

TOWNSHIP OF UNION BOARD OF EDUCATION
PUBLIC HEARING MINUTES – APRIL 30, 2020

NOTICE OF MEETING:

The public hearing meeting on the budget of the Board of Education of the Township of Union was held on Tuesday, April 30, 2020 at 7:00 p.m. via ZOOM pursuant to the notice sent to each member.

Mrs. Minneci called the meeting to order at 7:02 p.m.

PRESENT AT ROLL CALL:

Dr. Guy Francis, Mrs. Sherry Higgins, Mr. Ronnie McDowell, Mrs. Nancy Minneci, Mr. Vito Nufrio, Mrs. Linda Richardson, Mrs. Kim Ruiz, Mrs. Mary Lynn Williams

ABSENT AT ROLL CALL:

Dr. Kalisha Morgan (arrived at 7:05 p.m.)

ADMINISTRATORS PRESENT:

Mr. Gregory Tatum, Mr. Gerry Benaquista, Mrs. Moses, Mr. Manuel Vieira, Mrs. Kim Conti, Mr. Craig Wojcik, Mrs. Maureen Guilfoyle, Mrs. Sandra Paul

ALSO PRESENT:

Afhan Ajmiri Giner, Esq.

Mrs. Williams led the Board in the Pledge of Allegiance.

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

Mrs. Williams read the District’s mission statement.

COMMENTS FROM THE PUBLIC:

Mr. Monge asked if the comments from the public could take place after the Budget Presentation. It was decided to take a vote among the Board members to move the Budget Presentation to prior to public comment.

AYE: Dr. Francis, Mrs. Higgins, Mr. McDowell, Dr. Morgan, Mr. Nufrio,
Mrs. Richardson, Mrs. Ruiz, Mrs. Williams, Mrs. Minneci

NAY: None

ABSTAIN: None

MOTION CARRIED

BUDGET PRESENTATION:

Mr. Vieira gave the following budget presentation and same can be found appended to the minutes:

Mr. Vieira stated tonight I will be presenting the 2020-2021 annual school budget. For members of the public that are not familiar with a school district, we are a pre-school to 12 district with 10 schools – 7 elementary, 2 middle and 1 high school.

We have 7,200 students – the general education population is 6,000 and special ed students with IEPs are 1,200. We have 1,058 full-time staff and 142 part-time staff members.

The reality of the budget – we have comprehensive program offerings, professional development, special education services, progressive technology which is our infrastructure, staffing, health benefits and operational efficiency.

Student learning and instruction – broadening academic experiences, access/opportunities, STEM, CAD and CTE, teaching practices and effective curriculum, special education support services.

Programs: broadening academic experiences – performing arts, academics and athletics.

Teaching practices and curriculum – STEM initiatives, CAD – computer aided design and CTE – career technology education.

Special services consists of programs, placements and related services.

We are committed to learning and teaching – keeping the integrity, maintaining high expectations/excellence and sustaining outcomes.

Budget meeting discussions occurred with Central Office Administration, building principals, directors, supervisors and vice principals and the Finance Committee. Budget procedure consisted of analyzed budget trends over the past three years and reallocating funds in priority areas.

Our budget consists of three funds: the general fund - \$131,845,513 and that is for teaching, programs – which are funded by the tax levy and our New Jersey State Aid. The special revenue fund - \$7,100,637 and that is our pre-school program, Title I programs, IDEA – which is federal funding for our special ed students. The third fund is our debt service fund - \$2,804,650. Our total budget is \$141,750,800. The budget year we are in now is \$138,000,000 so we increased our budget by a little over \$3 million.

The proposed budget on the revenue side we had a State Aid increase of 1.2% (\$393,478) – not much of an increase. Our expenditures are increasing at a rate of 3-4%. The local tax levy increase is 2.0% (\$1,831,433) which is the maximum we are allowed to increase without going to the voters for approval. Our revenue between the State Aid increase and the local tax levy increase is only \$2.2 million.

Another source of funding for next year's budget is our budgeted fund balance which increased by \$1.2 million from 19-20 school year. The \$1.2 million came from extraordinary

State Aid that we didn't budget for which is for our special ed students that we send out of district. We also received a pre-school State grant in the 19-20 year. When we prepared the 19-20 budget we weren't expecting that State Aid so that was a bonus for us this year. We did save some money with competitive purchasing.

The key dates were by March 20, 2020 the Board had to adopt and file the tentative budget with the Executive County Superintendent. On April 16, 2020 we advertised the 2020-21 budget in the Union County Local Source and the Executive County Superintendent approved our budget as of April 20, 2020.

The general fund increase for an average homeowner is \$61.81; the debt service fund decreased by \$3.21 because the tax base in Union increased by \$6.7 million which is the new construction and which increases our ratables and that is a good thing for our Town. The numerator is the tax levy and the denominator is the ratable tax base. As the denominator increases, the tax rate goes down. Even though we increased the municipal levy by 2%, the tax rate is only increasing by 1.2%.

Comparative Appropriations: The overview of the last budget and the current budget – general school administration/central services/technology – currently \$9.7 million and going up to \$9.8 million (increase of \$156,000); capital outlay/capital projects – increasing by \$469,000; debt service – decreasing by \$59,000 (every year we pay principal and interest and it is based on an amortization schedule); employee benefits – an area that increases every year – the increase for next year is \$1.2 million – over the past 3 years we have had an average increase in employee benefits of 8.4%; instruction salaries – will decrease \$715,000 due to reduction in force because our expenditures are increasing at a greater rate than our revenue; operations and maintenance is flat – maintenance, custodial, grounds and utilities are included in that line; student support services is guidance, special services, nursing is flat; transportation budget – keeps growing every year by a larger percentage because of special services, requiring more transportation services and a shortage of drivers so the prices keep going up. Our two largest increases are employee benefits and transportation.

Budgetary per pupil cost versus State average – the cost per student in Union is slightly below the State average. We are very efficient.

Increases in the budget are health benefits, every year we have negotiated agreements with increases in salaries and of course special services. The average increase in health benefits is 8.4%. Family health insurance – the annual premium is \$36,000; that is a large percentage of the employee's compensation package. There is a 30% of benefits on top of the employees' salaries.

UTEA salaries that were settled over the past three years and the UTEA staff is our largest group of employees – certified staff increase 2.7% and support staff increase 3%.

Special services expenditures – growing the fastest. Our proposed special services budget for the 2020-21 school year is \$42 million. Over the past five years - \$195 million. Special services is a third of our general fund budget and services about 1,200 students.

Mr. Nufrio stated I wanted to reiterate something that I discussed and mentioned at the meeting the other evening. Since I have been on this Board since April 2011, I always espouse total transparency and process. I live by that mantra and I stand by it. At this point I think it is imperative that I reemphasize that this Board needs to adhere to transparency and process by continuing to do what we have done in the past. At this time I would like to make a motion for the Board to consider that we should request the business office to follow through on RFPs/RFQs which is part of this budget transparency as well as our expenditures in the future. I would like to formally make this motion and ask for the Board's consideration.

Mrs. Minneci asked do we need a second? Mrs. Higgins stated "second".

Moved by Mr. Nufrio, seconded by Mrs. Higgins, that the Business Administration prepare RFP's for professional services.

DISCUSSION:

Mr. McDowell asked can you explain a little better on what you mean? Mr. Nufrio stated the other evening when we met, I indicated that RFPs/RFQs were running short on the timeline. Those professional services that need to be put into consideration we need to formulate the proper RFP/RFQs. I said during the Fiscal Committee meeting and I sent to all the participants including Mrs. Minneci, Mr. Tatum, Mr. Vieira, Mrs. Moses, Mr. Benaquista, Mrs. Higgins and Mrs. Williams a list of professional services that we did have RFP/RFQs in 2018 and 2019. I want to make sure that we are at least going to pursue that otherwise the transparency component is lost and the process is not followed. We need to do them so hopefully we can gain some monetary benefits from other proposals.

Mr. McDowell asked would that just be adhering to our policy? Mr. Nufrio stated it is part of the process for the yearly renewals of all contracts. Mr. McDowell asked what does our policy say?

Dr. Francis stated I have been speaking about having us follow the policy that we have in place which really tells the business administrator that we should be looking at all our RFP/RFQs to see where we can save money. It doesn't hurt us, it can help us. Over the last several years, the whole thing about we have to lay off people because we are short on the budget – teachers one year, paras the next – we should be doing everything possible to try to save money. If this motion Mr. Nufrio is talking about is enforcing the business administrator and the business office to do just that, I think we should always try to save money for the district so it would help us in the long run due to the fact that special education is going up and we don't have enough money. I said this at one of the worksessions, nothing should be off the table. We should look at RFP's for Mrs. Conti – special services. The same level of care that someone else is giving us – just because we pay more doesn't mean we are getting what we paid for. We can get the same services for a lesser amount and I think we should look at that as well. I don't know if that is what you are talking about Mr. Nufrio but I am for forcing the business administrator and business office to look into saving money when we go out for RFP/RFQs. We should be doing that every time.

Mrs. Higgins stated the reason I seconded the motion is that if a vendor is comfortable in their position and doesn't feel they are going to be challenged, prices can creep up, things can inflate to the point where it is unfair to us and we need to keep everyone in check and to let them know we are going to go out every x-amount of years to make sure we are getting the best services and prices for our district.

Mrs. Ruiz stated I feel like every time this issue has come up in the two years I have been on the Board, I feel like a broken record, constantly asking did we put out an RFP and the answer more often is "no". We have a policy where it was suggested that language be changed in the policy so that the Board President would have more flexibility and discretion to decide when we would go out for RFP or have an ad hoc committee put together for the RFP. You can look at past minutes where I'm constantly saying "why didn't we put this out for an RFP?" If for nothing else just to compare costs and pricing and of course for transparency but it never seems to have happened. If that is your motion that we do what the policy says, great I have been asking for that for two years and three months. It would be awesome.

Afshan stated from a legal standpoint on how this motion was worded; I just want to clarify that in order to propose this motion, if the intent is to direct and authorize the BA's office to go out and bid for certain professional services, we also need to actually specify what professional services you want the BA to bid for. It is vague motion to act upon.

Mrs. Higgins stated you have that list Mr. Nufrio. Mrs. Ruiz stated the list on the policy was narrow and I think to enforce transparency and to protect the Board and the district as far as pricing goes, it should be all professional services. I don't think any vendor should ever get comfortable enough to think that they can just rake us over the coals because nobody is looking or minding the store. Every vendor should know that they are replaceable and RFP's will go out.

Mrs. Minneci stated the list that Mr. Nufrio sent are the ones that the contracts are up this year. Mrs. Higgins stated we should put everybody on notice that it would be unwieldy to think that we would do an RFP for every single professional service company every two-three years.

Afshan stated even if the contract's not up, technically you can put out an RFP for whatever service it is but for purposes of this motion, you have to specify the specific services that you are authorizing and directly the BA to go out and issue RFPs. I'm not saying to target specific vendors, I'm talking about specifying the type of service that you want to go out for RFPs.

Mrs. Minneci stated Mr. Nufrio needs to reword his motion. Afshan stated yes.

Dr. Morgan stated why are we making a motion for something that I believe we already have a policy for. If the policy is there it is our job to enforce it.

Mr. Nufrio stated those particular services that we sent out RFP/RFQs – I don't have a copy of it. Mr. Vieira should have it. They were listed clearly – not all the services. Although I have a sheet in front of me that I received from Mr. Brennan in the past which clearly delineated all of the professional services and which stipulated the expiration dates, execution date and

required. Technically all of the them with the exception of the debt service which is not required. I have them a much shortened list and you all received it who attended the meeting yesterday. Mr. McDowell, I was not satisfied with the answer that we are simply going to renew everybody.

Mrs. Minneci stated Afshan, should we be doing this motion right now? I don't know if this is out of order for this particular meeting. Afshan stated at any public meeting any Board member can make a motion for any kind of action. Mrs. Minneci stated back to Dr. Morgan's question on why are we even doing it? Afshan stated Dr. Morgan brings up a really good point. There is nothing wrong with doing this. There is a Board policy which you can follow. I know there is a difference in opinion as to whether or not RFPs should go out. Legally, you don't have to go out for RFPs for professional services but if the Board wants to you follow your policy and go out for RFPs for professional services that are listed underneath the exemption category for bidding. If the purpose of today's motion is to reinforce but also direct the BA to specifically go out for specific types of services, whether legal, auditor, architecture, whatever it may be, then there is no harm in doing that because a lot of districts do specifically authorize the BA and direct the BA to go out and bid for services or request for proposals for certain services. If Mr. Nufrio's intent is essentially to make sure this is happening on a regular basis, that is fine but at the same time you do have the option without taking formal action to make sure that the district does issue RFPs for certain professional services. There is no harm for today or table it for another day. Also, you can pursue this process without a motion.

Mr. Vieira stated I went to the website to see our list of professional services and when the contract expiration date is. The ones that are expiring June 30th – auditors, health insurance broker, attorney and the property/casualty broker.

Mr. Nufrio stated one of the major mandates of the Board's responsibility is fiscal responsibility and if this isn't a component of that, than I don't know what is. We have done RFP/RFQs in the past. This should not change. Simply renewing everybody at will just because we may have a situation that is totally unprecedented right now. We can be sure that I'd be more forceful if I was there in person. When I was president this was thrust on my shoulders many times and I never said no, I simply questioned the dates of expiration, renewable or whether it can be done like food service, we certainly wouldn't do that every year, and some other aspects that we did look for in the past.

With regards to the policy, what was changed in the policy that I recalled was the ad hoc committees would only be formulated for certain services. We never said we don't have to do professionally RFP/RFQs. If that is the case, then the Board is not following its mandate which is statutorily required that we should be financially and fiscally prudent and if we are going to be transparent to the public by not doing so then we all may simply resign because we are not following the mandates.

Afshan stated in the interest of time and by virtue of the fact that this is the budget hearing and the public is here for the budget, if you would like to restate your motion or if the Board consents to table it. I would recommend that we move forward with this motion in one way or another so that we can spend the rest of the time with the budget presentation.

Mrs. Minneci asked Mr. Nufrio do you want to reword it? Mr. Nufrio stated I would like to simply say to identify those particular services that Mr. Vieira just read, whose contracts will be expiring. We have a timeline here and we have to give a 60-day notice to people if any changes are to incur. The longer we put this off is certainly not a wise thing to do. Since one of the services has to do with legal, I would ask our counsel to consider refraining from suggesting something different because it is a conflict. We are on a timeline and we need to meet the timeline. We need to act prudently and as quickly as possible so that Mr. Vieira can go ahead and make the proper presentations.

Dr. Morgan stated what I'm trying to say is do we really need a motion to have someone go out and bid. We can just say if any services that are coming up, needs to go out – that is a directive. Do we need to put that in a motion? Mr. Nufrio stated if that is so then let's do that so we can follow whatever recommendation it is. Dr. Morgan stated that is what Mrs. Ruiz and everyone else have been saying for the past two years. Again we never said that we don't want the RFP/RFQs, that should have been done anyway. To make a motion right now, I'm trying to understand why. I'm not comfortable with what is happening. All we have to do is say to Mr. Vieira, everyone that is coming up on June 30th, we want RFPs. Mr. Nufrio stated I totally agree if that is the way it should be specified. The point is we are running out of time.

Mrs. Minneci stated let's request Mr. Vieira to go out for the RFPs that are expiring and to get on it now and send out ASAP.

Mr. McDowell stated Mr. Nufrio's motion is based on a meeting that you had yesterday and some people got "minutes" from that meeting and I did not and I think a couple of others did not either. I think if we had that document in front of us, maybe we could better understand what exactly this motion is all about. I understand we are running low on time Mr. Nufrio but I think it is important for the rest of the Board members to understand what came out of the meeting yesterday before we can vote on anything from that meeting.

Mr. Nufrio stated at the meeting, when I asked when are we doing the RFP/RFQs – we are not doing it we are just going to renew everybody and that is what I objected to completely. Mrs. Higgins also objected to that as well. Let's get this done, we can't just renew people because it is a lot easier to do it that way. That is not being fiscally.

Mr. Minneci stated Mr. McDowell, will you be comfortable with Mr. Vieira sending out the information that Mr. Nufrio is talking about. Mr. McDowell stated I would.

Mr. Nufrio stated we have a motion on the floor, procedural error here Mrs. Minneci. Mrs. Minneci stated I was just asking a question Mr. Nufrio and then we will go back to your motion. Mr. Nufrio stated I hope it is not to delay the process. Mrs. Minneci stated it is not to delay the process. Mr. McDowell made a request and I think there is other Board members who feel the same way.

Afshan stated then just clarify and I stated this before and I know Dr. Morgan has already mentioned this twice, you don't necessarily need a motion and I'm not saying this because of legal services. You can go out and bid anytime. If you want to have a motion you can. If the

general consensus is then the administration can go ahead and put out bids anytime and inform the Board this is what we are doing. If this is going to cause additional delay for the purpose of our meeting which is the budget, if we need to have additional discussions on what was discussed prior to today in terms of what services are up for bid, I'm just trying to edge everybody's time and expectation and I just want to remind everyone you can certainly go out and propose request for proposals for all these services that are expiring in June without having really make a motion. Again, if Mr. Nufrio feels that he wants to make a motion, he certainly as a Board member has the right to. The Board either votes on it or if Mr. Nufrio is comfortable enough with the representations made by Mr. Vieira that he will go out for bid on these services, then Mr. Nufrio has the option of redrawing his motion. Mr. Nufrio stated I am not withdrawing my motion. The motion stands and I would expect a vote to follow. Thank you.

Mr. McDowell stated Mr. Nufrio please repeat what your motion was – I'm inclined to agree with what you have to say but I need to make sure I understand what you are saying. Mr. Nufrio stated based on the list of RFP/RFQs I sent to the committee and to Mr. Vieira, those particular services he should proceed with executing the RFP/RFQs. It was based on the fact that I was told yesterday that we are just going to renew everybody.

Afshan stated with all due respect, this is the complete opposite of transparency. Nobody else has a copy, including the public, of that list. I would need either Mr. Vieira or you to list out what those industries/types of services are. Otherwise, the Board is voting on a motion that isn't clear as to which services they are and the public doesn't know and the public has the right to know what services the Board is voting on. Mr. Nufrio asked Mr. Vieira to read that list again.

Mr. Vieira stated the list is on our website. I don't have the one you sent me but I went to our website and the four professional services that are expiring June 30, 2020 are the auditors, health insurance broker, attorney and property/casualty broker. Mr. Nufrio stated those were the main ones that I listed and that is what we are doing right now. Those are the ones that are expiring and need to be done again.

Dr. Morgan stated I come back again to ask – why can't we just direct Mr. Vieira to do the RFPs. Mr. Nufrio stated we can if we just vote on it. Dr. Morgan stated I'm not understanding why there is a vote that should be a directive from the Board President to the Superintendent and the Superintendent to the Business Administrator. Mr. Nufrio stated as I said yesterday there was a resistance to do any RFP/RFQs and that stunned me.

Mrs. Minneci stated it wasn't a resistance, we had a discussion and I told them of a discussion I had with Mr. Vieira and Mr. Tatum and nobody said no, we weren't doing it. Mr. Nufrio stated that is not true. Mrs. Minneci stated Dr. Morgan, I agree with you, that I can talk with Mr. Tatum and Mr. Vieira and directive will go out to Mr. Vieira to send out the RFP/RFQs on those services that are expiring in June.

Mr. Tatum stated let's settle this right now because a lot of time has been expended on this whole thing, there is no absolute motivation behind not doing RFP/RFQs. One of the comments I said yesterday is that we should be bidding everything, including supplies which is something that the Board has talked about over a number of years, in addition to RFP/RFQs.

Give me a directive as the Superintendent and I will so direct the Business Administrator and we will get this going tomorrow. I don't know why we are going down this road. Whether a motion or give me a directive, right here and right now in public and we can do it and move on.

Mrs. Ruiz asked why does a directive have to be given when there is a policy in place that says that this needs to be done. What is the point of having a policy if you are not going to abide by it. If the policy says we have to put out RFPs for professional services, why do we have to have a motion on the floor, a directive given, why can't we just follow the policies. Mr. Tatum stated that is your point, there is a policy that we have in place that is not being followed and we expect you to follow the policy and that is the directive. Dr. Morgan stated that's the directive, just follow the policy. What was discussed yesterday, I'm not the board president and I'm not trying to supersede Mrs. Minneci; however, just follow the policy. That is our job to make sure that we are implementing policy. Mr. Tatum stated part of the discussion was the times we are going through right now. He made the determination that despite of what we should be doing we are making our best effort for transparency to do just what he is talking about tonight and I don't think anyone in the room is opposed to that. I think if that is the will of the Board and there is a motion on the floor and if it is the will of the Board to vote as far as the motion is concerned or if it is the will of the Board to say follow the policy, we are going to do what we are told to do. We will negate the fact that there may be some contingencies regarding times that are out there because of what we are all going through – that is fine, we will still get it done. There is no problem with that.

Mr. Nufrio stated as a person who always believes in process, the motion was seconded and I would expect a vote to be taken – regardless of the policy which already has this embedded in it. There should be a vote because every Board member has to have an opinion and should have a vote on whether or not this should be done regardless of what I may have heard yesterday in our committee. What I heard was disturbing to me.

Mrs. Minneci stated can we move on. Mr. Tatum stated whatever way the Board wants to do it, it is fine with us. We are not arguing this. Dr. Morgan asked can we call for a vote please?

AYE: Dr. Francis, Mrs. Higgins, Mr. McDowell, Mr. Nufrio

NAY: Dr. Morgan, Mrs. Richardson, Mrs. Ruiz, Mrs. Williams, Mrs. Minneci

ABSTAIN: None

MOTION FAILED

Mrs. Minneci stated we will go with Mr. Tatum's directive. Mr. Tatum stated I will direct him right now – Mr. Vieira let's move forward with doing the RFPs.

Mrs. Higgins stated what did we vote on at the end of the day we are saying that we will do RFPs – I'm confused? Mr. Tatum stated what you voted on right now is those services that are going to terminate at the end of this year will now be an RFP as opposed to automatic renewal of the contracts. What the Board was saying is we don't need to do a vote we can simply be told that is what you want.

COMMENTS FROM PUBLIC:

Mr. Monge stated there is a policy and you follow the policy and people do their jobs. This took an hours of the public's time sitting here for a budget hearing and that was unfortunate especially since the RFP/RFQ process in the policy has been narrowed by the Board over the last two years and the policy chair is Mr. Nufrio.

As it pertains to F-2 – the approval of capital reserve and these are all the same numbers so I'll say what I said two months ago. We only have about half million dollars in capital reserves for our schools and other facilities. It is a dismal amount of money. Now with this \$330,000 being used, it is going to reduce that to a quarter million dollars which is ridiculously low for a district of this size. With this whole corona virus issue that happened and things that we need to consider as it pertains to how we manage and what we do to our facilities, that is something that our district should be taking some real strong thoughts about.

As it pertains to professional services – F-4 – you are establishing an increased maximum dollar limit for professional services. Professional services are RFPs and RFQs and this is about cost savings. My understanding is that professional services in the new policy that was approved is now limited. We pushed for many years when I was there to try to push for RFPs to go out for special education related services – that is part of professional services and my understanding is that policy does not speak to that and that is where the majority of the increases are coming from. Over the last year, that number has gone up by \$640,000. The two year change is \$1.255 million dollars – that is huge increases and that is something that you all need to consider. The biggest nut is legal services. It is up by \$400,000 which is an amazing number.

The last thing, we keep on talking about the budget of the school increasing and outpacing State aid which is less than \$400,000 which is less than the increase for legal services which is amazing. That is what we get from the State and our local tax levy. Something has to give and unfortunately what ends up giving in this district ends up being services and instruction for our kids.

One other thing – I want to ask – are there going to be any job losses based on this budget?

Mr. Tatum stated there is a proposal which Mr. Vieira made last month – there is a possibility of about 60 FTEs that will be reduced but some will be done through retirement and attrition. I already put together a revised budget that I talked today to the Finance Committee about which already reduced about 15 of those positions.

I want to make some comments on Mr. Monge's concerns here. F-2 – we have this discussion every year. F-2 is a working document. This is what is proposed but it certainly doesn't mean it is going to happen. With regards to the pandemic, we are hoping that there will be additional funding. We are already talking about how things will potentially look down the road, there may be the need for adjustments in a number of areas. Please keep in mind that this budget was prepared in advance of our closing down. This has been a work in progress all year long but there may be other direction and guidance. I mentioned to the Finance Committee that

there may be even a different budget message coming our way as well from the Governor that will give further directions on this. As far as being prepared to return, there will be a lot of things on the table, far more than some of the things that we are talking about now.

Lastly the concerns about F-4 – one of the things that we talked about consistently and what I charged special services department with doing is trying to look at those contracts and to see whether or not there might be some duplication of services that will cost us far less but not taking away from our students. Again these are proposals and things that we are going to have to look at. Right now, the budget that we have before us is procedural pursuant to regulations. I believe there will be different guidance coming out that may force us to do things completely different than what we are doing right now.

Mr. Vieira stated back to legal fees – legal fees have increased over the past couple of years because we have 25 cases currently. In America everyone has the right to sue, a lot of employment cases and special ed cases. It is not Afshan sitting at a Board meeting that is costing \$600,000, it is all these cases. I just wanted to make that clear.

Lynn Cornacia stated I'm a paraprofessional in Union. Mr. Vieira mentioned that we are going to have layoffs. Do you know where we are going to have the layoffs? One year we did the teachers, last year we did the paras, who is it going to be this year? How many in total? Is it going to be administration? Are you also looking towards having more part-time paras to save on the health cost?

Mr. Tatum stated you kind of know how this works. Even though the bulk last year was in the para area and prior was teachers, we also try to do a variety of different positions. The one thing that we try not to do is take away from the teachers in their classroom instruction. What I will say to you right now with great confidence is that we are working very hard to try to limit as much reduction as possible. The original proposal was about 60 positions, I already have it down 15. We are working on that so there will be some cuts across the board. However, I want to caution everyone, not knowing what the next budget address is going to be, there might be things that may not be on the table tonight, that may be on the table. Going back to the concerns of Mr. Monge, the problems we find ourselves in is what is going to be the guidance moving forward with this corona virus and how this is going to impact on what we have to do and mandated to do. We talk about class sizes increasing – it might be the opposite, they may have to decrease and that means money is going to be shifted from some part of the budget to make that happen to retain more teachers and more paras. It is a catch-22. A lot of this is unknown and I said it to the Finance Committee, after tonight the focus becomes on personnel. We will have better answers to that moving forward.

I am concerned about how we go about reopening our district and how the State goes about reopening and what is that going to look like. That is going to have a huge impact on what is cut and what has to remain.

Nellis Regis-Darby stated were there any collaboration with the accountant in special education services when this budget was created? Out of the \$7 million do we know the exact

number for the pre-k budget? The slide on the total amount per student – can you tell me that number? Mr. Vieira stated \$15,740 per student.

Mrs. Regis-Darby asked was there any collaboration with the accountant to create this particular budget – knowing that the cost of special education department is so high in the district? Mr. Vieira stated I do work closely with the accountant in special services. She does the accounting and works with Kim Conti, the Director of Special Services, but a lot of these services start with the IEPs.

Mrs. Regis-Darby asked the \$7 million – do we know exactly what the number is allocated for the pre-k part of the budget? Mr. Vieira stated the pre-k is \$3.7 million. Mrs. Regis-Darby stated that is money that can't be touched – only for pre-k. Mr. Vieira stated correct, it is restricted State aid funding for our pre-k programs. If we don't spend the \$3.7 million, it gets carried over to the following year. It never goes back to the general fund surplus.

Mrs. Regis-Darby asked is there any money carried over from the 2019-2020 budget? Mr. Vieira stated we don't know that yet because we haven't closed the year. We did have some money left from 2018-2019 that carried into the 2019-2020. We never spent 100%.

Mr. Casey stated regarding Mr. Vieira's comment about the 25 cases that are against the district which seems like a very large number and I don't know how that compares to other districts. Is there a reason why? Are all those dealing with personnel or does that include Board members as well? If it does include Board members, what is the policy of the district in regards to a Board member who may have a case against them and whether or not it is the responsibility of the district to support the legal expenses for a Board member?

Mr. Tatum stated Mr. Vieira it would be wise to defer to counsel on that question. Mr. Vieira stated I agree.

Afshan stated I cannot give you the details on what the cases are but most cases are public information you can certainly find out what those cases are. However, with regard to Board members and/or employees that may be named defendants in a matter that has been filed against the district, that is all statutorily that the Board is supposed to defend its employees as well as provide legal services for any Board members if it is in the conduct of their service or in their office. In terms of cases themselves, I don't have the exact number in front of me but I trust Mr. Vieira who gets our updates every month to give you the accurate number of cases which vary. They are not specific to one type of matter. There are a lot of different types of issues that arise within a school district. It is not just limited to a particular area of the law. I can't divulge litigation information to you but anything that is public information, I'm certain you will be able to find that information.

Mr. Casey asked in your expertise, is that 25 a large number for a district? How does that compare to other districts that you are involved with? Afshan stated it is a large number. Every district is different. Every school district has its own set of issues that arise on a day-to-day basis or a yearly basis. There is no way to control litigation. The district tries its best to litigate issue and provide the best services and education that it can and provide the best benefits and

employment conditions as it can. Unfortunately, in some districts we see a lot of litigation and others we don't. Is it common to have this much litigation? It really depends on the district. Some districts have 2-3 and other districts have just as much.

Mr. Casey stated with regards to public information, I would like to find out what Board members are involved with litigation. I think that is important for the public to know.

Rich D'Avanzo stated UTEA Vice President – what is the actual number that the budget deficit is for next year? Is it 4.5 or is it less or more? Mr. Tatum stated that is the number I dealt with on personal standpoint. 4.5 is what I was given and that is the number I worked with based upon what was submitted to the County.

Rich D'Avanzo stated teachers, paras, admins, maintenance – is everyone open? Mr. Tatum stated certainly there were positions proposed in the first part of the budget and it does involve all. We spoke about that on more than one occasion – I spoke to you and Ann Margaret. I have gone back and revised it – it was originally 60 and now I have it down to 45. What I said before was we need to be cognizant of is what the district has to look like moving back – either the end of this school year or the beginning of next school year – that may change the whole scope of anything that is proposed at this stage of the game because we are talking about the possibility of increasing class size but it might be just the opposite. It could be that we have to reduce class size. That means that other areas and some areas will have to sacrifice in order to make that happen. At the end of the day we need to do what is needed for our students and our staff.

Mr. D'Avanzo stated also which is also the NEA circle week and it involves contacting our congress people and senators and setting up and the topics are pushing towards the Menendez co-sponsor – the \$5 billion going directly to State and locals and to save positions throughout the country when it comes to public education in general.

One more question, normally we are in school and this date of May 15th comes, it is usually put in that employees hand and they sign off on it. How are you going to go about doing that this year? Obviously it is mail but what is the procedure? If you do receipt mail, people may feel uncomfortable and have gloves and washing their hands. Mr. Tatum stated I thought you would say they received it but they would say they never got it...I'm sorry. We will develop a system and more than likely be electronic. Gerry and I will be discussing that because after tonight, it really begins tomorrow. I caution that we have a May 15th deadline and that did not change; however, that can change before May 15th depending on what happens. I have read about federal moneys coming to the school districts but my only concern and what troubles me is that many times when those federal dollars come, they don't land in Union and that is my biggest fear and that the money will come and it will be such a small portion that it won't help us much. We have a budget that we are adopting tonight and there may need to be change within that budget to make sure that we have everything we need.

Mr. D'Avanzo stated one last thing – it is hard to foresee what is going to come in the next several months and how we are financially. Is there possibilities that the number of 45 could be lessened if you get more of an influx of money? Mr. Tatum stated that will depend on

one thing – some of the things that I read about was to support the needs of districts but they always shy away from saying use this for personnel but maybe if it can be used in other areas, then the money can be shifted to personnel. We can't do that with capital reserve. The budget is a working document. The amount of money the State has approved for us, the Board approved it to go to the County, that amount is the money that we know we have to work with. I would think that any money that may come our way from the federal standpoint may very well be to enhance other areas that we may be a little light but it may be able to be for special services. I'm only speculating but it may be possible that some of that money gets reworked and it works for our benefit. I think we are going to continue to look for ways to reduce that number. We look at certifications, when other people decide to move on, additional retirements, we always pull from the folks that we have here. I made a commitment 2-3 years ago that I don't hire anybody new unless we don't have anybody here. We keep our people working and bring them back to work.

Mr. D'Avanzo stated one more thing – retirements – usually the district policy in order to get their allotted sick days reimbursed – the date is March 15th. Have you heard of people looking to retire at this point and be obligated to that? Mr. Tatum stated we did have this discussion just recently. The question became and we haven't brought it to the Board yet because it was our discussion, if there were people who did want to retire, if indeed we would open that back up and I believe it is \$75 – we did want to open that back up; we have previous years before. Certainly that is not something I would be opposed to recommending if indeed that would ease the burden for people that would like to retire and that would be an incentive for them to retire.

Ann Margaret Shannon stated two points – the June 30th deadline is now pushed to September 30th so with regards to the May 15th date has not been pushed back, if it does get pushed back, not that I want to see anyone laid off but if there are layoffs I would hope you would let people know as soon as possible – even if that date is pushed off. They will need the time to look for another job. If that May 15th date does go further in the future, I'm hoping you can still try to hold to May 15th so they have the summer to look for another job.

Even though I have a finance background, I'm still confused on the money. I thought when he was going over the revenue that we had an increase of \$3.4 million and then it has been mentioned that we have a deficit of \$4.5 million – I'm hoping that \$4.5 million is before the increased revenue so that it is only \$1.1 million. Or is the \$4.5 million after the \$3.4 million. Mr. Vieira stated the \$4.5 million is in excess of the revenue – that is why we had to cut the \$4.5 million. The expenditures were increasing for \$4.5 million more than the revenue.

Ms. Shannon stated after already including the \$3.4 million increase. Mr. Tatum stated the increase in the revenue is in the special revenue of the budget. That money is restricted mostly to pre-k – that is where the increase in the dollar amounts came from. What we are talking about is the current expense budget where the \$4.5 million shortfall comes in, not the special revenue.

Ms. Shannon stated there is also \$2.2 million outside of special revenue. I just want to be clear that the \$4.5 million is after we are using all the revenue. Mr. Tatum stated the \$2.2 million you are referring to is the \$393,000 plus the tax levy and then you take that dollar

amount and then you subtract what the actual expenditures are and that is where the deficit comes in.

Ms. Shannon stated I do hope that the cuts go across all levels of the district – administration, paras, ESP, transportation, everything – just hope it is spread out. Mr. Tatum stated the real issue is priority and that is what it amounts to and we will do our very best.

Misael Guzman stated I had a question on a macro point of view on the school district. Who is advocating for a larger State dollars coming in from the State? I think \$4.5 million does not suffice. There is already talk about classroom adjustments and along with those adjustments – you have to adjust the capacity of classrooms which may lead to a greater amount of teachers in classrooms. Who is working in our district with the State to help increase the budget and help increase the influx that comes from the State? Mr. Tatum stated certainly the business office is getting direction from the County office and I think the real issue we have right now is the unknown. Right now we are dealing with the generalized budget minus anything that is going on out there right now. There is going to be reallocation of funds as Ms. Shannon mentioned about the fiscal year changing. The Association of School Administrators and stuff like that – we are certainly working closely with the State as a group to try to maintain the appropriate funding. All the administrators around the State are talking to me – they never had the issues that we deal with in Union. I spelled it out to the Finance Committee that people right now are working on trying to correct round two where our round two is more severe than theirs. We are trying to work with the State and receive guidance from them almost daily. I think they are also waiting to see what they get from the feds. It is almost like a snowball effect. We also know we have to continue to advocate. There are people that are reaching out to us as well but that is as far as I will go tonight. There was a call to me yesterday from a person on the national level and I will be reaching out to them tomorrow.

Mr. Guzman stated part of the reason I asked that question was because we have a Senator in our backyard who has a deep interest in our school district and I don't understand if the interest is that great in our school district then why isn't he doing greater advocacy for the tax dollars. I don't know if we are having the right conversations or the people who are supposed to be doing the talk are not engaging but it needs to happen and it should happen as soon as possible because we are going to be finding ourselves in a predicament next year if adjustments aren't made on the budget.

FISCAL AND PLANNING COMMITTEE RESOLUTIONS:

Upon recommendation of the Superintendent of Schools, the following resolutions were moved by Mrs. Richardson, seconded by Mrs. Williams, for adoption:

F-1. APPROVE GENERAL FUND TAX LEVY

Approve the General Fund tax levy of \$93,403,084 in the 2020-2021 school year, in accordance with the information appended to the minutes.

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

Approve withdrawal from Capital Reserve to Capital Outlay (Fund 12) in the amount of \$330,000 for the following projects, in accordance with the information appended to the minutes:

1. Bathroom renovations – districtwide	\$ 82,500.00
2. New flooring – districtwide	\$ 55,000.00
3. Masonry – districtwide	\$ 27,500.00
4. Asbestos – districtwide	\$ 66,000.00
5. New gym floor – Battle Hill	<u>\$ 99,000.00</u>
TOTAL:	<u>\$330,000.00</u>

F-3. APPROVE TRAVEL EXPENDITURE MAXIMUM

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

Approve establishing a maximum dollar limit for professional services (\$3,124,000), in accordance with the information appended to the minutes.

F-5. APPROVE USE OF EXCESS SURPLUS FUNDS

Approve the Board of Education to include in the General Fund Budget \$2,227,251 of the Board of Education's excess surplus funds (@ 6/30/19 per audit) to help reduce the local tax levy.

DISCUSSION:

Mrs. Ruiz stated F-4 – the maximum dollar amount for professional services – given the whole discussion about the RFP's – are we approving this number under the assumption that it is going to be an automatic renewal for the professional service contracts that are about to retire in June?

Mr. Vieira stated the \$3.1 million for professional services is what is being budgeted for the 2020-2021 school year. When we go out for an RFP, the RFP's may come in more or less than what we budgeted for.

Mrs. Ruiz stated our goal is going to be to make sure that RFPs come under this number. Mr. Vieira stated in a perfect world, correct, yes. Mrs. Ruiz stated I just want to make sure that we don't approve this number and we rubber stamp the existing contract and extend them. Mr. Vieira stated the \$3.1 million is the budgeted amount.

Dr. Francis asked what was that number last year for professional services – what did we budget? Mr. Tatum stated was that the \$640,000 number. Mr. Vieira stated the original budgeted number for this year was \$2.4 million and then we had two increases, one in December and one in February so we are up to \$3.3 million.

Dr. Francis asked because of the legal fees? Mr. Vieira stated legal fees and related services, which is special ed.

AYE: Dr. Francis, Mrs. Higgins, Mr. McDowell, Dr. Morgan, Mr. Nufrio,
Mrs. Richardson, Mrs. Ruiz, Mrs. Williams, Mrs. Minneci

NAY: None

ABSTAIN: None

MOTION CARRIED

COMMENTS FROM THE PUBLIC:

Sienna Bucu stated I'm curious to know if/how can we implement any public oversight for our grant writer. I would love to know how many applications are being put out and what is being yielded for the district because there is money out there that we could be securing for our students especially since you are thinking about budget cuts because that means students get less no matter which way you present it. It would be working for students to get more resources and I would love to know because there is a person in the district who is supposedly doing that and what the results are.

Mr. Tatum stated Maureen Guilfoyle sent to me yesterday two more that she is working on; I don't have the actual number to answer the question but they are ongoing. We should come back with an answer and the competitive grants that we have gone out for some we got and some we didn't. I know as opportunities come in, she is constantly going out there. She gets a list of grants for schools, almost monthly and I know she has applied to a lot of them but I don't have a number.

Maureen Guilfoyle stated I did submit a grant yesterday and that was COPS – stop school violence. I have at least three in the hopper and waiting to hear back. I will probably not hear back until September/October. There was another grant that was submitted as well and that was also for stopping school violence and we also have a computer science grant. The stimulus bill – they are just waiting for that to come from the feds and they will distribute to the school districts. I'm on top of it.

Mr. Tatum stated I know this is ongoing and she communicates with me quite often and grants many times have to be signed me before they actually go out. Maybe for next month's meeting, maybe we can have a list developed – what we applied for so far, what are in the hopper and those grants that have come along since the last time so we can give the public a rundown of all the grants that we are applying for and what the status are. If you can prepare for next time as part of the Superintendent's Report or you can give an update on that.

Mr. Nufrio stated Mrs. Guilfoyle did give an updated list about a month or so ago in a worksession meeting. I had asked her to delineate which grants she had applied for and she gave an outstanding response and perhaps she can just add to that list. Mr. Tatum stated sounds good.

MOTION TO ADJOURN:

There being no further business before the Board in public session it was moved by Mr. Nufrio, seconded by Mrs. Ruiz, that the meeting be adjourned at 8:43 p.m.

AYE: Dr. Francis, Mrs. Higgins, Mr. McDowell, Dr. Morgan, Mr. Nufrio,
Mrs. Richardson, Mrs. Ruiz, Mrs. Williams, Mrs. Minneci

NAY: None

ABSTAIN: None

MOTION CARRIED

RESPECTFULLY SUBMITTED,

**MANUEL E. VIEIRA
BOARD SECRETARY**