



**BOARD OF EDUCATION
WAYNE TOWNSHIP PUBLIC SCHOOLS
WAYNE, NEW JERSEY
SPECIAL MEETING
February 20, 2014**

The Special Meeting of the Wayne Board of Education was held on Thursday, February 20, 2014 in the Council Chambers of the Municipal Building, 475 Valley Road, Wayne, New Jersey 07470. The meeting was scheduled to begin at 7:00 p.m. pursuant to the terms of the Sunshine Law.

The meeting was called to order at 7:05 p.m. by Mrs. Laura Stinziano, Board President.

Reading of "Sunshine Law" Statement

Adequate notice of this Regular and Executive Meeting, setting forth time, date and location, has been provided in accordance with the requirements of the Open Public Meetings Act on February 7, 2014 by:

Prominently posting a copy on the bulletin board in the lobby of the offices of the Board of Education, which is a public place reserved for such announcements, transmitting a copy of this notice to The Record, The Wayne Today, and the Municipal Clerk.

Roll Call

PRESENT: Laura Stinziano, Eileen Albanese, Robert Ceberio, Donald Pavlak, Jr., Mitch Badiner, Kim Essen, Allan Mordkoff, and Catherine Kazan

ABSENT: Michael Bubba

ALSO PRESENT: Dr. Raymond A. Gonzalez, Superintendent, Marysol Berrios, Assistant Superintendent, Juanita A. Petty, School Business Administrator/Board Secretary, and 5 members of the public

Administrative Summary Report

- **Presentation of the 2014-2015 Preliminary Budget**

Dr. Gonzalez and Mrs. Petty presented the 2014-2015 Preliminary Budget.

Revisions to Agenda Items

None

PUBLIC COMMENTS

A motion was made to open the meeting to public comment on agenda items.

Motion: To Approve, Moved by Board Member DONALD PAVLAK, Seconded by Board Member KIM ESSEN. Passed. 8-0-0. Board Members voting Aye: ALBANESE, BADINER, CEBERIO, ESSEN, KAZAN, MORDKOFF, PAVLAK, STINZIANO. Board Members Absent: BUBBA.

PUBLIC COMMENTS

Christian Smith –

- Discuss hard CAP of 2% - work to get below that. Challenge to do that. Solutions:
1. Five new special needs positions
 2. Stipends for extra-curricular clubs

Mark Klypka –

- 2% CAP – Not being presented correctly – there are things that are not subject to CAP, such as: Bargaining Units - Salaries
- State Aid - What if it goes up?
- Show benefits gross less contributions.
- Show medical and dental separately.
- Improvement of Instruction - told it would save money - show us exact reduction as Wayne Today stated.
- Can we hold off on additions?
- Referendum - Can it be included in budget? Would it use all banked CAP?
- Why not present flat budget or present 2 budgets - one with increases, one without.
- Student parking fees - Should be a privilege to those who achieve minimum grade point average.
- ACA (Affordable Healthcare) - What if we don't provide? Where is the comparative?
- Always say it's for the students - Why doesn't WEA take 0% increase for 1 or 2 years and put funds into students? BOE could match.

Suzanne Lewandowski, 2 Russell Terrace -

- Emailed about extracurricular activities. Found one or some are not funded by Board.

What determines which ones are funded and which ones are not? Directed to speak to Mr. Palczewski, but doesn't feel he can answer how decision is made.

There being no further comments from the public, a motion was made to close the meeting to public comment on agenda items.

Motion: To Approve, Moved by Board Member ALLAN MORDKOFF, Seconded by Board Member DONALD PAVLAK. Passed. 8-0-0. Board Members voting Aye: ALBANESE, BADINER, CEBERIO, ESSEN, KAZAN, MORDKOFF, PAVLAK, STINZIANO. Board Members Absent: BUBBA.

None

NEW BUSINESS

Mrs. Petty responded to Mrs. Klypka's questions.

Referendum – Can it be include in the budget? At this point, it cannot be included in the budget. Even though the Board has over \$5,000,000 in banked CAP, and the local share of those projects would be somewhere around \$3,000,000, which would easily fit within that CAP, we are not permitted to do because applications were submitted, approved, and determined to be eligible for debt service aid. The only way those projects will occur is if the Board puts them forth through a referendum and they are passed, or the Board determines that it will fully fund the projects in whole and they withdraw the applications for debt service aid. Once they are approved to receive debt service aid, there is no returning. They go for referendum, they expire, or you withdraw them. So, unfortunately, we can't do that. We did have 4 that were approved for ROD Grants, which are the actual cash grants. They will be included in this budget. But, the money to fund the local share of those will be withdrawn out of the capital reserve account, so that it doesn't have an impact per se on the budget because the money that is already in that account. Will just come into the budget from the capital reserve account to fund the local share of those projects.

The simple answer on State Aid I would think, is that if State Aid goes up, then so goes down the Tax Levy. This budget is supported primarily through taxes and although I would never want to speak for the Board, I would say that one way that you get to reduce a budget is by either cutting expenditures or increasing revenues. So, if the revenues were to go up through some gift of the Governor, then I can't imagine that this Board would not take that as a reduction to the tax levy.

Mr. Ceberio asked about the budget that Mrs. Petty and Dr. Gonzalez presented this evening. He asked if we cut the \$1.9M would we need to use any exemptions in this budget or does it in fact increase it plain and simple? Mrs. Petty responded the 2% is generated off of the tax levy, not the budget. Mr. Ceberio clarified the question, "Is the tax increase a hard 2% increase rather than a 2% tax levy increase plus a potential of other 2% exemption. Is there an exemption in this budget? So, Mr. Klypka was incorrect in saying this budget has an exemption in it. Mrs. Petty responded that the way she interpreted what Mr. Klypka was saying was wrong. I was going down that road too when he was saying exempt, but I think his point was that although we operate with a tax levy CAP of 2%, there are things in the budget that go up more than 2%. One example was that sometimes the contracts are settled

at more than 2% or the health benefits are more than 2%. He is absolutely right that is a lot of the difficulty here is that again I don't want to say we have no control. The Board can say we are not giving you more than 2% and you can be 5 years out and have no contract. That might be what you end up doing with picket signs everywhere. But, the Board can negotiate. It's a two-way street. So, the idea is that everyone always wants to renew within 2% but you know that many of our smaller vendors, the Strauss Esmay's that do the policy, and the NOVUS Agenda, those people that are very familiar with New Jersey, they didn't even propose to increase over 2%. Most of them hold their rates flat year after year for a few years and then they try to get a minimal increase. Many of them know what constraints we are under. They would rather get at least what they are getting rather than to be cut. So, I think that is what I understood his comments to be.

Mr. Ceberio responded, "So there are line items that can increase over 2%?" Mrs. Petty responded absolutely. The tax levy cannot in this case and we are not utilizing the health benefit exemption. Mrs. Petty responded it was correct. Mr. Ceberio stated his understanding of the Board last night was we are looking for a 2% hard CAP in the tax increase or better. Is that not what we said last night? Yes.

Mrs. Petty continued that Dr. Gonzalez just reminded me of something, which actually I should have thought of. Because the tax levy that we are proposing in the preliminary budget does exceed the 2%, in order for the preliminary budget to clear out the edits and to be approvable, so that I can submit it to the County, it will have to utilize banked CAP in the amount of \$1.909M. Remember, it's the preliminary budget; I don't want to say that it's meaningless, but it's done as an intermediate stage, to provide the time for the County to review the budget as it is presented knowing that you always have the option to make those changes. What would happen then, let's say that we find \$2M, so now we are \$100,000 under CAP. When we go back in and I update the budget, there is no more need for the banked CAP, so you unclick the box and it goes away.

Mr. Ceberio commented on the Affordable Care Act question. I don't know about the rest of the Board, but I am not inclined to break Federal Law and find out whether the fine is \$1M or \$200,000 as Mr. Klypka suggested.

Mr. Pavlak reiterated that the budget that is going to be approved next week is merely a formality and that the numbers are meaningless right now in that budget. Nothing is etched in stone; this is what it is going to be. This is what is going to be added; this is what is going to be reduced. It's merely a formality to present to the County, correct? Up until April 24th, we can change anything we want? Mrs. Petty responded "correct." Once we get our State Aid numbers, I am sure Trenton will be saying how they increased our State Aid like they did last year by \$1. We were supposed to be so happy. Once those numbers begin to come in, things become more realistic as to where we are going to go either way? Correct? Mrs. Petty responded, "Yes."

Mr. Pavlak responded to Mr. Smith, as far as Special Ed. – A comment was made when Mr. Ceberio asked a question last night. Let's look at it another way. Let's look at the number of children we have in District right now that we are not sending out. It's an undetermined number. I will put it in an analogy of police work. We don't know how much crime we are preventing by driving around your neighborhood. The increase in staff may be the result of the number of students that are being maintained in District. There are two sides to that. We

look at our number of special needs children that are in the District, it's going up. The demand for the services they require in the District are going up, so the average price for sending a student out of District is around \$70,000. That is possibly the answer as to why the increase is there. The increase can also be there because we are mandated to do it. Federal Government likes to mandate it, but will not fund it. I am still waiting.

Mrs. Kazan asked for Administration to explain to the public the debt service and how that may or may not affect the 2% CAP. Mrs. Petty explained the debt service does not have anything to do with the hard CAP at all. The hard CAP is only on the general fund tax levy. It's not on the budget; it's just an amount to raise taxes. The debt service is a separate fund and what will happen with that is we obviously know what our obligation is to pay principal and interest for next year. There are some funds that are remaining from the Anthony Wayne project that will be used to offset the debt service tax levy. From last year's analysis, I believe we went back and forth a couple of times on how much the impact was. It's a couple dollars for the average house for the impact on the debt service aid. So, it will add a couple of dollars per year to the tax levy from what we presented tonight. It will probably increase it by a few dollars.

Mr. Mordkoff asked to see some figures of the budget total expenditures for 11-12 and 12-13. I am curious between difference of the budgeted and the actual for those two years. Also, if you can go back to 10-11?

Mr. Pavlak noted to Mrs. Petty the reason the debt service is not according to the tax levy is because the voters have already approved it previously. Like the Anthony Wayne project, it doesn't go against the 2% because it has already been approved by the voters. Mrs. Petty responded yes and no. The State's budget includes Fund 10, which is the operating budget. That's the main budget. The tax levy you raise to support it was the only tax levy that you used to vote on. Then you have Fund 20, which are the grants, then you have Fund 40, which appears in the budget document because it generally has a tax levy associated with it or it has debt service aid if you are getting debt service aid. You are right that if you were voting on the budget, you never voted on that tax levy for debt because it was voted on when the bonds were approved. But, it appears in the budget statement because once the budget is finalized, the total budget with both of those tax levy amounts has to go into the tax certification so that I can give it to the Township and tell them how much money I want. So, that's why it appears there so that it ends up into the certification of taxes, but it was already approved by the voters. But, to answer Mrs. Kazan's question, when we present the preliminary budget, and we do the combined tax impact, which is the general fund levy plus the debt service levy, then the number will be slightly higher.

Mr. Badiner asked if IDEA Funding is typically funded at 85-90% of last year's allocations and whether it is reflected in the budget? Mrs. Petty responded, "Yes, the money was already pulled out of Fund 11 to Fund 20." Mr. Badiner continued, is it the same with the titles, like NCLB? Mrs. Petty responded that she did not pull any money out for NCLB because we fund the 4 Intervention Specialists and we fund new Transition Kindergarten program that we did this year. We fund that out of there and that takes up the money. Those people started out in Fund 20 and they will stay there. They are not included in the Fund 11 budget at all. In Title IIA as Dr. Gonzalez mentioned in the presentation, in the past, IIA and IID and between the two you can use a lot of it for technology infusion. It was for improvement of instruction. The State eventually eliminated Title IID so many Districts utilized IIA to buy a lot of

technology and we were one of them. We always accounted for about \$118,000 that we get and with the non-public with that too. We would always use that to enhance our technology in the budget. However, this year, when we submitted for Title IIA, they would not allow us; we submitted it the same way we always did for Technology and they rejected it. They wanted improvement of instruction as professional development. So, what we came up with is that now we are funding our new instructional technology coordinator out of Title IIA. We do her salary and her benefits and the remainder of it which is probably another \$50,000 or \$60,000 will be used for PD which couples with the \$60K that is in the general fund budget. Title III is very minimal, which is the ESL and we use most of that for supplies. There isn't anything left. You just have IDEA, which we use to support tuitions for students paid out of district.

Mrs. Kazan asked if the question regarding clubs was going to be addressed?

Dr. Gonzalez responded to her question that it has been posed by the Board already during the presentation. There is no set decision as to how clubs are decided and how they are run. Again, which is a concern that has been expressed by the Board. Year after year we have been able to provide clubs but there hasn't been a set standard operating procedure or how that decision has been made. We have been looking into seeing how that would happen moving forward. The reason I suggested you reach out to the building principal is because ultimately it will become a school based decision. It is a decision that is determined to find the enrollment and the needs. It may change with the population, may change based upon the interest, and also based on the availability of individuals to be able to provide those services and those who have not. Even in the budgeted funds that you saw there represent those this evening, all if the club that are available, so that in some cases the clubs that are outlined specifically in collective bargaining agreements, between the Board of Education and the Teacher's Association, that spell out how much advisors would make. In other cases, it's silent. Those are instances where we have the ability to run those clubs because we did not negotiate a stipend, we then allow those clubs to run, but on a voluntary basis. If there is a stipend in the Agreement that is spelled out, we are not in a position to ask those clubs to run on a voluntary basis because we have already agreed through that Agreement to do so. It's a lot of decision making. Ultimately, there are two decisions that have to be made. One is the funding of allocations of funds available to support clubs running and that's a decision that is reflected in the budget currently and then the other decision that has to be made would be at the school level based upon what extra-curricular activities, then the school will be able to decide and how we are able to continue to support all of the above.

Mrs. Stinziano asked Administration to look at the clubs to see what's viable and what's working? Maybe we can reallocate, or maybe if a club is no longer in existence or not many students going to that club, maybe we can use those funds for another club.

It is the will of this Board to reduce this budget to a minimum of 2% hard CAP, and if we can go under that's even better. At the minimum, I think the Board is in agreement that we want to see it there or lower.

Executive Session

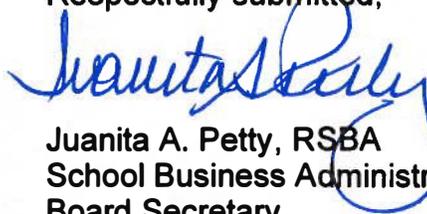
None

Adjournment

There being no further business of the Board, a motion was made to adjourn the meeting at 8:33 p.m.

Motion: To Approve, Moved by Board Member MITCH BADINER, Seconded by Board Member KIM ESSEN. Passed. 8-0-0. Board Members voting Aye: ALBANESE, BADINER, CEBERIO, ESSEN, KAZAN, MORDKOFF, PAVLAK, STINZIANO. Board Members Absent: BUBBA.

Respectfully submitted,



Juanita A. Petty, RSBA
School Business Administrator/
Board Secretary

JAP:plc