

TO ALL BOARD OF EDUCATION MEMBERS

A special meeting of the Board of Education of the Township of Union will be held on Tuesday, March 27, 2007 at 7:00 p.m. at Union High School, North Third Street, Union, New Jersey for the purpose of conducting a public hearing on the proposed 2007-2008 school budget.

A special meeting of the Board of Education of the Township of Union was held at the Union High School Library, North Third Street, Union, New Jersey on Tuesday, March 27, 2007 at 7:00 p.m., pursuant to notice sent to each board member.

PRESENT AT ROLL CALL: Mr. Gary Abraham, Mrs. Judith Axelrod, Mrs. Linda Gaglione, Mr. Steven Helmstetter, President, Mr. Anthony Manochio, Mrs. Versie McNeil, Mr. Steve Ruhl and Mrs. Judy Salazar

ABSENT AT ROLL CALL: Mr. Francis Perkins

Mrs. Axelrod led the board members and audience in the Pledge of Allegiance.

The secretary read the statement required under the "Open Public Meeting Act", a copy of which is on file in the office of the secretary.

PRESENTATION OF THE BUDGET

Dr. Jakubowski presented the budget to the public. He stated that the district was fortunate in that the Governor and the Department of Education did take a hard look at State Aid and for the first time in five or six years, the district did receive an increase in State Aid. Dr. Jakubowski said that some of this aid is called TARA Aid which is a transitional aid which right now the district cannot use and make that amount part of the 2007-2008 budget but some of the additional aid the district was able to include in the budget. He said that in looking at all of the areas and in taking the new law that has not yet been signed by the Governor but is in effect at this particular time a four percent (4%) tax increase in the tax levy and that is what the district did. Dr. Jakubowski stated that the district increased the budget by four percent (4%) increase in the tax levy which is considerably lower than it has been the last several years and also with an exception for health insurance makes the entire increase to the community approximately 4.4% or \$141.32. He believed that this was a very reasonable budget and it will allow the district to continue to provide for the district's

PRESENTATION OF THE BUDGET

students in the way they are accustomed to be provided for. Dr. Jakubowski said that the district will be able to maintain all programs and staffing and the district will be able to do certain things such as technology and to move forward with some other areas which he believes will be beneficial to the members of the community, the students in particular, but also to the entire community. He said that the entire increase is \$141.32 which comes out to less than \$12 per month. Dr. Jakubowski said that when he talks about the budget and the things that the district needs to do, the district must make sure that class size stays reasonable and that the district can provide all programs. He said that the comparative spending guide which came out the other day indicates that Union Township is the third lowest spending district in all of Union County; only two districts spend less than this district. Dr. Jakubowski said that the district is still in the bottom 25% in the State of New Jersey in spending. He said that the district's administrative costs are lower than more than 90% of the districts in the state and they are well below what the state average would be for administrative costs. Dr. Jakubowski stated that he thought that the state average for administrative costs was approximately \$1300 and change and the district's administrative costs were \$1,061. Ms. Dunn stated that the district must be lower than the regional costs which are presently \$1,616 and Union Township is substantially below that figure. Dr. Jakubowski said that in looking at the comparative spending guide, the money that the district spends is focused on areas where it should be such as instruction, supplies, support systems and services for students. He said that when the district looks at administrative costs and the average administrative salary, Union Township is below the average. Dr. Jakubowski said that he thought the district spends its money where it needs to be spent and he believed that the budget was fair and equitable. He said that he was sensitive, as are the central office administrators, to the needs of the community and the proposed budget is significantly lower than it has been in the past several years, almost \$100 less than last year and he believed that the budget was affordable. Dr. Jakubowski hoped that the community will support the passage of this budget. He said that the most important thing about this budget is that the proposed budget will allow the district to maintain all programs and all staff, so class sizes will remain the same, the district will be able to provide all the extracurricular programs and the district will be able to maintain all curriculum courses that it currently has in place. Mr. Helmstetter thanked Dr. Jakubowski for his presentation of the budget. He asked if any of the board members had any questions or comments. There were none.

MR. PERKINS ENTERED THE MEETING AT 7:15 P.M.

COMMENTS FROM THE PUBLIC ON PROPOSED BUDGET

Ms. Ciampi said that Dr. Jakubowski had mentioned that the budget was a 4% increase with the exception of health insurance and she wanted to know what that meant. Dr. Jakubowski said that health insurance costs increase at a rate significantly higher than any 4% increase that the a budget can be raised.

COMMENTS FROM THE PUBLIC ON PROPOSED BUDGET

He said that the Governor and the State Legislators were very aware of this fact and they said that up to 6.9%, which is the cost that the State Health Benefits is going up this year, the district must adjust for on its own and if the costs for health insurance go up higher what the district can do is see what the difference is can be compensated for by taking an exception in the budget for that particular line item. Dr. Jakubowski said that the district did do this. Ms. Dunn stated that the exact amount of the exception is \$637,950. Ms. Ciampi asked what the total enrollment was for the district. Ms. Dunn said that the Department of Education did projected enrollments for all districts this year. Ms. Dunn said that the district was allowed to go one percent (1%) different in the projection. She said that Dr. Jakubowski and she had estimated an increase of 36 pupils and the district is well within the projection. Ms. Dunn said that there has been a significant stabilization in enrollment but she wanted to comment for the board and the public that the district is not allowed any factor for pre-k enrollment which is approximately 274 students as pre-k students are always exempt from any calculation in State Aid and any calculation for student population. Ms. Ciampi asked if the district got any state aid for full day kindergarten. Dr. Jakubowski said that the state aid for full time kindergarten is something that was part of what that the State included this year. Ms. Dunn said that there was finally a credit to those district that for many years had provided full time kindergarten. She said that the actual credit was \$500 per pupil which is significant but given the size of the district could be considered insignificant. Ms. Dunn said that the district received approximately \$371,000 extra in state aid for the fact that Union Township Schools do have full time kindergarten. Dr. Jakubowski said that the credit that the state gives us for the students in our kindergarten does not compensate the district totally for the cost of teacher and classroom assistant salaries and health benefits. He said that the district has had full time kindergarten for the past 30 years and the state has never given the district any credit prior to this year. Dr. Jakubowski also indicated that the district has not received any credit for pre-k students either, since the district started that program. He said that this district has provided many programs that other districts do not provide and the district is finally getting a little compensation for same. Mr. Manochio asked if supplies were also included in the expenses for running the full time kindergarten programs. Dr. Jakubowski said that there would be the same number of students they would just be in school half day instead of for the full day and the supplies in the classroom would virtually be the same. He said that the state has credited the district with a little more state aid this year because the district does maintain a full time kindergarten program. Dr. Jakubowski said it sounds like the district received a significant amount of money but if you take over the years having twice as many teachers and classroom assistants with their health benefits is what is the equivalent of \$750,000 and the district would still need to provide the same

COMMENTS FROM THE PUBLIC ON PROPOSED BUDGET

number of boxes of crayons for the 450 students that are enrolled in kindergarten whether they are half day or full day. Ms. Ciampi asked if she could get the total enrollment just by adding the numbers listed on the budget. Ms. Dunn said that she would give Ms. Ciampi the total enrollment number in just a minute. Ms. Ciampi asked what the total amount of DEPA aid received was. Dr. Jakubowski said that the entire DEPA amount was approximately \$500,000. Ms. Ciampi asked if the district has maintained that amount over the years. Dr. Jakubowski said that the district has been very fortunate because even though the DEPA aid has not increased but the DEPA aid is money that can only go particular programs in the specific schools. Ms. Dunn said that the DEPA allocation has not increased in about five year but what does fluctuate year to year is the allocation because the individual schools need to budget for any "carryover" money that is not used so from year to year if the school does not budget for it those funds are held for the next year. She said that the district's true allocation is about \$473,000 for the three schools involved in the DEPA program. Ms. Ciampi asked if the three schools have a lesser budget. Ms. Dunn said that unlike the Abbott reform districts that have school based or "whole school based" budgets, those that are non-Abbot districts have one general budget for the district. Ms. Ciampi asked if the DEPA aid was just extra for the particular schools based on the needs of the students. Ms. Dunn said that this was correct and she advised Ms. Ciampi that the anticipated resident student enrollment is 7812; this number does not include pre-school enrollment. She stated that the resident student enrollment included students that are sent to private school placements, to vocational school placements, to state facility placements and to regional daycare placements. Ms. Ciampi asked what that the percentage of what the taxpayers are actually paying goes toward the school budget. Dr. Jakubowski said that in the school district at the present time, about 66% of the budget is generated through tax levy. Ms. Ciampi asked what that would be equal to. Dr. Jakubowski said that if the district's overall budget is \$100 million somewhere between \$66 million and \$70 million would be generated by tax levy. Ms. Dunn said that the total tax levy overall including debt service increase for 07-08 is 4.48% and the overall tax levy which means what the voters or the public pays for in 2007-2008 is at 67.22% which actually is .01% more than 2006-2007. Ms. Ciampi asked about resolution F-6 which deals with Travel Expenditure Maximum. She wanted to know what this covers. Ms. Dunn said that when the legislature S1701 was put in place, districts statewide were required to establish travel policies for professional staff, support staff and board expenditures. She said that annually districts must anticipate the travel expenditure districtwide and provide a resolution for that. Ms. Dunn said that for an audit perspective starting on July 1, 2006 and for the 2006-2007 school year the auditors will come in and audit all travel expenditures for appropriateness according to the policies. She said that the new bill, A-5, has provided an extension of the travel policy where the district not only needs pass

a resolution anticipating expenditures but also provide the public with what the current year's expenditures were anticipated to be and what the expenditures are at that point. Ms. Dunn said that the district in order to prove the appropriateness of the expenditure, the district requires that every individual who has been board approved, to write a report as to where they went and what they learned. She said that as of today, she had received information that the board will, in April, pass a resolution not only stating the anticipated expenditure for 2007-2008 but will also reiterate the anticipated for 2006-2007 and at that time she would be able to provide the board with what the true expenditure as of the April meeting will have been for the district. Ms. Ciampi asked if the amount listed in the resolution was the maximum amount allowed for the year. Ms. Dunn said that it is a maximum, it can be adjusted. Ms. Ciampi asked if the amount includes board travel expenses. Ms. Dunn said that it absolutely includes board travel but it also includes staff travel and administrative travel. She said that there is a resolution on the agenda each month which has an attached list which includes who is traveling, where they are going and what the maximum anticipated expense for the trip is. Dr. Jakubowski said that when the public looks at the breakdown of the budget, last year 67.21% of the budget came from tax levy and Ms. Dunn alluded that this year it is 67.22% which virtually is the same. He said that although the district's budget has increase by so much, the percentage the district is looking for in the tax increase has not really increased. Dr. Jakubowski said that last year the district received 22.37% of its budget in state aid and this year 22.89% of the budget is state aid. He said that the federal aid dropped from 2.8% to 2.09% or almost 2.1%; this dropped more than the state aid increased. Dr. Jakubowski said that the surplus or capital reserve, which is money that the district has; unfortunately it went from 6.48% down to 6.38%. He said that the district's miscellaneous revenue went up from 1.14% to 1.41%. Dr. Jakubowski said that when he took over as superintendent 12 years ago, 58 cents on every dollar from the community went to the schools and now it is down to 47 or 48 cents. He said although the district's budget has increased, it has gone up at a lower rate than the county's portion of the tax levy. Dr. Jakubowski thought that the district has been fiscally prudent and responsive to the community's needs and the impact that a tax increase has on the taxpayers. Ms. Ciampi asked what happens if the budget is defeated and asked if the district would be getting the HELP state aid. Dr. Jakubowski said that if the budget is defeated, it must be reviewed by the Township Committee and last year although they were sensitive to the district's needs, the Township Committee deducted \$500,000 from the budget. He said that he has been talking to staff members and \$500,000 does have an impact on the school district and \$500,000 would probably reduce a taxpayer's tax bill by \$15 or maybe \$20 because there are so many homeowners. Dr. Jakubowski said that \$500,000 sounds like a lot of money and it is a lot to the district and its programs, but to every individual taxpayer it is not a significant decrease. He

said that a defeated budget impacts more significantly on the district than on the individual taxpayer's overall tax bill. Ms. Ciampi said that she firmly believed that whatever impacts the school district impacts the community. Mr. Helmstetter asked Ms. Dunn to make a comment on the HELP aid. Ms. Dunn said that this year is very different than last year. She said that last year the district did not anticipate HELP aid and it was outside the budget which means that when it was received in January, the district was able to help the Special Services Department cover unanticipated outplacements. Ms. Dunn said that unfortunately that is not the case in 2007-2008. She said that the district needed to budget for that money and, therefore, the district does not have the option of just having it "there" to do with whatever. Ms. Dunn said that she was truly cognizant of this fact when Dr. Jakubowski and she put the budget together and she was confident that the proposed budget was a secure one. Mr. Manochio asked if federal dollars were disseminated to the districts or filtered through the state. Ms. Dunn said that they are filtered through the state. Mr. Manochio asked who made the determination as to how much each district receives; is it the federal or state government. Ms. Dunn said that the federal government makes the determination. She said that under NCLB and IDEA there are many factors and the monies filter from the State Department in Washington, D.C. to the districts. Ms. Dunn said that the district is very fortunate and she wanted to clarify that the decrease in federal aid is substantial because the district is not allowed to budget for carryover funding, nor is the district allowed to budget for the 100% funding for a current year. She said that the district is limited to budgeting a maximum of 85% of the pre budget year because of the fact that the district may not receive those funds and as the district has been very fortunate in the last few years, there have been years when the district has not received the aid. Ms. Dunn said that when the public sees the decrease in the federal aid that is the purpose or the reason behind it. Mr. Manochio said he understood this but wanted to know when the state receives the money from the federal government, does the federal government send the money earmarked specifically "X" amount of dollars goes to each district or does the state determine which district gets what. Ms. Dunn said that the allocations are determined by the federal government.

FISCAL AND PLANNING COMMITTEE

Moved by Mrs. Gaglione, seconded by Mr. Ruhl that the following resolutions be adopted:

F-1. ADOPT PROPOSED 2007-2008 SCHOOL BUDGET

That the proposed tentative 2007-2008 school budget be adopted in accordance with the copy in the hands of each board member, and the following:

That there should be raised for General Funds \$72,223,280 for the ensuing school year 2007-2008 and that this amount appear on the ballot to be voted upon at the Annual District School Election to be held on April 17, 2007.

F-2. APPROVE ALLOWABLE AUTOMATIC TAX LEVY ADJUSTMENT FOR FISCAL 2008

That Allowable Automatic Tax Levy Adjustment for the fiscal year 2008 in the amount of \$637,950 be approved in accordance with the formal resolution appended to these minutes.

F-3. APPROVE 2007-2008 DEPA OPERATIONAL PLANS

That the board approve 2007-2008 DEPA Operational Plans in accordance with the information appended to these minutes: (a) Hannah Caldwell Elementary School – \$173,771.27; (b) Connecticut Farms Elementary School- \$146,619.22; (c) Franklin Elementary School - \$183,962.76

F-4. APPROVE SUBMITTAL OF APPENDIX E TO COUNTY SUPERINTENDENT OF SCHOOLS

That the board approve for submittal to the County Superintendent of Schools, Appendix E (Required Documentation to Support Estimated Fund Balance) along with the January 31, 2007 Secretary's Report as required documentation to support the estimated fund balance as of June 30, 2007 pursuant to Exhibit C-1 (Recapitulation of Balances) as contained in the proposed 2007-2008 school budget, in accordance with the information appended to these minutes.

F-5. APPROVE ADVERTISED CAPITAL OUTLAY PROJECTS

That the board approve Advertised Capital Outlay Projects in the total amount of \$1,000,000 in accordance with the information appended to these minutes.

F-6. APPROVE TRAVEL EXPENDITURE MAXIMUM

That the board approve Travel Expenditure Maximum in a total amount of \$125,000 in accordance with the information appended to these minutes.

DISCUSSION:

None

AYE: Mr. Abraham, Mrs. Axelrod, Mrs. Gaglione, Mr. Manochio, Mrs. McNeil, Mr. Perkins, Mr. Ruhl, Mrs. Salazar and Mr. Helmstetter

NAY: None

ABSTAIN: None

MOTION WAS CARRIED

MOTION TO CANCEL ADDITIONAL BUDGET HEARING

Moved by Mr. Abraham, seconded by Mr. Manochio that the board cancel the scheduled Public Budget Hearing on Thursday, March 29, 2007 due to the fact that the board has approved the 2007-2008 budgetary plan.

DISCUSSION:

None

AYE: Mr. Abraham, Mrs. Axelrod, Mrs. Gaglione, Mr. Manochio, Mrs. McNeil, Mr. Perkins, Mr. Ruhl, Mrs. Salazar and Mr. Helmstetter

NAY: None

ABSTAIN: None MOTION WAS CARRIED

Mr. Helmstetter said before he asked for a motion to adjourn the meeting he wanted to thank the board and the administration for a lovely year as president of the board. Mr. Manochio complimented Mr. Helmstetter on a very wonderful year and he wanted to compliment Dr. Jakubowski, his staff and the business office for completing a very difficult task in preparing the budget which was presented tonight. He said that he knows how much time goes into the preparation of a budget. Mr. Manochio thanked Dr. Jakubowski and Ms. Dunn and her staff for the work on the budget. Dr. Jakubowski said that it is really more than the central office that help in the preparation of the budget. He said that all principals and supervisors create their part of the budget and send them to Mrs. Lombardi for review. Dr. Jakubowski said that this is a process that takes some time and each year it becomes more complicated but the business office does a tremendous job. He wanted to let the community know that it was important that the district pass the budget this year because every dollar is important. Dr. Jakubowski stated he thought that the budget being presented to the public was fair and it will allow all of the district's students to continue to get the best possible opportunities.

MOTION TO ADJOURN

There being no further business before the board, it was moved by Mr. Manochio, seconded by Mr. Abraham that the meeting be adjourned at 7:35 p.m.

AYE: Mr. Abraham, Mrs. Axelrod, Mrs. Gaglione, Mr. Manochio, Mrs. McNeil, Mr. Perkins, Mr. Ruhl, Mrs. Salazar and Mr. Helmstetter

NAY: None

ABSTAIN: None MOTION WAS CARRIED

Respectfully submitted

JAMES J. DAMATO
BOARD SECRETARY

TOWNSHIP OF UNION SCHOOLS
UNION, NEW JERSEY

Allowable Automatic Tax Levy Adjustment
Fiscal 2007/2008 Budget

March 27, 2007

WHEREAS, A-1, the Pending Tax Levy Cap Law has provided an opportunity for school districts to use Automatic Tax Levy Adjustments in preparing the 2007-2008 (FY'08) annual school budget, and

WHEREAS, the Superintendent and Business Administrator in preparing the FY '08 budget have determined that the district qualifies for an Automatic Tax Levy Adjustment for a Health Care increase over the 4% cap, but not greater than the average State Health Benefits Plan increase of 6.9%;

NOW, THEREFORE, BE IT RESOLVED that the Board of Education accept the recommendation of the Superintendent and the Business Administrator to approve the FY '08 annual school budget with an Automatic Tax Levy Adjustment for Health Care increase in the amount of \$637,950 which is included in Line 150 Local Tax Levy in the 2007-2008 proposed budget.

DATED: March 27, 2007

Steven Helmstetter
President

Theodore A. Jakubowski
Superintendent

James J. Damato
Board Secretary

TOWNSHIP OF UNION SCHOOLS
UNION, NEW JERSEY

ADVERTISED CAPITAL OUTLAY PROJECTS
Support Document 4a

2007-2008 Proposed Budget

Pursuant to N.J.A.C. 6A:23-8.4 and N.J.A.C. 6A:26.9.1(e) the Township of Union Schools is proposing the following Capital Outlay expenditures in the proposed 2007-2008 budget. (This is in accordance with EFCA's requirement for local voter approval for local funding for capital projects.)

The following projects are included in the 2007-2008 Township of Union Schools proposed budget document:

- A/C Districtwide \$ 20,000
- Bleacher Repair UHS Home Side \$ 10,000
- Bleacher Repair UHS Visitor Side \$ 150,000
- Lockers Boys Small Gym UHS \$ 55,000
- Repoint Kawameeh Middle School \$ 500,000
- Walkways at Various Schools \$ 265,000

These projects are to be funded through the General Fund budget in a total amount of \$1,000,000. The total expenditure is listed on budget document line 8270 "Construction Services".

DATED: March 27, 2007

Steven Helmstetter
President

Theodore A. Jakubowski
Superintendent

James J. Damato
Board Secretary

TOWNSHIP OF UNION SCHOOLS

TRAVEL EXPENDITURE MAXIMUM

Fiscal 2007-2008

WHEREAS, school district policy File Code 4133, Job Expenses – Teaching Staff Members and File Code 4440 Job Expenses – Support Staff Members; and Bylaw File Code 9250 Reimbursement of Board Member Expenses and N.J.A.C. 6A:23B-1.2(b) provides that the Board of Education shall establish in the annual school budget a maximum expenditure amount that may be allotted for such travel and expense reimbursement for the 2007-2008 year;

NOW, THEREFORE, BE IT RESOLVED that the Township of Union Board of Education hereby establishes the school district travel maximum for the 2007-2008 year at the sum of \$125,000; and

BE IT FURTHER RESOLVED that the School Business Administrator shall track and record these costs to insure that the maximum amount is not exceeded.

DATED: March 27, 2007

Steven Helmstetter
President

Theodore A. Jakubowski
Superintendent

James J. Damato
Board Secretary