

TOWNSHIP OF UNION BOARD OF EDUCATION
PUBLIC HEARING MINUTES FOR PROPOSED BUDGET
APRIL 26, 2017

NOTICE OF PUBLIC HEARING:

The public hearing for the proposed budget of the Board of Education of the Township of Union was held on Wednesday, April 26, 2017 at 7:00 p.m. at the Union High School Library, 2350 North Third Street, Union, New Jersey 07083.

Mr. McDowell called the meeting to order at 7:07 p.m.

PRESENT AT ROLL CALL:

Mr. David Arminio, Mr. Ron McDowell, Mrs. Nancy Minneci, Mr. Jeffrey Monge, Mr. Vito Nufrio, Mrs. Nellis Regis-Darby, Mrs. Mary Lynn Williams

ABSENT AT ROLL CALL:

Dr. Guy Francis, Mrs. Nancy Zuena

ADMINISTRATORS PRESENT:

Mr. Gregory Tatum, Mrs. Annie Moses, Mr. Gerry Benaquista, Mr. Gregory Brennan, Mr. Manuel Vieira

Mr. McDowell led the Board and audience members 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. McDowell stated the purpose of tonight's meeting is to give a presentation for our proposed budget.

PRESENTATION OF THE BUDGET:

Mr. Brennan presented the budget. Good evening, I'm the School Business Administrator/Board Secretary here at the Union Township Public Schools. I started here in August and sat down with Mr. Tatum and discussed about how we would develop a zero-based budget. We wanted to build the budget from scratch and we did that this year. We came in at 2%, we reallocated money from places that it wasn't being used properly and put it back to education programs for the students.

Before I start my presentation I would like to thank Mr. Tatum, Mrs. Moses, Mr. Benaquista and especially my right hand man Manny Vieira for helping me develop a budget this year. It was a collaborative effort and we are a team and we work well together. I would also like to thank the Board for being very supportive. You ask good questions, you have good insight and especially the Fiscal Committee, I would like to thank Jeff Monge our chairperson and also thank Mary Lynn.

We developed a zero-based budget, we rebuilt the whole budget using a 2% increase. We stayed within the cap and we are very proud of that.

Districtwide budget was developed. Mr. Tatum and I talked and we said let's have the supervisors and principals come to us with presentations or a "wish list" and we came up with a three-tier request system where each supervisor/principal came with their absolute need to run the building or their department, they also came with wants and they also came with a high in the sky wish list.

We met with each department, the administration which is Mr. Tatum, Mr. Benaquista, Mrs. Moses, Mr. Vieira and myself. We met with them individually and went over their budgets. We met with buildings and grounds, transportation, special education, curriculum, personnel, technology and athletics.

Also new this year was our districtwide technology budget. For years we had a school based technology budget where the equipment, hardware and software was not consistent throughout the District. With our new technology coordinator, Mrs. Paul, we got together and we developed a districtwide technology budget so that this will enable the District to provide hardware and software which will create standardization throughout the District and it also simplifies the maintenance and support of that hardware and software.

Throughout the last six months we had many budget discussions. The Superintendent met with each principal, individually, went over their school budget. We reallocated funds based on the school grade level needs and the enrollment in each building to make it more equitable.

We had budget meetings through the last six months which occurred in Central Office with administration and especially the Fiscal Committee. They were always involved.

Proposed budget for the 17-18 school year – our State increase is flat so we had a zero increase on that. Our local tax levy increase is a 2% increase which amounts to about \$1.7 million. Our cost per pupil is \$15,268. We have about 1200 employees and 7300 students in the District.

The 2017-18 revenues for our District – the local tax levy is our biggest piece which is \$90,508,000 which consists of our general fund and also our debt service which is from years ago from a referendum which are our bonds.

We get \$32,520,000 in State aid. We get \$2,737,000 in federal aid. We had budget fund balance from June 30, 2016 - \$6,595,000 that goes directly to revenue so that goes right back to the taxpayers as revenue for the 17-18 budget.

We also have miscellaneous revenue/withdrawal from capital reserve/maintenance reserve which equals \$5,196,000 and you will see the total for revenues is \$137,558,833. If you look at the pie chart – the local tax levy is about 66%. Our State aid is 23.64%. The federal aid is 1.99%. The budgeted fund balance is 4.8% and the miscellaneous withdrawal from capital reserve is about 3.78% so that is your revenue.

On the appropriation side for the same year we have general and school administration/central support services/technology - \$9,005,000. For capital outlay we have \$5,939,000. For debt service we have \$2,938,000. For instruction we have \$67,709,000. For operations and maintenance we have \$10,215,000. Employee benefits we have \$22,315,000. Student support services we have \$13,504,000. Transportation is \$5,931,000. For a total which equals our revenue of \$137,558,833.

Another pie chart – our general and school administration/central services/technology is 6.55%. Our capital outlay and capital projects is 4.32%. Our debt service is 2.14%. Our instruction is a big piece which is 49.22%. Operations and maintenance is 7.43%. Employee benefits is a large percentage which is 16.22%. Student support services is 9.82% and your transportation is 4.31%.

Dr. Francis arrived at 7:17 p.m.

The total impact on the average household in Union which is assessed at about \$350,000 will come out to an additional \$82 for the year.

On Friday we will have the user friendly budget on the District website so you can see these numbers broken down in more detail. Also this PowerPoint will be on the website as well.

Now I'm getting into an area that I will read about, I'm not an expert on it so any questions on this we will wait until after the presentation.

We are not cutting any staff members. We are maintaining what we had last year. We are also adding some programs. We will continue to offer the following:

- Half-day pre-kindergarten
- Full-day kindergarten
- Comprehensive academic program in grades pre-k-12
- Elementary afterschool enrichment programs
- Programs I-Ready grades K-8
- EdConnect NJ: target instruction/assessments grades 2-12
- Athletic sports: fall, winter and spring
- Co-curricular activities throughout the school district
- Extended summer learning: I-Ready program monitors grades 2-4 and 5-7
- Summer academic bridge programs: mathematics and English language arts grades 4-9 with Apex learning grades 5-9
- Title I extended learning program: Franklin, Jefferson, Burnet and Union High School
- Extended school year (ESY) special services
- Summer tech grades K-2: keyboarding and word processing
- Technology; Chromebooks – personalize learning, blending learning and Google classroom (UHS)
- Middle schools: after school academy and Saturday academy

Educational Advances are built into this budget:

Math:

- Computer science elective at UHS
- Student learning standards Math taught with problem solving thinking and hands on methods of discoveries – grades K-12

Language Arts:

- Classes of study implement rigor literature and informational (cross curriculum) text
- Classes are designed to prepare students for success for college, career and life

Science:

- Implementation of the next generation science standards grades K-12
- High school STEM – new course digital electronics
- Infusion of STEM – project based activities grades K-8
- Equip students with ability use what is learned in real life, ability to research and develop skills in science, technology, engineering and mathematics grades K-12

Social Studies:

- Increase 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

Physical Education:

- Implementation of weight/fitness program for student athletes during PE classes – UHS
- Wellness is a way to life grades K-12
- Fitness assessment grades K-12

Physical plant highlights that we are thinking about doing for the 17-18 school year – they are not set in stone and they can be changed, they can be swapped out – we are setting aside \$5 million for our capital projects. It will stay in the capital reserves until the Board approves a project to be done. The State also has to approve the project. That money is set in stone and in capital reserve and there are controls on that money.

- Asbestos – districtwide
- Bathroom renovations – districtwide
- Bus parking lot pave and fence – the parking lot is over the District office is unsecured. There is no fence. We need to secure that parking lot for not only that purpose but also for the safety of our bus drivers coming home late at night on a run
- At Burnet we need new lighting panel and new lighting on stage and auditorium and gym
- Repairs of ceiling in the auditorium at Livingston
- New auditorium chairs at Washington School
- Repair a flat roof at Franklin

- New LED lighting, ceiling, fire alarms and even looking at upgrading security cameras at high school
- New mechanical lift for transportation. We found out that the lift that we are using at the District office in the bus garage didn't have any safeties on the lift. Mr. Tatum and I advised Gail our supervisor to no longer use the lift and now we have a portable lift until we get a new lift installed because it's a liability situation – we don't want anyone to get hurt
- New heating system at the garage
- Replace boilers at Connecticut Farms and Franklin
- Ceilings and lights districtwide – give our schools more curb appeal and when people come through the building it looks nice and inviting
- Flooring districtwide

That concludes what I have to present. I thank you for your time. Presentation appended to minutes.

Mr. McDowell stated the flooring and asbestos are those related. Mr. Brennan stated in some instances yes.

Mr. Arminio asked in the curriculum part of the budget – who represented that area? Mr. Brennan stated curriculum would go to the Assistant Superintendents. Mr. Arminio asked who would be involved in that portion? Mr. Brennan stated I will refer to Gerry. Mr. Benaquista stated are you talking about the dollar amount and who is included in the dollar amount? Mr. Arminio asked who helped establish that dollar amount? Mr. Benaquista stated that is based on the salaries correct. Mr. Brennan stated a lot is based on salary yes but what about the rest.

Mr. Tatum stated I think the question that is being raised are the programs that we implemented. What I think I hear Mr. Arminio asking is who was involved in developing those programs and the answer to that is myself, Mrs. Moses, Mr. Benaquista and the actual staff of school administration. When we were meeting individually, one of the questions we raised in your needs – we particularly went through different areas – fiscal plan, the curriculum and instructions, personnel and a number of areas and taking that input. Also district supervisors were also involved in this so as Mr. Brennan mentioned there was a whole inauguration of input. It was not just a matter of taking money and saying we would put this amount here and the same amount from last year here. These are also requirements of the State of New Jersey that need to be implemented based upon mandates. All those things went into the whole instruction part of it.

Mr. Nufrio stated can you clarify – I heard you say the average assessed value of Union real estate. Mr. Brennan stated the fair market value is \$350,000 – the assessed value is \$45,000 - my misstep there. Mr. Nufrio asked I'm particularly curious about how you arrived at those numbers. Where did you get those numbers? Mr. Brennan stated the tax assessor's office. Mr. Nufrio stated that is what they currently show as average. Mr. Brennan stated correct. Mr. Nufrio asked both residential and commercial combined or just residential? Mr. Brennan stated just residential. Mr. Nufrio stated I would think some fashion of commercial. Mr. Brennan stated that is included in the tax rate; the assessed valuation of all property within Union is residential and corporate. The rate is based on all real property in Union. That did decline

slightly so the tax rate increased slightly. Even though we are giving a 2% increase in the tax levy; the tax rate is 2.09%. When you figure out the tax rate, it is the amount of money that you have to raise which is \$87,000,000 over the assessed valuation of all the real property in Union. When the denominator goes down in the fraction, your rate goes up. Even though we are only increasing by 2%; the tax rate went up to 2.09%.

Mr. Nufrio stated what I would like to understand so the rest of the community understands since property assessed values reduced to show comparison because all homeowners would be interested in knowing that.

Mr. Monge stated are you speaking residential or combined residential and commercial? Mr. Brennan stated it is combined. In my presentation I was talking about the average household.

Mr. Monge stated I think this is where Mr. Nufrio is going – is there an ability to get those two up and see a comparison from last year to this year. Mr. Nufrio stated that's my question what was it last year. Mr. Brennan stated you want to see the increase in the tax rate – what was last year to this year? Mr. Monge stated because \$82 is average per household.

Mr. Tatum stated one of the points that we discussed in developing this budget and I don't know Mr. Monge if you were there – but we spoke about the fact that because of the change in rate – the \$82 is based upon what we did. Mr. Nufrio stated if we continued like two years ago the million dollar cap that would have increased the per household contribution. Mr. Brennan stated that is correct. The administration along with the Board decided not to do that. Mr. Nufrio stated this is the second year – so going forward. The other question had to do with what Mr. Tatum and Mr. Arminio were talking about – since it is zero-based budget, everything was started from scratch. Mr. Brennan stated correct. Mr. Nufrio stated I think it would be a good idea to clarify somehow and I know it is tedious and quite lengthy to let the community understand that in the past the budgets were simply a reflection of the previous years and simply added on or subtracted. The one category curriculum, is it possible what to know what was allocated the year before? Mr. Brennan stated you will be able to see that in the user friendly budget. You will see the prior years and the 17-18. Mr. Nufrio stated do you have any numbers at your fingertip? Mr. Brennan stated no I don't. Mr. Nufrio asked what was the number for this year?

Mr. Tatum stated while they look for that there is one point I want to make regarding curriculum instruction programs is in previous years – the budget we put together and the allocations for this year; we are increasing the offerings not only at the curriculum level and building. You will see the restoration of some programs that were in place in prior years and those programs are coming back. We piloted a couple of programs this school year and we will continue them next year and summer programs throughout this coming summer. We started that last year and we increased some of the programs and I have said over and over, the budget we are putting together really reflects giving back to the children and giving back to this community so there are offerings and we are bringing some programs back that some people will elect to engage in and they pay for but the majority of the programs are within our District budget. There are a lot of great things coming up for the students of Union not only during the school

year but during the summer. When you take a look at those numbers from one year to the next, what needs to be understood is that although money has been reallocated then previous years and which I said we were losing programs and now we are increasing them; previous years we were losing staff numbers and we have been fortunate enough to maintain our staff and as we have done in the past looked at the allocation of dollars to bring other personnel to the forefront like we did for technology last year so that there is an enhancement not only in that department but the instructional end of the technology as well. Those things looking forward in this new budget which wasn't present in last year's budget.

Mr. Nufrio stated the reason I asked that was as a homeowner and a licensed realtor my first concern is when people say you raised our taxes another \$82 – how much is that going towards the kids and in actuality all of it is but specifically the question always seems to come up about what about curriculum – what have we done to enhance the curriculum, what have we done to expand it? I am going to still harp on my hope to see an expanded vocational curriculum – I think you will find that it is not just my own concern and my own wish, that is the wish of the community overall, at least those I spoke with and yes we are always college bound, prep, curriculum and we of course have a vocational school in the County but what is Union doing for the Union children to prepare them for life. Hopefully we will be working towards some expansion of the vocational programs even if it is something that is more viable and perhaps not even offered at the County vocational level or the private schools which families have to pay for out of their pockets.

Mr. Brennan stated the instructional curriculum piece is \$67,000,000 from year to year it has been flat and that is probably because of salary breakage and things of that nature. It is holding its own at \$67 million. Mr. Nufrio stated no increase then. Mr. Brennan stated due to some attrition, retirements and things like that. Mr. Nufrio stated if the program expansion has been in effect without the additional costs. Mr. Brennan stated correct.

Mr. Monge stated you talked about staffing and said no cuts but I didn't get a clarification and then it seemed that you said we would have additional programs and that doesn't necessarily mean additional bodies per say or does that mean additional. Mr. Brennan stated can you handle that. Mr. Tatum stated can you repeat that Mr. Monge. Mr. Monge said you mentioned no cuts in staff which is great but the next one said additional programs so I just wanted to make sure that no cuts and no additional costs on staff but when adding staff to be able to. Mr. Tatum stated one of the things that we have to look at is attrition because sometimes increasing the staff or changing a program it may very well be that a person has left the district and we may see the program as no longer viable or there might be a situation where there is less enrollment in a particular area then we find a way to offer something different and also maintain it within that budget. The increases in staff that normally happen have been a result or reaction to something beyond what we original plan. An increase in enrollment in a particular grade level – sometimes that may require another teacher. But we may get that teacher because there has been a retirement and a new person that comes in many times I speak to the Board about being a cost savings because although we have increased and hire that new teacher and if two teachers retire, the difference from a starting salary versus a person who has been here for 25 years is completely different so we are saving in the long run.

Mr. Monge stated so you are balancing that budget and then finding that you can offer more within that budget. Mr. Tatum stated correct. Mr. Monge stated I just wanted to repeat what Mr. Nufrio said it is a great thing to the Board that two years in row we have essentially refused that million dollar cap opportunity and our thought was we were going to balance our budget and figure out how to find savings in our budget first then continue to go into the taxpayer's dollars. Mr. Tatum stated there was a comment that was made and maybe you don't know about it but I said when we were working on the budget, when it came to bank cap I said don't even bother because that is not going to be something that is going to be acceptable. At looking at it and relocating money that was expended in other areas in previous years has really been to our benefit because we didn't build a budget based upon a single dollar amount from previous years. We really looked at original appropriations versus what we actually spent by the end of the year and we said we had x-number of dollars appropriated and we had a gap here so let's start putting the money here.

Working with the building principals, one of the things that I had identified was when it comes to requisitions, supplies and new materials that they want to buy for their programs, we had to up that a little bit so the principals would have a little more in terms of dollar amounts to work with for the individual programs and their staff. We try to allocate more money to each of our teachers to get supplies for their classroom and their areas of needs especially in areas where hands on learning and things like that.

Mr. Monge stated thank you guys for spending that time with me looking at historical figures against the projected and I think that was a great exercise for me and I think it was a good exercise for everyone as well.

I do want to mention that we are going to continue seeing some savings on having competitive fee process. We have already seen that with the insurance broker process. We will see a cost savings redirected to curriculum.

I know I said this before but I just want to make sure that while we are talking about the technology aspect of things. The technology budget is now housed in the administration and things like Cloud technology and the like that is where it is going to be coming from. Mr. Tatum stated yes, as long as it doesn't reach a particular threshold. Mr. Monge stated they make infrastructure for Cloud. Mr. Tatum stated there is a limited amount of money. Mr. Monge stated there is two parts technology and infrastructure that supports the technology. Mr. Tatum stated we have been trying very diligently to do this all simultaneously so we can get the tools faster and get things fixed and able to use it. We just reflect on a comment that was made by the UTEA President last night about the testing has gone so much better this year and the fact that it was reported to me on how well the high school is utilizing the technology.

Mr. Monge stated thank you for Mr. Brennan for pointing out and I was going to point it out because I had this conversation at the last work session as it pertains to the capital reserve to the capital outlay and that \$5 million and everybody knows we are going to this Long-Term Facility Plan and we are actually going to have a meeting next week to be able to look at their findings and what we have done for the public is we are assessing every property that we have here in the District and identifying priorities in all of those buildings so this budget we have in

front of us can change based on those priorities and I just want to make sure that everybody understands that because it is something that we spoke about at the last meeting.

Lastly, the clarification once again is for the Board members as well, under Residency we have been *deja vu* all over again because last year we wanted to make sure that we had enough money in the budget to be able to speak to our residency needs and especially being focused on re-registration. My understanding is that we are looking at this year's budget today to start that process and then we are going to make sure that next year's budget that is in here supports that and if not we are going to be able to transfer over dollars to support that and I want to make sure that happens.

Mr. Tatum stated per our conversation on Monday when we talked about this on the conference call, there is a plan that has been developed. At the last work session which was two weeks ago we spoke about the fact there has been and there is a residency plan in place; however, we would like to refine that and one of the hang-ups that we had last year was we were looking at doing something digital and that process seemed to breakdown and we had a backup plan that Mrs. Moses and the Committee were working on and I think I recall Mrs. Minneci we had a conversation about that and Mrs. Williams regarding where we were with that process. Insomuch we are back but needs some refinement and we have some actual dollars amounts that just came out yesterday and I saw it for the first time so that is what we will be discussing in the next weeks ahead to get everything off the ground. I would think by our worksession we should really be talking about execution.

Mr. Monge stated that you and thank you Mrs. Moses and we have been talking about this and I know you put together that plan and I appreciate you guys focusing on that and let's execute it right away.

COMMENTS FROM PUBLIC ON RESOLUTIONS:

Steven Le stated I want to thank Mr. Brennan for his presentation. I have a couple of questions. In regards to the budget, first question was in regard to the \$6.5 million number is that fund balance technically the excess surplus. Mr. Brennan stated excess surplus from June 30, 2016.

Mr. Le asked how does that compare with the previous fiscal year? Mr. Brennan stated it was \$4.8 million. Mr. Le stated so an increase of about \$1.7 million. Mr. Brennan stated correct. Mr. Le asked how much have the current expenses increased for the budget year you are representing tonight? Mr. Brennan stated it is going up \$5 million; however, let me explain that.

The reason why it is going up \$5 million is the municipal tax levy is \$1.7 million of that \$5 million. The excess surplus increase – the \$4.8 to the \$6 in change is \$1.8 million. Right there you have \$3.5 million of the \$5 million. The additional capital reserve withdraw from the 16-17 school year to what we are proposing for 17-18 is an additional \$1.3 million. Now we are up to \$4.8 million and then the miscellaneous revenue is \$200,000. Then we have the increase in the expenditure side – the increase in salary benefits is \$2.5 million. Special Education tuition,

therapies and transportation is an additional \$600,000. Technology is an additional \$600,000 and capital reserve projects is \$1.3 million. That adds up and equals the \$5,000,000.

Mr. Le stated so the withdrawal would be the revenue and cancel out the \$1.3. Mr. Brennan stated we are throwing money out of our capital reserve account.

Mr. Le stated my question with that – excluding the capital projects, we are looking at \$3.7 million. I noticed in the past that we always budgeted and then at the end of the year we always generated surplus and then that would be applied to the next year. Mr. Brennan stated it always flows a year ahead to revenue so it does go back to the past year.

Mr. Le stated normally do our excesses normally arrange around \$3-\$5 million. Mr. Brennan stated our auditor gave a presentation, he stated our surplus kind of peaks and valleys around \$5 million. We would like to get it to start stepping down gradually to a comfortable number which is usually about 5%. We need some reserves.

Mr. Le stated I'm trying to put the numbers all together in my head with the \$1.7 in the tax levy and \$1.8 in excess surplus and while you have here \$3.7 million budget minus the capital reserve projects and the fact that at the end of the year we operate couple of million dollars less than what we actually budgeted originally, I wonder if there are any opportunities back to even not go to 2% where you go lower than 2% of the tax levy because there might be opportunities to actually refuse the excess surplus.

Mr. Brennan stated let me answer your question this way – the 2% is only on the tax levy – that is \$87 million. \$1.7 million is only on the \$87 million. We have \$131,000,000 operating budget so the rest of the revenue that comes in that is flat for the last three years. So the basic increase on our total budget is \$1.7 divided by \$131 million is 1.3%. Mr. Le stated thank you very much.

Mr. Monge stated is it possible for you to talk about the strategy that we have been discussing about trying to move money into capital. Mr. Brennan stated that same thing where I was talking about John Mooney who is our auditor and he came in to discuss how we would like to see, instead of our surplus, he would like us to step down gradually without going below or in a danger zone – but we can start by in June assessing our surpluses and taking some of those dollar amounts and in agreement with the Board and establishing a resolution that says we can take the surplus or fund balance and move x-amount of dollars or not to exceed a dollar amount into capital reserve, into maintenance reserve, into other reserves as we chose we would control the surplus and we are putting a savings away because we have a lot of projects in Union.

Mr. Monge stated Mr. Le and obviously previously on the Board, what we are trying to do is we are trying to build up that capital reserve because the reality is we are going to learn that we know that there has been a lot of deferred maintenance in these buildings. There hasn't been any major money that has gone into deferred maintenance and every time we open up a tile, we go to fix one problem and we are finding two or three. The additional money that we are going to try to find into these properties are going to be a drop in the bucket that's my prediction is going to be – it is definitely going to be well spent.

Mr. Nufrio stated you indicated a comfortable zone of about 5% so as Mr. Le was trying to indicate that homeowners are always feeling the heat. Obviously \$82 is not something to be alarmed by but due to the fact that it is a yearly possibility and that is where you are going Mr. Le that is 5% a typical number? Where is the comfort zone at this District that could happen with that one day as you said, when we reach that plateau, where it could be 3% and where other districts they are not comfortable with 3% - they may need 6% because they have so many other things - what do you foresee as a real comfort number? Three percent versus the 2% cap - it doesn't necessarily be required. I think that is where Steven was going. What do you see that number possibly coming down to? Mr. Brennan stated the industry standard is right around 4-5%. We also have a couple of areas like special services. Mr. Nufrio stated 5% of the total budget - which is \$137 which is my quick calculation. Mr. Brennan stated of the tax levy. Mr. Nufrio stated 5% - so close to \$5 million. Mr. Brennan stated even with the whole budget we aren't at 5% where we are now. Mr. Nufrio stated so technically we are under budget right now. Mr. Brennan stated right. Mr. Nufrio stated our expenditures are less than \$5 million.

Mr. Brennan stated what we really have to be careful of is spiking down on our surplus. As you saw in my presentation and Mr. Le asked about it, \$6.5 million - we are using as revenue in this year's budget. If we drop down to \$3 million by June 30th of this year, then next year we will be down \$3.5 million on the revenue side. That is why I don't see us going under 2%. With benefits, we got a good deal this year as you know, but benefits are going to go up, salaries go up because they are contracted. It is hard to work within a 2% budget. Two percent on the tax levy - our total operating budget is \$131 million. We are only increasing 1.3% and that is the bottom line.

Mr. Monge stated I heard Mr. Nufrio say this a couple of times before is essentially our increase for the most part are flat as far as percentage wise but there are other areas like special services that are growing that percentage increase so there is something that we all have to keep our eyes and ears open on how to save in certain areas to be able to fill voids in other areas. Mr. Brennan stated absolutely.

Mrs. Minneci stated I'm a novice at this and I did have a tutorial with Mr. Vieira and Mr. Brennan but I feel that this discussion here for me I should have been involved in something like this earlier because it is very overwhelming. All these numbers, it was helpful for what we had but I don't know if it is the appropriate time but I would suggest next year that we have this kind of discussion prior to this meeting.

Mr. Monge stated I told Mrs. Minneci this the last time, we have these workshops set up. Mr. Brennan stated I did put that out there and nobody attended and that was two months ago. Mr. Monge stated I think we try to make it up as much as possible in our worksessions and I sent out emails because people have approached me and I try to explain things as much as possible but we are creating that foundation and this was the first year. Hopefully next year and we actually talked about two workshops so we will make sure that everyone sees it on the schedule and we should make sure that we all attend and as a chair of finance, if you have any questions please come to me.

Mr. Tatum stated can I make a suggestion in response to Mrs. Minneci's question and I don't know if this is the appropriate order because Mr. Griggs isn't here tonight, is it possible when it comes to budget time, maybe a little bit before, to have a committee of the whole discussion just on the budget so all the Board members have an opportunity to have this discussion before we get into this forum. We do a lot of our work by small committee but as you talked before Mr. Monge about reporting out, perhaps with Mr. Griggs' guidance we might be able to do something to that degree so that no one feels that they are short changed. I know Mr. Brennan did the workshop and attendance was not great.

Mr. Nufrio stated that would have to be a formal meeting. Mr. Tatum stated that is what I would ask him.

Mrs. Minneci stated there is a lot more information than the tutorial. I just feel that it is overwhelming. Mr. Brennan stated I think Mr. Tatum has a good idea. Mr. Tatum stated it is overwhelming for all of us and we have been here the whole time.

Mrs. Williams asked the \$5 million set aside for the capital reserve, what is left, what is our balance? Mr. Brennan stated \$5.4 million in capital reserve because we cleaned out the Jefferson accounts that we talked about last night, in addition to the \$5 million. We have \$5.4 million approximately in capital reserve.

Mr. Monge stated can you give me a summary of the reserves that you have. I think that is important for folks to know. I'm talking about the couple of reserves that we have.

Mr. Brennan stated it is on the Treasurer's Report every month but we don't have that with us. That is in everyone's attachments at every Board meeting.

Mr. Tatum stated I think they're talking emergency reserves. Mr. Brennan stated emergency, maintenance, capital reserve, we have something called tuition reserve – we have that but we can't use that – that is only for sign/receive districts. I wish we had something called special education tuition reserve but they don't have it.

Mr. Tatum stated I believe there is also a surplus that we can carry. We always talk about excess reserve. There is also a surplus balance that we have it's 2% of the balance. There are a number of reserves. Mr. Monge stated I think that is important for people to understand because beyond the numbers we are looking at, we actually have set aside reserves if anything major happens. Mr. Brennan stated outside of the current year's budget, the general budget – we have money set aside. Mr. McDowell stated that is good to know.

FISCAL AND PLANNING COMMITTEE RESOLUTIONS:

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

F-1. APPROVE GENERAL FUND TAX LEVY

That the Board approve the General Fund tax levy of \$87,700,754 in the 2017-2018 school year.

F-2. APPROVE WITHDRAWAL FROM CAPITAL RESERVE TO CAPITAL OUTLAY (FUND 12)

That the Board approve withdrawal from Capital Reserve to Capital Outlay (Fund 12) in the amount of \$5,000,000 for the following projects, in accordance with the information appended to the minutes:

| | |
|--|----------------|
| • Asbestos - districtwide | \$ 176,000.00 |
| • Bathroom Renos – districtwide | \$ 300,000.00 |
| • Bus Parking Lot Pave & Fence | \$ 539,000.00 |
| • New Lighting Panel & New Lighting Aud & Gym - Burnet | \$ 269,500.00 |
| • Repair Ceiling Auditorium - Livingston | \$ 71,000.00 |
| • New Auditorium Chairs - Washington | \$ 220,000.00 |
| • Repair Flat Roof - Franklin | \$ 345,000.00 |
| • New LED Lighting, Ceiling, Fire Alarms – Union High | \$1,660,500.00 |
| • New Mechanic Lift | \$ 132,000.00 |
| • New Heating System Garage | \$ 300,000.00 |
| • Replace Boilers – Connecticut Farms | \$ 230,000.00 |
| • Replace Boilers - Franklin | \$ 260,000.00 |
| • Ceiling & Lights – districtwide | \$ 200,000.00 |
| • Flooring - districtwide | \$ 297,000.00 |

TOTAL \$5,000,000.00

F-3. APPROVE TRAVEL EXPENDITURE MAXIMUM

That the Board approve Travel Expenditure Maximum, in accordance with the information appended to the minutes.

F-4. APPROVE ESTABLISHING MAXIMUM DOLLAR LIMIT

That the Board approve establishing a maximum dollar limit for professional services and public relations in accordance with the information appended to the minutes.

F-5. APPROVE AUTHORIZATION TO IMPLEMENT 2017-2018 SCHOOL BUDGET

That the Board approve authorization to the Superintendent and Business Administrator to implement the 2017-2018 school budget and tax levy pursuant to local and state policies.

DISCUSSION:

None

Vote on F-1:

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

NAY: Mrs. Williams

ABSTAIN: Mrs. Minneci

Vote on F-2 and F-3:

AYE: Mr. Arminio, Dr. Francis, Mrs. Minneci, Mr. Monge, Mr. Nufrio, Mrs. Regis-Darby,
Mrs. Williams, Mr. McDowell

NAY: None

ABSTAIN: None

Vote on F-4:

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

NAY: Mrs. Minneci

ABSTAIN: Mrs. Williams

Vote on F-5:

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

NAY: Mrs. Williams

ABSTAIN: Mrs. Minneci

COMMENTS FROM PUBLIC:

Mr. Le stated I guess what I was trying to clarify and I might have been too winded was that I was looking for numbers I was looking at the fact that you increased tax by 1.7 and you saw an increase of 1.8 in the surplus and then taking aside the capital reserve expenses you see an increase of about 3.7 but assuming the fact that the District continues to operate at the end of the fiscal year with the range of \$3.5 million in surplus, in reality, if you actualize expenses might be less than the 3.7 anticipated; that is why I kind of tried the potential of not needing the top 2% so that was just my clarification. I just wanted to clarify my remarks.

MOTION TO ADJOURN:

There being no further business before the Board, it was moved by Mr. Nufrio, seconded by Mrs. Minneci, that the meeting be adjourned at 8:12 p.m.

AYE: Mr. Arminio, Dr. Francis, Mrs. Minneci, Mr. Monge, Mr. Nufrio, Mrs. Regis-Darby,
Mrs. Williams, Mr. McDowell

NAY: None

ABSTAIN: None

Respectfully submitted,

GREGORY E. BRENNAN
BOARD SECRETARY