

SPECIAL PUBLIC MEETING
OF THE GOVERNING BODIES OF OAKLAND, WYCKOFF AND FRANKLIN LAKES WITH THE
RAMAPO-INDIAN HILLS REGIONAL BOARD OF EDUCATION
INDIAN HILLS HIGH SCHOOL CAFETERIA
97 YAWPO AVENUE, OAKLAND, NJ 07436
TUESDAY MAY 13, 2008

MEETING CALLED TO ORDER: By Borough of Oakland Mayor John P. Szabo, Jr. at 7:35 pm.

MEETING ANNOUNCEMENT: Mayor Szabo made the announcement that this meeting is being held in accordance with the Open Public Meetings Law and has been duly advertised and duly posted in each municipal building.

ROLL CALL: Mayor Szabo asked Borough Clerk Lisa Duncan to read the roll call for the Borough of Oakland. Present: Mayor Szabo, Council members Burns, Di Pentima, Marcalus, Pignatelli, Visconti.

Mayor Szabo asked Borough Clerk Sally Bleeker to read the roll call for the Borough of Franklin Lakes. Present: Mayor DeNicola, Council members Greer, Lota, Marcus, Trava, Ramsey.

Mayor Szabo asked Township Administrator Robert Shannon to read the roll call for the Township of Wyckoff. Present: Mayor Alnor, Committee members: Boonstra, Fiorenzo, Galenkamp.

Mayor Szabo asked Business Administrator/Board Secretary Frank Ceurvels to read the roll call for the Regional Board of Education: Present: Ms. Quinlan, Ms. Scarpelli, Ms. Castor, Mr. Belsky, Mr. Brown, Mr. Hogan, Mr. Madigan, Ms. Petersen, Mr. Peterson.

FLAG SALUTE: Mayor Szabo led the salute to the flag.

OPEN TO THE PUBLIC:

On motion of Councilman Pignatelli of Oakland, seconded by Councilman Di Pentima of Oakland, the meeting be opened to the public.

ROLL CALL: All yeas.

John Iannacone, English teacher and Supervisor of English Department, is concerned about the people and programs in the district. This is an excellent school system and staff. Mr. Iannacone knows that all costs have gone up but the buildings and people at the Ramapo Indian Hills district are outstanding. He asked the governing bodies of the towns involved not to cut the budget too much so as to affect the students.

Ed Hudsina, 576 Ramapo Valley Road, commented that people cannot afford to keep giving more to the school district. The district cannot give teachers 4.5% raises and not expect the teachers to contribute to health insurance. He advised that the Board of Education needs to cut back.

CLOSE TO THE PUBLIC:

On motion of Councilman Pignatelli of Oakland, seconded by Councilman Di Pentima of Oakland, the meeting be closed to the public.

ROLL CALL: All yeas.

Mayor Szabo explained the process to reconcile the defeat of the Regional school budget. Each community set up a sub-committee. The three municipalities have secured an independent auditor to review the budget and the cost for the auditor will be shared by the three municipalities. Mayor Szabo advised that the sub-committees have met with the Board of Education. He commended the Board for their forthrightness and thanked them for their cooperation. Tonight's meeting is being held so that the governing bodies can listen to members of the public and listen to various dialogues. Each municipality will pass a resolution to make a recommendation of the tax levy if there is a consensus. The deadline to submit the resolution to the Bergen County Superintendent of Schools is May 19th. If there is not a consensus, it will go to the State. Mayor Szabo hopes that the municipalities can come to a consensus in order to move forward with the school year.

Mr. Fiorenzo from Wyckoff commented that the governing bodies should hear from the independent auditor.

Mr. Charles Ferraioli, auditor, advised that he identified some areas of revenues that were underbudgeted. He feels the revenues could increase by \$ 500,000. The capital reserve has increased to \$ 2.5 million and that line could be reduced. The budget for textbooks has increased by \$ 83,000 which could be looked at for cuts. Mr. Ferraioli also advised there is new staff budgeted for and the Board of Education could consider hiring less people.

Councilman Marcus from Franklin Lakes questioned the nature of miscellaneous revenues from 2006-07 year. Mr. Ferraioli advised this is from rents from cell towers, interest investments, tuition reimbursements, etc. This is an area that surplus is generated from.

Councilwoman Marcalus from Oakland, questioned the cap reserve. Mr. Ferraioli advised this reserve is used to fund part of the \$ 4 million in capital projects. This reserve is about \$ 1 million higher than the year before.

Councilman Burns from Oakland commented that Mr. Ferraioli didn't indicate what his recommendations would be for cuts that can be made. Mr. Ferraioli responded that cap reserve can be reduced by \$ 900,000 to get to the figure from last year. Revenue can be increased by \$ 500,000. He did not make recommendations for hires. Councilman Burns asked if Mr. Ferraioli did estimates on the number of new hires. Mr. Ferraioli responded he did not.

Councilwoman Marcalus asked for an explanation of new staff. Mr. Paul Saxton, Superintendent for the district, responded that there has been an increase in enrollment. The new staff would cover additional enrollment. Mr. Cuervels responded that the net result of the additional enrollment would be the need to hire two full-time teachers. Mr. Saxton advised that the IEP's must accommodate the 8th grade students that are coming in.

Councilman Pignatelli from Oakland commented that the capital request was increased this year. He asked what the figure has been historically and questioned what the plan is since the number has been increased. Mr. Cuervels responded that he sent a list of capital projects to be done. Those projects total \$ 4 million. There is currently \$ 3 million in capital reserve. The \$ 2 million would help bite off a chunk of the projects to be done. Councilman Pignatelli questioned if there are any issues of safety with the capital projects. Mr. Cuervels advised that the Board's architect is in attendance to answer questions. Mr. Cuervels advised that the capital reserve and capital outlay has been \$ 1.5 million. Last year, the Board did not spend that money. This year, the Board has spent \$ 2.4 million. It has brought the balance down to \$ 300,000.

Jerry Rubino, architect for the Regional school board, commented that there were eighteen projects identified as high priority projects. These projects deal with safety and structural integrity of buildings. He spoke of replacement of tanks for the sewerage treatment plant, roof replacements to stop water from coming in and the replacement of windows where water is coming in. He also advised that the track is deteriorated at Indian Hills High School and there are ADA issues and the bleachers must be brought to code at both stadiums.

Councilman Pignatelli of Oakland questioned if all the roofs need to be replaced in one year. Peter Keaney, coordinator of Buildings and Grounds, advised that there are five roofs in need of resurfacing or replacement. Both schools have a foam roof. The capital project list calls for replacement of four roofs and total resurfacing of another.

Councilman Trava from Franklin Lakes, questioned if structural issues come under the architect or engineer. Mr. Rubino advised that the engineer did an analysis of projects with structural problems. He advised that an electrical engineer will be brought in to determine the final numbers for the generator project. Mr. Rubino advised that this is a team effort. When something is outside his area of expertise, an expert is brought in to develop cost estimates.

Mayor De Nicola from Franklin Lakes questioned if this is a high-end estimate for each project. Mr. Rubino responded that the numbers are based on history. He spoke of the project for resurfacing of the track and how those figures were arrived at. He advised that the total construction estimate is \$ 425,000. The bidders might be lower or higher than the estimated cost. However, the school cannot do a supplemental bond to finish the project. Mr. Rubino advised it would be irresponsible to reduce costs on the projects because the market is slow. The District cannot go back for more money.

Councilman Marcus of Franklin Lakes questioned what is priority and what is \$ 1 million of "fluff". Mr. Rubino responded that he did not hear "fluff"; he heard that the capital line was \$ 1 million more than last year. Councilman Trava of Franklin Lakes questioned what on the list is of the most importance. Mr. Rubino responded that he would say the tanks. Mr. Cuervels commented that even if the line item for capital were fully-funded, it would still be \$ 1.2 million short and there were two projects not included on the list. The line is already short before any cuts are made so the Board will not be able to do all the projects on that list. The Board saw the increase as being able to get one step closer to doing all the capital projects.

Committee member Joseph Fiorenzo of Wyckoff commented that the sub-committees spent a lot of time discussing the capital reserve. He questioned what on the list is absolute priority and to what extent could projects be put off to another year. He commented that the Board provided a detailed pricing for the window and door replacement project. He questioned if this relates to the complete replacement of windows and doors at both schools. Mr. Rubino advised it is replacement of windows and doors for the 500 and 600 wings at Ramapo High School. Committee member Fiorenzo questioned if the Board could defer a project like this. He questioned if it was necessary to do this year or if the project could be deferred without being a health or safety issue? Mr. Rubino responded that the only issue is water coming in from some of the windows. Mr. Fiorenzo asked if the communities were trying to find ways to reduce expenditures, would this be an area to look at. Mr. Rubino responded that he does not feel that his role is to prioritize projects. Mr. Fiorenzo commented he is trying to get a sense of which projects are a health or safety issue. Mr. Rubino commented that he feels everything on the list is a health and safety issue. The age of the windows and the broken windows present structural issues. Mr. Fiorenzo questioned if the windows could be repaired. Mr. Saxton responded that the age of the windows is important to note. The windows are fifty years old and he does not think that parts could be found in order to repair the windows. There is a security issue because the frame could come out. The school already had computers stolen. The windows are inoperable and there is no ventilation. Mr. Saxton

advised there is a serious security and health and safety issue. Mayor De Nicola asked the distinction between phase 1 and 2 of the project. Mr. Rubino advised that phase 1 is for the two story façade on the east portion of the wing and phase 2 is for the passageway underneath the courtyard.

Councilman Visconti of Oakland commented that the generators have been on the list of projects for many years. He questioned what is new on the list and what has been on the list. Mr. Saxton responded that the generator has been on the list for three years. Homeland security issues have changed over the past few years as well as emergency management issues. There is now a pressing need for certain projects because the school is set up as a receiving center for Franklin Lakes in an emergency. Councilman Visconti commented that the Board made a decision not to expend money for capital projects in the past. He asked if the Board could make that decision again. Mr. Cuervels responded that the capital projects had been deferred last year because the Board was hoping to get 40% of the funding back from the State. Councilman Visconti questioned if there is any chance of getting the 40% from the State. Mr. Cuervels responded that there has been an edict from the State that no more funds are available. He reiterated that there are \$ 4 million worth of projects on the list. Even if no cuts were made to that capital reserve line item, the Board would have to defer on projects. Mr. Saxton advised that the Horizon project was made up of 28 members of the communities who did a survey of the entire facility. There were \$ 72 million of projects identified. The Board has been budgeting for these projects for the last ten years to help chip away at those projects. Councilman Visconti commented he is asking for the Board's help on what lines could be cut. Tom Madigan, Board member, advised that the Board was hopeful of getting grants which they did not receive. The window project has been deferred and prioritized. It is now a safety issue because of the theft that occurred. There is also an important energy savings that will be derived as well. Mr. Cuervels advised that the list of projects that has been distributed is in priority order.

Councilman Di Pentima of Oakland commented that of the 18 items on the list, there is only cost estimates for 16. The generators are listed as items 15 and 16 on the list so Councilman Di Pentima did not feel the list was in priority order. He advised that all the municipalities feel the wastewater system is a priority.

Mr. Cuervels commented that the Board has budgeted miscellaneous revenues of \$ 375,000 for 2008-09. They are anticipating receiving \$ 180,000 less on interest revenue. Mr. Cuervels believes there is a \$ 20,000 difference not \$ 400,000 as Mr. Ferraioli suggested. Mr. Cuervels advised there are miscellaneous revenues that have not been budgeted because the Board cannot guarantee that they will come in. Mr. Cuervels has only booked revenues that he is 100% sure they will receive. Mr. Cuervels asked Tom Freeswick, Director of Curriculum, to explain the increase in textbooks. Mr. Freeswick advised that the District must deal with new requirements issued by the State. He spoke of HSPA testing and the requirements that all students must complete Algebra I, Algebra II and Geometry at proficiency. In science, Biology, Chemistry and Physics are required. Mr. Freeswick advised that next year, the District will be upgrading courses to CP level. Therefore, there are major textbook revisions to deal with as well as additional teacher training in order to meet State requirements.

Councilman Burns of Oakland commented that the defeat of the school budget is always an unfortunate situation. The Mayor and Council are asked to review information in a very short period of time that the Board has been working on for months. He commented that it is always disappointing when the public does not come out to speak at these hearings. However, he understands that people don't want to speak openly for fear it may be taken out on their child. Councilman Burns commented that the Board of Education needs to really scrutinize the budget to ensure they are controlling costs. If they don't do that, there will be a lot of residents leaving the area. Mr. Saxton responded that every educator realizes that the school funding process is unrealistic. The governing bodies are all placed in an awkward situation. Mr. Saxton commended the attitude and professionalism of all the governing body members.

Councilman Di Pentima of Oakland thanked Mr. Saxton. The Board did their job by providing a tremendous amount of data and they answered questions proactively. Councilman Di Pentima advised that the State has imposed a cap on schools and municipalities. On the school level, the cap is more fixed. This is not a problem that is going to be solved tonight. More of these budgets will go down because the taxpayers are concerned over their fair share. This is a difficult decision to make. The governing bodies of the municipalities have put in a tremendous amount of hours. They need to address the residents' concerns. Hopefully, the municipalities will come up with a proposal that won't affect the students.

Committee member Fiorenzo from Wyckoff commented that the governing bodies have spent a number of hours reviewing thousands of pages of financial records. All of the members value education because everyone lives in these communities. However, the governing bodies must address the voters' desire to examine the budget and come up with cuts that don't affect the students. The subcommittee members have spent a lot of time in meetings asking questions of the Board and the Board has provided answers. The subcommittee members have focused on capital reserve. That line item has increased by \$ 900,000 over last year. That is the natural logical place to look because that does not affect students, teachers or programs. There has been a philosophical difference between the municipalities and the Board with regard to large ticket items. The municipalities feel it is appropriate to place a public issue on the ballot so the voters can decide whether to spend additional funds on large capital needs. Mr. Fiorenzo commented that the three towns hope to do something that will strike a balance. He advised there is a cry out there to try to control spending that is going out of control. The three communities must try to come to a consensus. Mr. Fiorenzo commented that he appreciates the good faith effort on everyone's part and thanked the Board for their cooperation.

Mayor Richard Alnor of Wyckoff commended each member of the governing bodies for their participation in this process. Each of the governing bodies will continue to work to meet the legal obligation to come up with a tax levy. Even though the budget passed in Wyckoff, this is one Regional school. Therefore, the governing bodies of all three municipalities have scrutinized the budget. They need to understand the school's needs and the voter's needs. Mayor Alnor thanked the Board for their continuing cooperation. Mayor Alnor advised that whatever occurs in this process, it will not affect students.

Mayor De Nicola thanked all her colleagues who participated in this process. In Franklin Lakes, both the local and regional budgets were defeated. They survived the process with the local budget and came up with a budget that did not affect any programs. This is a difficult task. However, everyone needs to accept that we are in uncertain economic times. School dollars are competing with local, county and State dollars. We need to come up with a budget that is responsible for the students. Questions should be put on the ballot for the public so they understand that it does cost money to do capital projects. Mayor De Nicola commented that we all have to work together to let Trenton hear our voices and we have to look for parity of funding.

Paul Saxton explained that the cycle of the current funding process flowed so that the Board realized a \$ 500,000 savings in health benefits. That money could not be used to reduce the tax levy in the current expense because in the following year, it will show as a deficit. Therefore, that money was put in capital reserve. Mr. Saxton spoke about a solution that would be a win-win situation. The municipalities have an opportunity to reduce a sizable amount of capital reserve and to reduce the debt service levy. He asked the municipalities to respond to the spirit of the law by reducing the debt service and not the general tax levy. He advised that when education is eroded, it erodes the communities.

Councilman Di Pentima of Oakland commented that solution referenced by the Board does not provide the relief expected to the residents. Mr. Cuervels commented that it is not providing relief in the calendar

year. A general fund reduction will get split 50% to 2008 and 50% to 2009. A general fund reduction of \$ 500,000 would not affect the 2008 bills. The debt service portion does not request 50% in 2008 and 50% in 2009 like the general fund does. It would just matter which calendar year the reduction would be realized in. Whatever year the reduction is taken in, the debt service will go up again the following year so there will be a spike. This is the solution to take in order not to hurt the school system. If the cut comes to recurring cap, this will pose problems for the District.

Committee member Fiorenzo asked for the auditor's comments on the solution proposed by the school board. Mr. Ferraioli responded that the issue is this is a one-time reduction. If the reduction is taken all out of debt service, the Board will have to raise that amount next year and it will affect taxation. Mr. Fiorenzo commented that there has to be the same level of debt service as last year. Mr. Cuervels commented that if the operating budget were cut, it would spike taxes next year. Mr. Fiorenzo commented that would mean a loss of the benefit of the tax reduction if the budget would go up next year.

Councilman Visconti from Oakland commented that if the capital reserve was reduced and if funding for capital projects went out for referendum, it wouldn't add to the operating expense. Mr. Cuervels commented that he has already acknowledged a fund balance in the budget. If capital reserve is cut, there is still a fund balance. It will go against the operating budget. Mr. Cuervels advised if the reductions were not done as the Board has explained, there will be issues in 2009-2010.

Mr. Ferraioli advised the easiest place to take a reduction from is capital reserve and it will not affect operations. Mr. Cuervels commented that by taking reductions as Mr. Ferraioli suggested, it will put the Board in a deficit position and the District will not be able to meet operating expenses. Mr. Ferraioli commented that he does not disagree that services will need to be cut.

Councilman Di Pentima of Oakland commented that by doing the methodology that he thought at first was viable, it does not provide relief to the residents. A huge chunk of the savings is moved to 2009 and visibility will be lost. Residents will not see a reduction in their tax bill. Mr. Cuervels commented that the Board would have to bill the municipalities earlier in order to realize a discount. Committee member Fiorenzo asked what the Board is trying to accomplish. Mr. Cuervels responded that the budget reduction proposed will give relief but it just depends on which year this takes place. Mayor De Nicola questioned how the taxpayers would experience savings at all given that debt service is not voted on by the voters.

Discussion ensued over the various options in which to take the reduction and to realize savings. Councilman Di Pentima advised that there is a philosophical difference between the municipalities and the Board on how to handle capital projects. The residents are looking for a reduction in their taxes now not in anticipation. Mr. Cuervels commented that the maximum reduction for Oakland residents would be \$ 20. Councilman Di Pentima commented that is a 53% reduction which is significant.

Board member Tom Madigan thanked all the municipalities for their efforts and diligence. He asked that whatever the decision is, not to affect programs.

Councilman Pignatelli from Oakland commented that not all Council members have seen the two proposals. He would like copies distributed so the governing body members could see how it will impact the schools and the taxpayers. Mr. Saxton will provide the information.

Sadie Quinlan, President of the Board, thanked the three municipalities for the additional amount of hours the governing bodies have put in. In the end, everyone wants to do what is best for the communities as well as the students.

Mayor Szabo commented that there had been fruitful discussion but he wished there were more members of the public in attendance.

Township of Wyckoff Resolution 08-126

The Committee members of Wyckoff adopted their Resolution 08-126 to authorize a road closure and detour plan on Franklin Avenue between Overlook Drive and the Franklin Lakes border.

Mayor Szabo advised that the subcommittees will reconvene on Thursday. Oakland will be holding a special meeting on Thursday at 7:30 pm to pass a resolution certifying the tax levy. Franklin Lakes and Wyckoff will hold meetings on Friday morning. Mayor Szabo commented he does not believe that a decision could be made tonight. Mayor De Nicola confirmed that she does want to meet again in subcommittee.

MOTION TO ADJOURN:

On motion of Committee member Fiorenzo from Wyckoff, seconded by Councilman Pignatelli from Oakland, the meeting be adjourned at 9:34 pm.

Roll Call: All yeas.

Lisa M. Duncan, Borough Clerk

John P. Szabo, Jr. , Mayor

May 28, 2008

Date Approved