

Board of Education
Nutley, New Jersey

April 15, 1991

The Special Meeting of the Board of Education of the Township of Nutley, New Jersey was held in the Board Room, 375 Bloomfield Avenue, on Monday, April 15, 1991 at 7:34 p.m., with Mr. John C. Sincaglia, Secretary/Business Administrator, presiding.

ANNOUNCEMENT OF MEETING:

Mr. Sincaglia read the following:

"According to the provisions of the 'Open Public Meetings Act' (Chapter 231, P.L. 1975) and P.L. 1991, c. 21, proper notice of this Special Meeting was made on March 4, 1991 and April 11, 1991. Said Notice was:

1. Published in The Nutley Sun on April 11, 1991.
2. Posted at the entrance of the Board Office and at each public schoolhouse in the district.
3. Mailed or delivered, and/or telephoned to The Nutley Sun, the Star Ledger, the North Jersey Herald & News and the Nutley Journal.
4. Mailed or delivered, and/or telephoned to the Nutley Township Clerk.

"The purpose of this meeting is:

1. Conduct the Public Hearing on the 1991-92 school budget.
2. Adopt the 1991-92 school budget.
3. Adopt a resolution regarding the 1991 school election.
4. Conduct such other business that may properly come before the Board of Education.

"Formal action will be taken."

Mr. Battaglia arrived and assumed the Chair

ROLL CALL:

The other members present at roll call were: Dr. Anthony N. Baratta, Mr. Frank V. Hermo, Mrs. Aileen Hresko, Mr. Charles W. Kucinski, Jr. and Mr. Charles J. Piro. Late: Mrs. Rosalie C. Scheckel (7:37 p.m.). Absent: Mrs. Sally Goodson and Mr. Robert J. Rusignuolo. Approximately 55 citizens were present.

PRESENTATION OF 1991/1992 BUDGET:

Dr. Fadule stated that Mr. Sincaglia would present the budget in its entirety without interruption, and upon the conclusion of the presentation, would accept questions.

Mr. Sincaglia explained that this would be the first year the district would operate under the Quality Education Act and, process wise, this was the most difficult budget the Board had ever put together because of the delay in receiving critical information. Everything was held in abeyance for three months while the Quality Education Act was amended.

Mrs. Scheckel entered

Mr. Sincaglia read the following letter which he had sent on behalf of the Board to the Governor, State Senate President, Speaker of the Assembly, Assembly and Senate Majority and Minority Leaders, members of the Senate and Assembly Education Committees, our local Senate and Assembly members and the Township Commissioners:

"The members of the Nutley Board of Education have asked me to inform you of how much they are disturbed by the impact of the Quality Education Act on the Nutley School District.

"Our long-awaited State aid figures show that Nutley will receive \$5,776,223 in 1991-92. If we subtract out the aid for pension and Social Security, something we have never paid previously, we find that we are really receiving \$2,749,188 which is \$155,193 above last year's aid, a net increase of 6%.

"We are not at all encouraged by this small increase when we consider that last year our State aid was cut by almost 20% from our entitlement under Chapter 212. Next year's aid is actually less than we received two years ago by \$164,424. The total which we will receive is basically the same amount we received in 1988-89, which is four budgets ago.

"What is even worse for Nutley, however, is the breakdown of how these State funds will come to us. Nearly 1.5 million dollars (\$1,493,469) of these funds are considered Transition Aid. As you know, Transition Aid will begin to be phased out beginning in 1992-93 by 25% each year. By 1995-96 Nutley will not receive any of this aid. The impact that this will have on local school taxes will be significant. Beyond that prospect, however, looms the even more serious concern of the future payment of teacher pension and Social Security costs. The amended Quality Education Act makes this a State obligation only through 1992-93. The 1991-92 cost will be just over 3 million dollars. As a Transition Aid district, we would, absent any

additional changes in the law, be responsible for assuming this cost. By 1993-94, that cost will be in excess of 3.5 million dollars. If the Nutley School District is forced to pick up these costs with local taxes, the impact to our schools and the taxpayers will be nothing short of a catastrophe.

"In essence, what we are possibly facing is a potential additional local tax liability of over 5 million dollars within the next few years, all due to the impact of the amended Quality Education Act.

"We are aware that the New Jersey Supreme Court in the Abbott vs Burke case ruled that 'Minimum Aid' was unconstitutional and must be eliminated. The original Quality Education Act response to that was the concept of Transition Aid for the wealthier districts. Nutley, however, was not a Minimum Aid district and never anticipated a loss of most of its school aid. It was only after the amended Quality Education Act was adopted that Nutley found itself being treated in the same manner as Minimum Aid districts.

"Nutley has been able to maintain top quality schools at a low cost per pupil. The greatest portion of our funding has come from local taxes. The prospect of requesting from the local taxpayers a massive increase due to the withdrawal of most of our State aid does not bode well for either the school system or the taxpayers.

"The Nutley Board of Education wants you to be aware of how this new legislation will affect our community and its schools as further changes to the Quality Education Act are contemplated."

Mr. Sincaglia discussed the impact of the amended Quality Education Act on the district, highlighting the fact that State aid for 1991-92 is only about \$7,000 more than in 1988-89. He indicated that Nutley has not been helped by the State as the Quality Education Act is causing us a major problem, adding that if pension costs revert to the district, the impact would be monumental.

Mr. Sincaglia then reviewed the budget cap formula, explaining that there are only two ways to exceed the cap - by filing for a cap waiver or going to the voters for a cap waiver. The cap is on State aid plus local taxes. Mr. Sincaglia mentioned that the district is within its cap.

Mr. Sincaglia then reviewed each major account grouping and highlighted significant changes which would take place next year. He stressed that this is essentially a maintenance budget with no new programs and no major initiatives.

Mr. Sincaglia explained that the district's Current Expense budget would increase 8.8%, but part of the increase is due to the increase in Social Security and pension costs which the district is not paying but must show. If those costs are subtracted, the increase would be just over 8%.

Mr. Sincaglia indicated that the large increase in interest for Debt Service reflects the interest we are paying with regard to last year's referendum. He expects to borrow again on a temporary basis next year and then will go for a bonding sale.

Mr. Sincaglia mentioned that if the district spent at the average in Essex County, it would have spent more than three million dollars additional and would have had to add more than four million dollars to match the northern New Jersey counties similar to Nutley. He added that if we spent at the State average, we would have spent more than two million dollars additional.

Mr. Sincaglia added that Nutley finished second in the county and tied for seventh in the state on the High School Proficiency Tests. He stated that we have kept our costs down but the achievement up.

Mr. Sincaglia remarked on the fact that, without exception, the amount of money spent for schools with regard to the tax dollar has always remained between 40¢ and 44¢. He stated that a "no" vote does not mean that taxes will stay where they are. A "no" vote means the tax levy is not approved and that the budget must go to the Commissioners for an agreement on reductions, and if an agreement is not reached, the Commissioner of Education gets involved.

Mr. Sincaglia explained that two years ago, the budget was defeated by 200 votes, and \$314,000 was cut from the budget. The cut saved the average taxpayer only between \$15 and \$18 per year, but it meant no driver's education, no more summer music program, cutting out certain maintenance projects and the summer physical education program and they were never reinstated. He added that the impact on the taxpayers was not substantial, but the impact on the programs was substantial.

Mr. Sincaglia concluded by indicating that the Board has spent a lot of time on this and thinks it has presented a good, worthwhile budget to continue the kind of quality the people have come to expect in this town.

Mrs. Scheckel thanked Mr. Sincaglia for his excellent presentation.

HEARING OF CITIZENS (Agenda Items Only):

Mr. Donald Heerwig, 480 Chestnut Street, questioned what the Board's Surplus is, to which Mr. Sincaglia responded

2.8%. Mr. Heerwig then requested a break down on the teachers in the district, to which Mr. Sincaglia replied. Mr. Heerwig then made comments regarding the increases in the tax rates over the past several years as well as increases in administrative costs and salaries.

Mr. G. Jack Natale, 18 Hudson Street, asked a question regarding Equalization Aid and Minimum Aid districts, to which Mr. Sincaglia responded.

Mr. Natale then commented that enrollments and class sizes should be reviewed with the thought of possibly consolidating classes, to which Dr. Fadule replied that this is done on a regular basis.

Mr. Douglas Eisenfelder, 51 Enclosure, made comments regarding the negative effect a "no" vote on the budget has for students, teachers and people who may be interested in moving to Nutley. He added that a "yes" vote will help to keep property values high, and he indicated that he would vote "yes" on the budget on April 30 and urged others to do so as well.

Mrs. Agnes Rincaglia, 46 Howard Place, stated that she had recently moved to Nutley and had done so because of the educational system.

ADOPTING BUDGET FOR THE 1991/1992 SCHOOL YEAR:

Mr. Battaglia presented and moved the adoption of the following resolution, seconded by Mr. Kucinski. On a roll call vote the resolution was unanimously adopted:

WHEREAS, the Board of Education of the Township of Nutley adopted a tentative budget for the 1991/1992 school year on March 25, 1991, and

WHEREAS, said tentative budget was properly advertised on April 11, 1991, and

WHEREAS, the Public Hearing on the budget was conducted on April 15, 1991,

NOW, THEREFORE, BE IT RESOLVED, That the Board of Education hereby adopts the official budget for the 1991/1992 school year in the following amounts:

| | |
|-----------------|------------------------|
| Current Expense | \$28,300,250 |
| Capital Outlay | 952 |
| Debt Service | <u>195,843</u> |
| Total Budget | \$28,497,045, of which |

April 15, 1991

the following amount shall be raised by local tax levy:

| | |
|-----------------|----------------|
| Current Expense | \$21,635,609 |
| Debt Service | <u>111,116</u> |
| Total | \$21,746,725 |

BE IT FURTHER RESOLVED, That the Secretary be authorized to place on the ballot at the Annual School Election to be held on April 30, 1991, the proposal to approve the Current Expense tax levy portion of the 1991/1992 school budget. (The complete budget for 1991/1992 is attached as Appendix 1.)

SCHOOL ELECTION:

Mr. Battaglia presented and moved the adoption of the following resolution, seconded by Mr. Hermo. On a roll call vote the resolution was unanimously adopted:

WHEREAS, the Annual School Election shall take place on April 30, 1991, and

WHEREAS, at said election the legal voters of the school district will elect three members to the Board of Education for a term of three years, and

WHEREAS, the legal voters of the school district will vote on the proposed tax levy for Current Expense for the 1991/1992 school year in the amount of \$21,635,609,

NOW, THEREFORE, BE IT RESOLVED, That the Secretary of the Board of Education is hereby directed to post notices on each schoolhouse in the district and the following named public places: Township Hall, The Nutley Sun Office, Gary's Pharmacy, Little's Pharmacy, Fred's Party Shop and Griffith Shade Shop, no later than April 18, 1991, and

BE IT FURTHER RESOLVED, That the boundaries of the sections of the school district, the voters of which shall be entitled to vote at the respective polling places, be as herein designated:

| | |
|-------------------------------|-------------------------------|
| <u>Polling District No. 1</u> | <u>Polling District No. 4</u> |
| Lincoln School | Yantacaw School |
| Ward 1 - Districts 1, 2 & 7 | Ward 2 - Districts 1, 5 & 6 |
| <u>Polling District No. 2</u> | <u>Polling District No. 5</u> |
| Radcliffe School | Yantacaw School |
| Ward 1 - Districts 4 & 6 | Ward 3 - Districts 3, 4 & 5 |
| Ward 2 - District 2 | |

April 15, 1991

Polling District No. 3
Franklin School
Ward 1 - Districts 3 & 5

Polling District No. 6
Washington School
Ward 3 - Districts 1, 2, 6 & 7

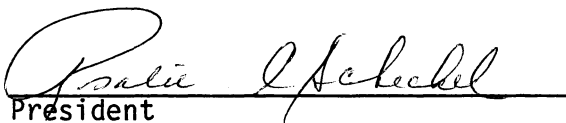
Polling District No. 7
Spring Garden School
Ward 2 - Districts 3 & 4

and

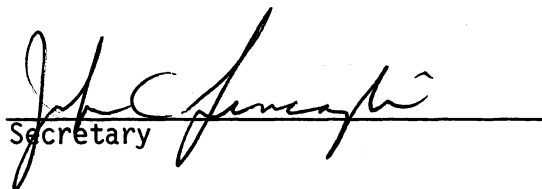
BE IT FINALLY RESOLVED, That the polls be open between the hours of 2:30 and 9:00 p.m.

ADJOURNMENT:

There being no further business to come before the Board, on motion made by Mr. Battaglia, seconded by Mr. Kucinski, the meeting adjourned at 8:51 p.m.



President



Secretary

4/22/91

Date

April 15, 1991