

SPECIAL MEETING OF THE MAYOR AND COUNCIL
HELD AT THE
SENIOR CITIZENS CENTER
20 LAWLOR DRIVE, OAKLAND, NEW JERSEY
THURSDAY MAY 15, 2008

MEETING CALLED TO ORDER: By Mayor Szabo at 7:30 pm.

ROLL CALL: Mayor Szabo called the meeting to order and the Clerk called the roll. Present: Mayor Szabo, Councilmembers Burns, Di Pentima, Marcalus, Visconti. Absent: Councilmembers Pignatelli and Stagg. Also Present: Lisa M. Duncan, Borough Clerk; Richard Kunze, Borough Administrator.

SALUTE TO THE FLAG:

MOMENT OF SILENCE:

MEETING ANNOUNCEMENT: Mayor Szabo announced this meeting is being held in accordance with the Open Public Meetings Law duly announced and included in the schedule of regular meetings.

Mayor Szabo advised that the purpose of this meeting is to adopt a resolution resolving the defeated Regional school budget. This has been a difficult process. It required a tremendous amount of attention due to the great amount of detail. The Mayor and Council had to work with the governing bodies of Franklin Lakes, Wyckoff and the Regional School Board. There were difficult decisions to be made. The focus of the subcommittees was to determine fair and reasonable cuts but to hold true to the voters who voted the budget down. The governing bodies of the three municipalities involved were obligated to do this within a certain time frame. The resolution must be presented to the County Superintendent of Schools no later than Monday May 19th. The three communities are all unified in the decision of cuts to be made.

Councilman Di Pentima advised that when the subcommittees got together, the budget defeat was viewed as regional issue. The reason the Mayor and Council is here is because the voters voted down the regional school budget. The main focus of the three municipalities was not to affect programs. We did not want to do detrimental harm to the students. Councilman Di Pentima explained there is a philosophical difference between the towns and the Board of Education on how capital projects are budgeted for. The municipalities worked closely with the Board and it ultimately came down to two scenarios. In both cases, the dollar amount being cut was the same. The Board of Education wanted the \$ 1 million cut from capital reserve and applied to debt service. The problem with that scenario is that while it does provide cuts, there is no savings for taxpayers for the current year. The tax savings would be built into the next year. The taxpayer would have difficulty seeing any savings being made. The three municipalities want to cut \$ 1 million from capital outlay. The difference is that capital outlay is within the 4% base that the school board must maintain. The towns realize that the school will lose portions of that base going forward. However the reality is that the capital projects should be going to the voters to decide. This scenario would provide immediate tax relief. The three towns wanted to operate within the spirit of the law. The State imposed a 4% hard cap to stem the growth of school budgets at all levels. The towns want to ensure that the 4% stays in effect for years to come.

Councilman Di Pentima advised that the recommended cut is \$ 1,152,674. This will be comprised of \$40,000 from administration salaries, \$ 1 million from capital outlay and increase revenue by \$ 112,674 as additional revenue. Mayor Szabo commented that the additional revenue was not accounted for by the school in their budget.

OPENED FOR PUBLIC DISCUSSION:

On motion of Councilman Visconti, seconded by Councilwoman Marcalus, this portion of the meeting be opened for public discussion.

ROLL CALL: All yeas, Councilmembers Burns, Di Pentima, Marcalus, Visconti.

No comments from the public.

CLOSED FOR PUBLIC DISCUSSION:

On motion of Councilman Di Pentima, seconded by Councilman Visconti, this portion of the meeting be closed to public discussion.

ROLL CALL: All yeas, Councilmembers Burns, Di Pentima, Marcalus, Visconti.

RESOLUTION 08-104 CERTIFY TAX LEVY FOR RAMAPO INDIAN HILLS

On motion of Councilman Di Pentima, seconded by Councilwoman Marcalus, the following resolution be introduced, adopted and duly passed by roll call vote:

RESOLUTION CERTIFYING THE GENERAL FUND TAX LEVY FOR THE RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL BOARD OF EDUCATION FOR THE SCHOOL YEAR 2008-2009, BY THE GOVERNING BODY OF THE BOROUGH OF OAKLAND, COUNTY OF BERGEN, STATE OF NEW JERSEY

WHEREAS, the voters of the Borough of Oakland in a duly held election held on April 15, 2008, did fail to approve the General Fund Tax Levy Budget of the Board of Education of the Ramapo Indian Hills Regional High School for the school year 2008-2009; and

WHEREAS, the Education, Budgets and Appropriations Law, N.J.S.A. 18A:22-37, requires the Governing Body of the Borough of Oakland, after consultation with the Ramapo Indian Hills Regional High School Board of Education, to determine the amount which is necessary to be appropriated in such budget and to certify to the County Board of Taxation the total amount so determined; and

WHEREAS, the Governing Body of the Borough of Oakland has consulted with representatives of the Ramapo Indian Hills Regional High School Board of Education, and has thereafter determined the amount necessary to be appropriated to provide for a thorough and efficient education; and

WHEREAS, the Borough of Oakland has agreed with the Township of Wyckoff and the Borough of Franklin Lakes, which collectively comprise a single Regional school district, that the reduction in the tax levy set forth herein are reasonable and will not in any way affect the quality of education of the students at the Ramapo Indian Hills High School District, it being the intent of the Borough of Oakland that this resolution be deemed a joint resolution with the Township of Wyckoff and the Borough of Franklin Lakes which has adopted similar resolutions on or about this same date.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Borough of Oakland, County of Bergen, State of New Jersey, that the following determination is hereby made:

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|---|---------------------|
| 1. The original tax levy on the ballot for the budget: | \$41,868,940 |
| 2. The amount of reduction to the tax levy for the budget: | <u>1,152,674</u> |
| Total General Fund Tax Levy certified for 2008-2009 school year | <u>\$40,716,266</u> |

BE IT FURTHER RESOLVED that the supporting reasons and underlying determinations for reduction to the budget are attached hereto as Schedule A; and that the revised budget is sufficient to provide a thorough and efficient education.

BE IT FURTHER RESOLVED that certified copies of this resolution be forwarded to the Ramapo Indian Hills Regional High School Board of Education, Superintendent of the Bergen County Department of Education, and the Administrator of the Bergen County Board of Taxation.

SCHEDULE A

**BOROUGH OF OAKLAND
COUNTY OF BERGEN , NEW JERSEY
MAY 15, 2008
RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
BUDGET-LINE ITEM REDUCTIONS**

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>(A) 2008-2009 DEFEATED BUDGET</u>	<u>(B) 2008-2009 RECOMMEND ED AMOUNT</u>	<u>COLUMN (A)-(B) LINE-ITEM RECOMMENDED REDUCTIONS</u>
	Other Support Services - General Administration			
11-000-230-100	Salaries Base reduction reflects a recognition of the savings which will be effectuated upon the hiring of a new Superintendent. The current Superintendent is scheduled to retire and it is reasonably anticipated that hiring of a new Superintendent will result in a saving to the District. The amount of the deduction represents the salary breakage for such retirement.	362,469	322,469	40,000
	Capital Outlay			
10-604	Increase in Capital Reserve The change on this line item reflects a reduction in the capital reserve. The 2007-08 revised budget appropriations reflect a capital reserve amount of \$ 1,150,000. The proposed 2008-09 budget seeks to dramatically increase that account by over 75% to \$ 2,009,086. After carefully reviewing and considering the proposed capital projects, which are part of the Board's desire to undertake significant capital improvements not covered by the Horizon Project as approved by the voters, it was determined that a reduction on these expenditures can be made without impacting the thorough and efficient education of our children. To the extent the Board intends to increase capital expenditures, the appropriate vehicle for such large expenditures would be a referendum seeking voter approval, as recommended at the conclusion of this process as recommended two years ago.	2,009,086	1,009,086	1,000,000

In addition, given the nature of the proposed capital expenditures, they may be deferred and spread out over a longer period in order to reduce the tax burden on the residents of Franklin Lakes, Oakland and Wyckoff.

12-000-260-730	Equipment - Operation & Maint. Of Plant Services Eliminate purchase of backhoe and leaf vacuum. They can share Borough's of Oakland and Wyckoff equipment.			-
TOTAL BUDGET LINE-ITEM REDUCTIONS		2,371,555	1,331,555	1,040,000
INCREASE IN REVENUE ESTIMATES				
10-303	Budgeted Fund Balance - General Fund Projection of Fund Balance @ June 30, 2008 to include additional State Aid - Extraordinary Aid as excess revenue	2,001,064	2,113,738	112,674
TOTAL REDUCTION IN GENERAL FUND TAX LEVY				1,152,674

Discussion ensued. Councilman Burns commented that at the public meeting, one of the recommendations from the auditor was to increase revenues. He questioned if this was considered. Councilman Di Pentima responded that the subcommittees actually took into account the explanation of Board of Education Business Administrator Frank Cuervels on how he arrived at the number in the budget. The subcommittee decided to leave it intact as per Mr. Cuervel's explanation. The \$ 112,674 was a notice of award of extraordinary aid that was just received. Mayor Szabo explained if the budget had passed, that extraordinary aid money would have gone right to surplus. Councilman Burns commented that the auditor had indicated that there was an additional \$ 500,000 that might be anticipated as additional revenue. Mayor Szabo responded that the subcommittees took that into consideration in making a decision. He advised that the subcommittees all agreed on the amounts, line items and form of resolution. There was unanimity across the board. The Superintendent of Schools was made aware as soon as a decision was made. Councilman Burns commented he was disappointed that the only cut decided upon that was recommended by the auditor was in capital outlay. A few years ago when the budget was defeated, cuts in expenditures were made. The school has to recognize that they have to cut costs in administration. Mayor Szabo responded that the subcommittees did go through the budget. By cutting capital outlay, it is going to force the Board to look at other areas because there will be shortfall in coming years. Councilman Burns commented that he was not privy to discussions of the subcommittees. Mayor Szabo commented that the process was difficult. The subcommittees received a high level of cooperation from the Board of Education. It was very hard to disseminate information back to the entire Council. Councilman Burns commented that the Councils couldn't say anything on contract negotiations. The Board didn't work on getting givebacks. Mayor Szabo responded that the Board will be involved in contract negotiations next year. Councilman Visconti commented that the effects with the new 4% cap on the budget will be magnified over the next few years. The savings are amplified every year. Councilman Di Pentima commented that the reality is the expense items were cut 2.2%. The biggest increase in the budget happened to be in capital. This cut will bring the budget more in line with what the expectation is.

ROLL CALL: All yeas, Councilmembers Burns, Di Pentima, Marcalus, Visconti.

MEETING ADJOURNED:

On motion of Councilman Di Pentima, seconded by Councilman Visconti, the meeting be adjourned at 7:58 pm.

ROLL CALL: All yeas, Councilmembers Burns, Di Pentima, Marcalus, Visconti.

Lisa M. Duncan, Borough Clerk
June 11, 2008

Mayor John P. Szabo, Jr.

Date Approved