

MINUTES OF THE BOARD OF SCHOOL ESTIMATE
PUBLIC BUDGET HEARING AND BUDGET WORKSHOP
HELD MONDAY, MARCH 30, 2009 AT 7:00 P.M.
ATRIUM OF THE GEORGE INNESS ANNEX
141 PARK STREET, MONTCLAIR, NEW JERSEY

- I. The meeting was opened at 7:10 p.m. and the following statement was read:

Let the minutes reflect that adequate notice of this meeting has been provided in the following manner:

1. On Wednesday, February 25, 2009 notice of this meeting was faxed to the Montclair Times, the Herald and News and the Star-Ledger. The time, date and location of this meeting were accurately set forth therein.
2. On this same date a copy of said notice was filed with the Township Clerk and was posted at the public bulletin board in the first floor main hall of the Board of Education building, 22 Valley Road.
3. Copies have also been mailed to all persons who have requested same at no cost.

- II. The Pledge of Allegiance occurred at 7:11 p.m.

III. ROLL CALL OF THE BOARD

	PRESENT	ABSENT
Jerry Fried	<u> x </u>	<u> </u>
Renee Baskerville	<u> x </u>	<u> </u>
Rich Murnick	<u> x </u>	<u> </u>
Timothy Barr	<u> x </u>	<u> </u>
Shelly Lombard	<u> x </u>	<u> </u>
Staff Members	<u> 30 </u>	
Members of the Public	<u> 75 </u>	
Members of the Press	<u> 1 </u>	

IV. DISCUSSION OF THE 2009-2010 BUDGET

Dr. Alvarez thanked the Board of School Estimate for their attendance at all of the Board of Education meetings regarding the budget.

The priorities this year are as follows:

- a. To preserve the integrity of the magnet schools
- b. To continue to improve the minority student academic achievement gap
- c. To maintain class size
- d. To continue to provide a safe and secure learning environment for all students.

He added that discussions of having a long-term view of expenditures consisted of reviewing areas that are costly to the district primarily special education. The district has been working with the District Management Council from Cambridge University to audit the expenditures.

Dr. Alvarez noted that there are \$1.5 million in cuts in this years' budget which affects administrative costs, instruction, student athletics/activities, and professional development. Over the last 2 years the district lost \$1 million in state funding which was given to provide additional services and resources to close the minority student achievement gap. He continued that because of fiscal efficiencies during the course of the year, the district is allocating \$2.5 million, part of the fund balance reserve, to the operating budget which will assist significantly with the tax increase. In the beginning of the budget process, the district was above CAP and now is below CAP since reductions were made.

Mrs. Sullivan offered the following comments about the budget:

1. The district remained at the same State aid level as in 2008-2009 school year.
2. The district is appropriating \$2.5 million from the fund balance reserve, there is a decrease in miscellaneous revenue due to loss of interest income.

3. The operating budget increase this year is a total of \$3.5 million which translates to a 4.1% tax rate increase.
4. School tax translates to an increase of \$340.00 for an average homeowner in Montclair.

Mrs. Sullivan stated that the following reductions were made to the first draft of the budget:

1. Central Office Administration	\$150,000
2. Curriculum Support Specialist	\$240,000
3. Special Education	\$201,052
4. Instructional/SPED Aides	\$500,000
5. Student Activity Stipends	\$ 50,000

The following additional reductions were made to the second draft of the budget:

1. Central Office Administration	\$ 45,000
2. Instructional Staff and Benefits	\$180,000
3. Technology Support	\$ 40,000
4. PERS Pension Liability	\$140,000
5. Consultants/Conference & Travel	\$ 20,000

Mrs. Sullivan indicated that changes in the budget from 2008 to 2009 are about \$3.5 million which consists of the following:

1. \$1.8 million is allocated to salaries increases
2. \$847,000 is for out of district and home instruction
3. \$412,000 is for health insurance and other insurance
4. \$406,000 is for transportation and utilities
5. \$187,000 is for social security and benefits
6. \$130,000 is for all other areas

The distribution of the budget is as follows:

1. 83% is dedicated to salaries and benefits
2. 10% is for out of district tuition and insurance
3. 4% is for supplies and materials
4. 2% is for cleaning, repair and maintenance rentals
5. 1% is for consultants and legal expenses

The general categories of staff in the district are:

1. 53% are teachers
2. 23% are aides
3. 10% are school support
4. 6% are building administration
5. 4% are buildings and grounds
6. 4% are central office

Mrs. Sullivan continued that the State of New Jersey Department of Education calculates a comparable cost per pupil for each district. The most recent data is based on actual 2006-2007 audited figures. They gather all of the districts audited financial statements and calculate a cost per pupil. There are certain costs that are subtracted from this calculation that are not comparable from district to district such as out of district tuition. The state average for K-12 districts with over 3,500 pupils is \$12,272. Montclair School District spends a total cost per pupil of about \$13,174. The average cost in other similar districts is \$13,379 which is slightly more than Montclair spends per pupil.

She continued that the District participates in many different programs with the town and other school districts in order to reduce costs and shared services.

Mrs. Sullivan noted that the upcoming calendar for the Board of School Estimate meeting concludes on Thursday, April 2, 2009 with the Adoption of the 2009-2010 Budget.

Dr. Alvarez offered the following comments about the priorities this year as follows:

- a. To preserve the integrity of the magnet schools
- b. To continue to improve the minority student academic achievement gap
- c. To maintain class size
- d. To continue to provide a safe and secure learning environment for all students.

He added that discussions of having a long-term view of expenditures consisted of reviewing areas that are costly to the district primarily special education. The district has been working with the District

Management Council from Cambridge University to audit the expenditures.

Dr. Alvarez noted that there are \$1.5 million in cuts in this years' budget which affects administrative costs, instruction, student athletics/activities, and professional development. Over the last 2 years the district lost \$1 million in state funding which was given to provide additional services and resources to close the minority student achievement gap. He continued that because of fiscal efficiencies during the course of the year, the district is allocating \$2.5 million, part of the fund balance reserve, to the operating budget which will assist significantly with the tax increase. In the beginning of the budget process, the district was above CAP and now is below CAP since reductions were made.

V. RECEIVE COMMENTS FROM THE PUBLIC CONCERNING THE PROPOSED 2009-2010 SCHOOL BUDGET

Sheila Crowell of the Writer's Room program stated that they support the decision to make schools better by adopting the Teachers College in Columbia writing program.

David Grady of 387 Park Street asked if there was a penalty for exceeding the States CAP.

Mrs. Sullivan responded that there is no penalty for exceeding the States CAP but if the district was over CAP they would ask the Board of School Estimate to approve a separate proposal. This would be voted on as a separate budget. She noted that the district is not requesting a separate proposal of the 2009-2010 school year.

Mr. Grady stated that he would like the Board of Education to take into account salary reductions to decrease the budget.

Glynnis Harvey of 148 Eagle Rock Way, parent of two children in the district and Chair of the Northeast PTA, thanked the Board of Education and Dr. Alvarez for working to drive the budget increase down as far as possible given the many areas of the budget that are uncontrollable. She stated that the budget seems fair. She stated that she is confident that the Board will ensure that the cuts will be made on an equitable basis to maintain a consistent adult to child ratio in the school district.

Dennis Murray, President of the MEA, stated that these are trying times for all employed by the district and the effects of the recession has affected every municipality in New Jersey. He stated that the district cannot afford to lose quality teachers and assistants or let the education of the children be affected by the economy. He concluded that he admires the work of the Board of Education to craft a reasonable budget and implores the Board of School Estimate to vote in the affirmative of the school budget.

Hayley Silver of 141 N. Mountain Avenue, expressed her concerns about the town and school district gaining a major discount with an office supply company, which could gain us a substantial savings. She suggested that the town look for other avenues to accumulate revenue; i.e. corporate sponsorships etc.

Mrs. Sullivan responded that the district bids for supplies as required by law and that the district cannot negotiate with any company. The district bids with about 300 other school districts and very large discounts off regular prices have been provided.

Al Pelham, Executive Director of the Montclair Neighborhood Development program encouraged the board to watch small numbers that could affect small neighborhood programs. He thanked the Board for supporting him over the past 10 years with Project Oasis and hopes that the new budget will still reflect that.

Erick Montgomery, Senior Director at the YMCA spoke in behalf of his support of the Health and Wellness partnership. He indicated that Joanne and Karen have been instrumental in providing the parent-child atmosphere through the development of programs that have been very effective at the YMCA. He thanked the Board for this assistance and stated that he hopes this would continue to be an ongoing process in the future.

Alex Zarenin, 77 Buckingham Road, asked questions relative to his concerns expressed at the last Board of School Estimate meeting about personnel expenses, on what basis are salary raises calculated, yearly increases, compensation for sick days, special education, and magnet school system.

Dr. Alvarez responded that it is difficult to pinpoint exact increases in salary since there are many categories; i.e. teachers, administrators, custodians, etc. but would be willing to review such information if Mr. Zaremin would like to come to the Board Office. Dr. Alvarez also stated that with regard to the magnet schools, there was a court order in the 1960's which we have to abide by.

James Porcelay, 99 Cooper Avenue, stated that he is concerned that the taxes are increasing and the sale of houses has increased. He stated that corporations are cutting their budgets and he was surprised that the budget has increased. Mr. Porcelay questioned what the competitive bidding process was, whether there was a law that would not allow the Board to negotiate for lower prices and stated that he felt there were many qualified members of the community who might be enlisted to negotiate for the Board.

Mrs. Sullivan responded that the Board is required by Public School Contracts Law that any purchase of \$29,000 or more be obtained through advertised, sealed public bids and must be awarded to the lowest responsible bidder. She also stated that we are in a consortium with over 300 other districts to be sure we receive the lowest prices for supplies, etc.

Mayor Fried added that budgets are very different for municipalities and educational bodies. He noted that most of the increase is due to salaries of teachers and administrators and that we have a great school system. He also stated that this was the lowest increase in the budget over the past ten years and that it is almost impossible to reach a zero increase in a budget.

Mr. Barr stated that there are many restrictions on the budget by the state and there is not a lot of flexibility for change. He agreed that it is a very difficult and challenging time for everyone, but that our school system continues to thrive. He agreed with Mr. Fried that it is almost impossible to reach a zero increase in the budget.

Carolyn Wells, thanked the Board of School Estimate for giving everyone a chance to speak. She stated that she strongly supports the IMANI program, which is a collaboration of students, parents and mentors and is truly beneficial to all. She stated that on every Sunday afternoon, parents, students and mentors meet at the Public Library and everyone is invited to attend these sessions. She noted that she hopes

the IMANI program remains a part of the district and community.

Steven Gooden, 20 Berkley Place, questioned what the process is to make structural changes to the budget. He stated that the tax levy has increased 38% since he moved to Montclair and feels that we are on an unsustainable path. He asked how we can get off this path without losing valuable items that cause communities to collapse. He stated that he realizes that it is not the Board's sole work but has to be a combination of additional funding from Trenton, tightening of costs in the district etc.

Mayor Fried responded that he feels we are on the right path and that if the trend was for a zero budget, there would have to be a reduction of teachers, staff and the closing of schools. He also stated that they are always working toward a more sustainable model but are also governed by regulations and that 25% of the budget is for special education.

Leeta Jordan, 216 Fernwood Avenue, asked the administration to make a symbolic gesture and not ask for a raise this year in light of the economy.

Norman Rosenblum, 542 Highland Avenue, Chairman of Special Education Parent Advisory Council, thanked the Board for what he sees as a balanced budget in a bad economical time. He noted that he felt the Board of Education does a very good job and sees many qualities in the administration. Mr. Rosenblum stated that he would like to see many out of district students brought back into the district. He stated that he realizes that this would mean classroom modifications for some rooms but would also be saving transportation costs for out of district students.

Dr. Alvarez stated that he would also like to bring back as many students as possible to the classrooms but that it is not always appropriate. He stated that the Community Task Force is exploring ideas of bringing students back and utilizing classroom space in this regard.

COMMENTS FROM BOARD OF SCHOOL ESTIMATE MEMBERS

Shelly Lombard stated that the tax problem is not unique to Montclair but that all boards of education are having the same problem since 15 out of 25 counties in New Jersey have the largest taxes in the nation. She noted that our costs are in line with other districts but feels that school funding is a large part of the problem and that we were lucky to receive the same amount as last year. She stated that our salaries have to be

competitive with other districts so that we attract good teachers. She also noted that she feels there might be things which we might do differently, such as finding creative solutions to control costs without harming the quality of education, exploring ratables in the town but that when the Board finds and presents these solutions, they need community support from the public.

Timothy Barr stated that South Orange/Maplewood is going through the same issues as Montclair. He agrees that taxes have increased but that Montclair has kept its home value and that our school system is great. He noted that Montclair has an obligation to our students to give them the best education possible and for someone to suggest that the Board not give the administrators an increase in salary is very disappointing.

Rich Murnick stated that the enrollment in our school district has increased dramatically over the last 15-20 years and that he feels we may see an increase over the next couple of years. He noted that the school system is excellent and we must do whatever we can to maintain this. He also stated that the budget reflects teacher cuts and is a budget that he feels will work in the future.

Renee Baskerville stated Montclair is a very diverse population and that is why many people come to Montclair. She agreed that it is a very high price tag to educate students with such diversity but it is very worthwhile. She also stated that hopefully with the funding for preschool education, it will over time reduce the needs for special education students. With regard to positions that come available, she stated that she hopes we continue to look closely as to whether or not the position is needed. She wanted to applaud the Board of Education for providing a budget that has many wonderful programs for students.

Mayor Fried stated that this budget is a responsible budget and that it shows a concerted effort to reduce the tax burden on the community. He stated that he wants to be sure that all budgets include funds for a most effective and efficient quality education to all students, including special need students as well as disadvantaged students. He noted that there should be communication between the district and community and one way this could be done is through a written parent survey to get feedback to be sure that all needs of the district are met.

VI. ADJOURNMENT

At 8:57 p.m. Renee Baskerville moved to adjourn the meeting; seconded by Timothy Barr and approved by a vote of 5 - 0.

