with the County Superintendent would surely be helpful and I don't know this for a fact but I would think. The Board can amend this down the road but you need to have a conversation with the County Superintendent. Mr. Nufrio stated but that means we can't proceed with the vote then. Mr. Griggs stated correct or you can do this – approve everything else but this and Mr. Tatum can talk to the County Superintendent tomorrow and explain what occurred at the meeting and get some direction at that point. I would recommend that. They are separate motions. Mr. Arminio stated we could do that but we don't know for sure. Until I see the numbers that are projected for next year, I'm not going to say no or table it. If those numbers warrant this, then that has to stay. Mr. Monge stated that goes back to last year where we under budgeted so drastically so that was a problem. Either way it would be great to be able to have.

Mr. Tatum stated there are certain aspects of the budget where there are restrictions on what you can and cannot do with particular moneys in capital reserve. Are there any restrictions on these lines in terms of this particular item? Is it something that we find later on that is not all expanded and can be used somewhere else in the budget or is it once it is in this line it has to stay. Mr. Vieira stated we are able to transfer the moneys out of the physician/related services. Say we need less nursing services, but we need more tuition money – we can transfer from the related services to tuition budget account. Mr. Nufrio stated so it is not written in stone because

that is where line item transfer occur. Whether it is 6-8 months from now as long as we can afford the conclusion of the academic year? Mr. Griggs stated the purpose of this form is what you are going to spend in these categories and they can change during the year so the key part of this is what you have in those accounts and what you have budgeted – that is the key part on what you are voting on and that is the most important part. This is an exhibit that they want you to project your professional services but this doesn't tie you into this number at all what ties you in are your individual line item accounts.

Dr. Francis stated if F-4 fails, what happens? Does the total budget fail? Mr. Griggs stated the way the motion has been made they are all together so you would have to vote on them individually for F-4 to fail. Mr. Nufrio stated the other option is not to proceed with the vote. Mr. Griggs stated or you can vote on each one individually. Mr. Nufrio stated that doesn't make sense. It is contradicting. If you vote on it independently that means it is not so. Mr. Griggs stated my recommendation would be that you vote on the motion that is on the floor. Mr. Tatum can talk to the superintendent and Mrs. Conti; get some clarification for Mr. Monge. This is the same thing that was on your tentative budget that you approved in March and it was the same numbers.

Mr. Monge stated the year to date number – there should be a line number increasing the budget by \$5 million and there is no line item to capture that. It is more Mr. Tatum going to get the answer and coming back to us and then that number can be adjusted. I don't know if that can be done. I don't know how the Board feels about that. We just need some answers. Maybe that number should have been a million something last year. We don't know and we should have an answer to that.

Mr. Nufrio stated the other unknown if it hypothetically passes without that number, that particular resolution and tomorrow Mr. Tatum calls the County Superintendent and he said that vote is invalid, we would still have to come back to the table. Mr. Griggs stated you would have to do your due process. Mr. Nufrio stated he is going to be the guy that says o.k. I'm o.k. with that you keep playing with that number. I don't want to take a chance. Mr. Griggs stated you would have to reapprove.

Mr. Monge stated if you talk about custodial services – that is a big increase. We talked about security and all that stuff – at least, I don't know how everybody else feels, but I think I can entrust this acknowledgement from Mr. Tatum while it is another \$900,000 that we can potentially shift to where we need it if you say that to us I think I can get comfortable with that. Let him work his magic with his staff and trying to reducing that job number down. Mr. Tatum stated that was the purpose of asking if there was a restriction on the line.

Mr. Benaquista stated if we leave the number where it is today so we can get this budget going, we will do our due diligence, we will look for hard numbers to what that number line should be at and the difference will be put against less positions cut.

AYE: Mr. Arminio, Dr. Francis, Mr. Monge, Mrs. Regis-Darby, Mrs. Richardson

NAY: Mrs. Higgins, Mrs. Williams

ABSTAIN: Mr. Nufrio

MOTION CARRIED

Mr. Nufrio stated the budget has passed with the condition, and I don't know if that even legal to say, with the understanding that Mr. Tatum will do his due diligence with the Business Department and see how those numbers can be modified but certainly not to the point where we are going to underfund and then we will be back in the same boat.

COMMENTS FROM THE PUBLIC:

Anne Margaret Shannon stated I just want to clarify so the 49 positions were already taken into account for the people that are retiring. Mr. Vieira stated yes. Ms. Shannon stated I just want to put a plug in for special ed because I do feel that they get beat up a lot of times. The federal government has a lot to do with this because they do not fund special education to the point where they should and if they did that it would help a lot. Myself, Rich D'Avanzo and James Frazier we are all directors for the National Education Association and we are constantly trying to get money for special ed.

There was a comment made on the 2% that was budgeted for salaries and I would just ask for future reference if and we talked about actual budget and things like that – the last contract settled well above two and I think it was 2.5 so in the future if you could just use the current history of the contract that just might help. It is just a suggestion.

When we do get the retro and the 1.7 – I just want to remind everybody that we don't get all that money because we do give you guys money back for health insurance. It is a little misleading and I just want to make sure everyone knows.

Danielle Stadler stated I first want to say that I appreciate the discussion tonight. Last Tuesday I had questions and I was told to come tonight and I don't know if they were all specifically answered as I hoped but they were answered better than I expected as well. Very promising was the presentation on the curriculum and the things that you will be able to maintain for our families, for our students and I'm happy to hear that. The number of positions that are no longer in jeopardy is wonderful to hear and hopefully that number will continue to go down.

The talk about rumors and people worrying I personally think the only way to get rid of those things is through better communication for all of us; better transparency and understanding so that we don't have to have this many people attend and stay this late at two meetings this week to get the answers that everybody wants. Going forward I would just hope transparency, communication and accountability are priority.

Barbara Taylor stated the 49 positions in question are they strictly teachers or are they across the board. Mr. Tatum stated faculty and staff – should I stop there or go further?

Mr. Nufrio stated Mr. Benaquista before you answer that, we haven't sent out any RIF notices out. I think if we go too far into that category. Mr. Benaquista stated the process is by May 15th they have to be noticed and the Board needs to be notified of the actual cuts by the 8th in executive session. We have a lot of work to do before the 8th. Like Mr. Tatum said it is a mix. I don't have actual in front of me so I rather not.

Mr. Nufrio stated the State regulations mandate that a seniority list has to be produced before any RIF notices are sent out and that has to be done in conjunction with the association.

Bernadette Watson stated I have a question about transportation – before you said that there were 400 students that you pay \$1,000 to be transported – are they the ones that go out-of-district for high school? Mr. Vieira stated the non-public schools. Ms. Watson stated is it a law – I would like to see it because my children went to private school and there are surrounding districts that did not pay the families for out-of-district transportation. Mr. Griggs stated if a district for example Summit does not transport their own students, they don't have that obligation but if a district does transport their own students, they do have that obligation. Ms. Watson stated out of the 400 students, how many go to the choice school and how much money is paid to Union County Educational Services? Mr. Brennan stated I don't have those numbers on me right now. Mr. Vieira stated I have some guestimates – the charter school students – about 28. Ms. Watson stated at the high school or elementary? Mr. Vieira stated I would say mostly high school but I'm not sure. Ms. Watson stated do we pay for the elementary students to go? Mr. Vieira stated the charter school students are eligible for the \$1,000 transportation reimbursement and then the 400 non-public students get a \$1,000 per student. In addition to that we probably pay about another \$300,000 to Union County Ed Services who provide buses for our students who are going to Roselle Catholic, Union Catholic – we fill a 54 passenger bus with the students. Ms. Watson asked so the number of 400 – does that include those students? Mr. Vieira stated no. I don't know how many off the top of my head.

Mr. Griggs stated the way the law works is there is a \$1,000 number but if a district can do it cheaper, they contract buses – but if you can't do it cheaper than \$1,000 then you reimburse the parent. Mr. Vieira stated it is called “aide in lieu of transportation”.

Mr. Nufrio stated about two weeks ago I reached out to Mrs. Moses and ran into a neighbor and those are things I don't have at my fingertip so I deferred it to Mrs. Moses and that prompted my curiosity as to how many kids do we have that we reimburse parents for transporting the child or the children out-of-district. I was curious about that and how much do we spend.

Steven Le stated in regards to the brief discussion about abatements and how it will affect the tax levy – the fact of the matter is the tax levy – the 2% cap and the calculation of whether to use the 2% cap is done at the discretion of the administration in the business office – not whether abatements exist or not – that assertion is a bunch of malarkey. With regards to the projects – new developments – we talk about using actual data. If we look at the data of the school enrollment and what we saw in 2006-07 is that the district had 7900 students; 2016-17 it had gone down to 7185 – so there are 700 less students. During that time we had developments such as Hickory Manor, Autumn Ridge, Avalon apartments, Avalon Bay and even with all those developments, it still went down. For all extensive purposes, it is about the nature of the developments. I am on the planning board and I am proud of what I have done on the planning board in ensuring that our Town center looks nice and that they invest in our Town center. The fact of the matter is some of these developments are mostly one bedroom apartments so if you are counting one child for one bedroom apartment, I think that is really inventive math being used there. It is a long night, I will conclude at that and I wish you all a good night.

Mr. Monge stated to offer clarification, of that report, there were five that I mentioned and there was one other that had not been included and there were 147 two-bedrooms, 15 three-bedrooms and Summit Court is going to have 270 units of those only ones and twos so those are real numbers and as far as tax abatements – the tax abatements on how the program works on the development side is that you have a property and whatever taxes that they have on that property, that is the taxes that they pay, it is a negotiated thing with the Town. You go and build a \$40 million property technically the abatement can be as much as the difference between what they are paying for dirt vs the \$40 million. You are not taxed on the \$40 million redevelopment, you are only taxed on the dirt and that is a negotiated piece and that negotiated tax dollars don't have to come to the district – it can if negotiated by the Town but it doesn't have to come to the district. There are deals where a developer may want to address some of those dollars and the needs to have an extension in the Livingston and Washington and you can ask parents – those schools are crowded because that is where people are looking and we also see those blow-up single families which look like McMansions but they are not single people going in there – families are going in there and that isn't captured in this report.

Man in audience stated he likes what we are doing here but it would be sad to let just one person go because it will impact our children; whatever we need to do so this doesn't happen in the future. We need to make sure that no one is let go. Mr. Nufrio stated thank you for your comment.

MOTION TO ADJOURN:

There being no further business before the Board in public session it was moved by Mr. Arminio, seconded by Mrs. Williams, that the meeting be adjourned at 11:00 p.m.

AYE: Mr. Arminio, Dr. Francis, Mrs. Higgins, Mr. Monge, Mrs. Regis-Darby,
Mrs. Richardson, Mrs. Williams, Mr. Nufrio

NAY: None

ABSTAIN: None

MOTION CARRIED

RESPECTFULLY SUBMITTED,

**GREGORY E. BRENNAN
BOARD SECRETARY**