

May 18, 2010

The Township Committee met on the above date for a public hearing on the defeated budget of the Chesterfield Township Board of Education. Mayor Kelly called the meeting to order at 7:03 and opened with the flag salute and a moment of silence. Roll call was taken showing present: Mayor Brian J. Kelly, and Deputy Mayor Lawrence H. Durr. Committeeman Michael J. Hlubik was not present. The Open Public Meetings Act statement was read and compliance noted.

Mayor Kelly opened the meeting to the public for comments on matters not appearing on the agenda. Hearing no comments, the School Board proceeded with opening their meeting.

On a motion by Mr. Durr and second by Mayor Kelly the public hearing on the 2010-2011 defeated budget of the Chesterfield Township Elementary School was opened. All agreed.

Brian Meincke, President of the School Board stated that it has been a challenging road to develop the budget and get to where we are today. The School Board is historically conservative in developing their budget.

Ellen McHenry, School Superintendent reviewed the process of developing the budget based on opening the new school and the increased enrollment. There was a loss of 83% of their state aid. There were reductions made in the number of classrooms and an increase in the number of students per class. There is potential revenue from pre-K classes, and solar rebates from the new building of approximately \$145,800. A payment was made on the principal of the debt service in the amount of \$275,000 to reduce the tax levy. Chesterfield is ranked comparatively high compared to other districts. There are 90 pre-registered Kindergarten students. They are only able to open 4 classes with 22 or 23 students per class. The state requires an aide once the classroom size reaches 25 students. The budget is very lean on unanticipated costs and the Board is still awaiting reports on the full impact of the fire.

Brian Meincke stated that the Board challenged the administration to provide a leaner budget after the failure of the budget at the polls. During that time, they were in the process of teachers negotiations as well. The original budget did take into account any concessions by teachers. The teachers showed good faith and came to the table to discuss different options. The teachers and administration are taking a salary freeze for half of the coming year, and paying 1.5% towards their health benefits. The Superintendent is taking a full year salary freeze.

There was a contingency plan in the original budget for the school not opening on time.

Mr. Hlubik arrived at 7:20 PM.

All of these concessions have resulted in a \$118,050 cut to the original budget which equates to 1.5 tax points.

Mayor Kelly opened the meeting to the public for comments.

Anthony Marrano of 157 Recklesstown Way appreciates the reductions by the Board but does not feel it is enough. He would rather see a full year salary freeze.

Brian Meincke responded that the defeated budget increased the tax rate by \$418.00. The loss of state aid equated to 8.3 cents of the tax bill.

The total operating budget increase was minimal.

Mr. Marrano stated that he works for the Postal Service and is making less money now than he did 3 years ago. He is asking everyone to share in the financial hardships being experienced by the residents of the Township.

Mr. Durr asked for an explanation of the need for the new position of facilities manager.

Ellen McHenry responded that the position was added to oversee geothermal and solar systems going into the new building. The school district will gain savings from managing those systems. A portion of that salary is being paid from the building project funds.

Brian Meincke added that with the sophistication of going from an old, outdated building to a much larger building, it is prudent to have someone who knows the building. The position will always be under evaluation and may become a shared service with another district later.

Mr. Hlubik asked if Northern Burlington was asked to share this service this year.

Mr. Meincke stated that this was at the suggestion of Northern Burlington that the facilities manager was hired.

Mrs. McHenry stated that she talked to Dr. Sarruda before hiring the facilities director about a shared service and he didn't feel they were in a position to share that service at this time. The salary for this position is at the low end of range for that position. He is needed more now than he was 6 months ago and will be needed more in the near future.

Louise Zoilikowski stated that 80% of his salary is from building project fund and 20% is from the operating budget for 10-11. About ½ of his salary is being taken from the current budget.

Mayor Kelly asked if the facilities manager has created efficiencies in the new building?

Mr. Meincke stated that he monitors the construction onsite every day and constantly suggests efficiencies and safeguards. This position is necessary because of the energy savings programs that are available in building new schools. There are a lot of unknowns.

Mr. Durr asked if the Board considered sharing services for the business office with Northern? Dr. Sarruda seemed open to suggestions and opportunity for savings.

Mrs. McHenry replied that it certainly could be discussed.

Mr. Durr asked if any other shared service opportunities have been considered?

Mr. Meincke replied that the School participates in numerous shared services now but are always looking for new opportunities. They realized savings for furniture and technology for the new building through shared services.

Mr. Durr questioned the reimbursements for teacher seminars and suggested hosting seminars to realize some revenue rather than paying out.

Mrs. McHenry stated that once they are larger they could possibly do some regional training.

Mr. Durr asked if there was enough contingency money in place for the delayed opening?

Mrs. McHenry responded that the Board is looking at options. They are not confident that there is enough money in the operating budget, but they will probably be okay with the building funds and insurance monies. Craig Their stated that there will be enough combined funds and assessments from the fire are still coming in.

Mr. Hlubik asked what the teachers salary freeze amounted to in savings and what was the average raise?

Mr. Meincke responded that it provided a savings of \$62,000 and the average raise was 1.8% combined with a longer day.

Mr. Hlubik asked if the teachers would be willing to take the wage freeze for the entire year? These are tough times and there has been no reduction of staff.

Mrs. McHenry responded that a retiring teacher is not being replaced.

Mr. Hlubik asked about the percentage increase attributed to moving to the new school and Mrs. McHenry responded that there was an increase in the operating budget.

Anthony Marrano asked about shared services and if any thought has been given to merging the four sending districts across the board.

Todd Campanella stated that there were talks about putting together some type of plan but the wild card in the scenario is transportation. The task force created to study the issue has been disbanded.

Mayor Kelly stated that Township budgets always been managed very frugally. The dilemma for the Township Committee is sparing the tax

increase without compromising the quality of education. The quality of the school affects property values and the attraction to new residents. Any savings this year reduces the tax levy basis for next year. The school board works very hard recognizing that they are not spending their own money.

Mr. Hlubik asked what health plan the teachers and administrators participated in and Mr. Meincke responded that they have been members of the State health benefits plan for quite a while.

Mr. Durr complimented the board and administration compared to the regional board. The Chesterfield Board is very transparent and willing to answer everyone's questions. He would have liked to see the teachers take a full year wage freeze. He would like to propose township surplus funds be given to the school to lessen the tax increase although he understands it may pose a problem for next year.

Mr. Meincke stated that there have been discussions about using the funds for the operating budget or for debt service. Monies received for use in the operating budget would have to be treated as revenues. It could be used as a revenue source for debt service without affecting the operating budget.

Craig Their stated that he is all for tax relief but is concerned about expenses that will hit next year that will represent an increase. The voters don't see the numbers for debt service as that is not part of the ballot question. He understands the need for tax relief for the community.

Matt Weismantel of 80 Harness Way suggested using the surplus as part of a lease/purchase agreement for the old school. Mayor Kelly responded that the Township Committee has not made any decisions about moving the Municipal Building to the existing school as opposed to building a new facility. The Committee does not want to create additional problems for the school in next years budget but hopes there will be a way to provide some tax relief for the residents.

Mr. Meincke informed the Committee that there is \$286,278 debt service remaining on the existing school. The total debt service load in 10-11 budget is approximately \$2 million.

Mr. Durr suggested that making up the difference in next year's budget should not be insurmountable even with a possible change in the CAP from 4% to 2.5% and the Township giving \$200,000 of surplus. Next year

may be financially worse and he wonders if this is the right time to give relief?

Mayor Kelly pointed out that the Township Committee is a 3 member committee and the Open Public Meetings Act prohibits the Committee from talking outside of the room. The only conversation the Committee has had on this issue is happening tonight. There is also the option to reduce the local purpose tax.

Mr. Durr stated that the Township has maintained a flat tax rate for quite a while with increased costs. The surplus is not being generated as it was in the past. If we eliminate local purpose tax this year it will have to come back sometime and will be a larger hit on the residents than keeping it as a constant amount over the years.

Alex Robotin of Chesterfield-Arneytown Road works for the State and fought for an agreement to freeze salaries and guarantee no lay offs. Salaries were frozen but there will be layoffs anyway. It's a gamble. He doesn't have the answer and next year will probably be worse. Offsetting the school budget this year may result in a higher local purpose tax next year.

Denise Koetas stated that there are so many unforeseen things which may happen during a school year which the school board has not budgeted for. Chose to do that because there is very little that they can cut.

David Sass of 15 Fenton Lane asked what type of other scenarios would require the use of surplus? Mayor Kelly responded that some of the surplus was generated from the housing growth which will not continue, but will dwindle and not be replenished. The Township will have additional open areas to maintain in Old York Village once the building is complete and the areas are turned over to the Township.

Mr. Durr stated that the Township used \$2.5 million to balance the budget this year. We are currently using more than we are generating to keep the tax rate flat. We want it to last as long as possible. Any relief that the township can give should be given.

Matt Weismantel of 80 Harness Way stated that he works for Rutgers and they are currently in their 8<sup>th</sup> year of 10 years of budget cuts. The cuts will continue for years. He previously served on a school board in another area of the state where services were outsourced in order to keep teachers. Alternatives need to be explored but it will be a long term process.

Sherry Bailey of 18 Chesterfield-Georgetown Road stated that she would like to have any help the township could provide with taxes this year. She knows it may be worse next year but relief this year will allow time to plan.

Craig Their stated that, if there is any good to come from this, their state aid is down to \$63,000 so that's all the state can take away.

David Sass asked if there is any way to get state aid reinstated? Mayor Kelly responded that the formula for the distribution of the aid would have to be changed.

Mayor Kelly continued that it appears the school would prefer not to receive surplus monies in their operating budget because of the problems it presents for next year. He does not hear a consensus of the Township Committee to cut the local purpose tax.

Craig Their clarified the reasons for preferring not to get the surplus money. If it was given it would be applied to debt service and would still have to be made up next year.

Mr. Hlubik would prefer to use the money to help the residents that are here now.

Mr. Durr moved to contribute the equivalent of three tax point to the school's debt service in addition to the \$118,050 already reduced from the operating budget. This will result in a 4.8 cent decrease. Mr. Hlubik seconded the motion and all agreed.

Mke Mazzoni of the Elementary School stated that this is uncharted territory for everyone and no one knows where it will end. He hopes it will end up better for education. Mike then spoke on some of the programs being offered that were cut that were generational and valuable to the schools and can hopefully be funded some other way in the future.

Matt Weismantel thanked the board and the Township Committee for their efforts on this budget.

Mr. Meincke explained that the Board is looking for alternate ways to fund the programs that were cut.

On a motion by Mr. Hlubik and second by Mr. Durr, Resolution 2010-5-12 was approved. All agreed.

**RESOLUTION 2010-5-12**

**RESOLUTION OF THE TOWNSHIP OF CHESTERFIELD CERTIFYING THE AMOUNT NECESSARY TO BE APPROPRIATED FOR THE 2010-2011 BUDGET OF THE CHESTERFIELD TOWNSHIP SCHOOL DISTRICT**

**WHEREAS**, the 2010-2011 budget of the Chesterfield Township School District was rejected by the voters at the annual school election held April 20, 2010; and

**WHEREAS**, the Township Committee of the Township of Chesterfield is required by *N.J.S.A. 18A:22-37* to “determine the amount or amounts which they deem necessary to provide a thorough and efficient system of schools in the school district for the ensuing school year and cause the same to be certified by the Municipal Clerk to the Board of Education to the School District”; and

**WHEREAS**, the Township Committee of the Township of Chesterfield met with the Board of Education and the Administration of the Chesterfield Township School District on May 18, 2010 to consult with the Board of Education on the 2010-2011 budget;

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Chesterfield in the County of Burlington and State of New Jersey, assembled this 18<sup>th</sup> day of May 2010, that they hereby determine and direct the Clerk of the Township of Chesterfield to certify to the Board of Education of the Chesterfield Township School District the following as the amount necessary to be appropriated in order to provide a thorough and efficient system of schools in the district for the 2010-2011 school year:

**AMOUNT TO BE RAISED IN THE DISTRICT BY TAXATION**

SERVICE

GENERAL FUND

DEBT



**TOWNSHIP OF CHESTERFIELD  
RESOLUTION 2010-5-12**

**RESOLUTION OF THE TOWNSHIP OF CHESTERFIELD CERTIFYING THE  
AMOUNT NECESSARY TO BE APPROPRIATED FOR THE 2010-2011  
BUDGET OF THE CHESTERFIELD TOWNSHIP SCHOOL DISTRICT**

**“ ATTACHMENT A”  
REDUCTIONS TO 2010-2011 SCHOOL BUDGET**

**APPROPRIATIONS:**

<u>Line item</u>	<u>budget category</u>	<u>from</u>	<u>to</u>	<u>savings</u>
11-000-213-100	Undistributed Expenses Health Services	\$ 136,500.	\$ 133,500.	\$ 3,000.
11-000-216-100	Undistributed Expenses Speech Services	\$ 73,900.	\$ 71,800.	\$ 2,100.
11-000-217-100	Undistributed Expenses Extraordinary Services	\$ 78,600.	\$ 76,900.	\$ 1,700.
11-000-218-104	Undistributed Expenses Guidance Services	\$ 16,000.	\$ 15,500.	\$ 500.
11-000-219-104	Undistributed Expenses Child Study Team Prof.	\$ 113,700.	\$ 112,900.	\$ 800.
11-000-219-105	Undistributed Expenses Child Study Team Secty.	\$ 24,400.	\$ 24,300.	\$ 100.
11-000-221-102	Undistributed Expenses Sup./Instruct. Svcs.	\$ 62,500.	\$ 61,600.	\$ 900.
11-000-221-104	Undistributed Expenses Other Prof. Staff	\$ 5,800.	\$ 5,700.	\$ 100.
11-000-222-100	Undistributed Expenses Educational Media Svcs.	\$ 98,700.	\$ 96,200.	\$ 2,500.
11-000-230-100	Undistributed Expenses General Administration	\$ 95,100.	\$ 92,300.	\$ 2,800.
11-000-240-103	Undistributed Expenses School Administration	\$ 150,800.	\$ 147,900.	\$ 2,900.

11-000-251-100	Undistributed Expenses Central Services	\$ 183,500.	\$ 181,600.	\$ 1,900.
11-000-252-100	Undistributed Expenses Admin. Info. Technology	\$ 9,700.	\$ 9,300.	\$ 400.
11-000-262-100	Undistributed Expenses Custodial Services	\$ 245,400.	\$ 243,700.	\$ 1,700.
11-000-262-420	Undistributed Expenses Cleaning,Repair,Maint.Svcs.	\$ 59,000.	\$ 53,850.	\$ 5,150.
11-000-291-270	Unallocated Benefits Health Benefits	\$1,106,400.	\$1,055,500.	\$ 50,900.
11-110-100-101	Regular Instruction Kindergarten Teacher Salaries	\$ 281,800.	\$ 271,700.	\$ 10,100.
11-120-100-101	Regular Instruction Grades 1-5 Teacher Salaries	\$1,406,100.	\$1,384,100.	\$ 22,000.
11-130-100-101	Regular Instruction Grade 6 Teacher Salaries	\$ 204,800.	\$ 203,300.	\$ 1,500.
11-213-100-101	Resource Room Teacher Salaries	\$ 321,100.	\$ 315,600.	\$ 5,500.
11-230-100-101	Basic Skills Teacher Salaries	\$ 146,100.	\$ 144,600.	\$ 1,500.
	<b>TOTAL APPROPRIATIONS</b>			<b>\$118,050.</b>

REVENUE:

<u>Line item</u>	<u>budget category</u>	<u>from</u>	<u>to</u>	<u>increase</u>
40-1XX	Repayment of Debt, Revenue	-0-	\$ 236,100	\$236,100.
	<b>TOTAL REDUCTION IN TAX LEVY</b>			<b>\$354,150.</b>

Mayor Kelly thanked the board and the public for their participation and for a great meeting.

The meeting was adjourned 8:50pm on a motion by Mr. Durr and second by Mr. Hlubik. All agreed.

Respectfully submitted,

Bonnie J. Haines, RMC  
Township Clerk