

Minutes

REGULAR MEETING OF COUNCIL

Held in Town Hall Council Chambers

100 Central Avenue, Hammonton, N.J.

Monday, May 15, 2006 at 7:00 P.M.

Minutes can be viewed at www.townofhammonton.org

MEETING CALLED TO ORDER BY MAYOR DIDONATO at 7:00 p.m.

ROLL CALL

Mayor DiDonato

Councilpersons:

Bertino - Present

Colasurdo - Present

Falcone - Present

Massarelli - Absent

S. Lewis - Absent

Wuillermin - Present

Roll Call School Board Members - Recognizing Joint Meeting

Loretta Rehmann, Chairperson of the Hammonton School Board, took roll call of those Board of Education Members present at this joint meeting of the School Board and the Town of Hammonton.

PRESENT ALSO

Brian Howell, Town Solicitor

Bob Vettese, Town Engineer

PLEDGE OF ALLEGIANCE

PUBLIC SAFETY NOTICE

This meeting has been properly posted on the bulletin board reserved for such notices on the first floor of the Town Hall and mailed to two newspapers pursuant to law. Please familiarize yourselves with the fire

exit drawing to the rear of the Council Chambers. Also, there is to be no smoking in the Town Hall at any time.

APPROVAL OF MINUTES

Motion by Councilperson Wuillermin, seconded by Councilperson Colasurdo, the minutes of the Regular Meeting of April 24, 2006 be approved as recorded by the Clerk. Motion carried.

DISPENSE WITH REGULAR ORDER OF BUSINESS

Motion by Councilperson Wuillermin, seconded by Councilperson Colasurdo, dispense with regular order of business. Motion carried.

Mayor DiDonato advised the public of the course of tonights meeting and the goals of same. He then introduced the members of the Fiscal Oversight Committee and advised of their roll in school budget examination. He then introduced Mr. William Crescenzo, Chairperson of Fiscal Oversight Committee, to give budget presentation.

1. School Budget Presentation (Fiscal Oversight Chairmen Bill Crescenzo)

Mr. William Crescenzo advised those present that the Fiscal Oversight Committee review of the school budget included much thought and effort in retaining current employee positions, capital assets, and to include salary increases. Mr. Crescenzo continued to review increases as well as decreases that the Fiscal Oversight Committee recommended. (Fiscal Oversight Committee Report of May 12th attached)

Mrs. Loretta Rehmann, Chairperson, turned the presentation over to Mr. Walker who heads the Finance Committee of Hammonton Board of Education.

Mr. Walker thanked Mayor and Council for inviting the Hammonton Board of Education to work together to reach an agreement while providing for thorough and efficient education to students and keeping in mind the financial impact of the budget on the taxpayers. He recognized Mayor and Council's efforts in providing a thorough review of the school budget and also thanked Fiscal Oversight Committee for their review and recommendations. Mr. Walker stated he will now respond to the Fiscal Oversight Committee's report. He first apologized to Mayor and Council for any inadequate data or insufficient cooperation that may have occurred during the review of the school budget.

He reviewed recommended amendments as follows:

Item #7 projected enrollment be changed to 3,340

Item #1,2,4 employee positions & wage increases based on 2005/06 payroll

Mr. Walker invited Mr. Swartz, Auditor, to further explain some of the proposed changes.

Mr. Swartz recognized Barbara Prettiman of his firm, Alliance of Government Auditors, who has spent much time working on the proposed school budget. Mr. Swartz stated our concern while preparing the proposed school budget was that the Fiscal Oversight Committee would have all the necessary tools made available to them to review and make recommendations on the school budget. Ms. Prettiman was chosen to review and identify each and every line item to project if this district would be in deficit at the end of their fiscal year. She originally found over \$1 million dollar deficit. She then reviewed the budget again, and is now confident that the figures we are working with are accurate.

Mr. Swartz then turned over the presentation to Barbara Prettiman.

Ms. Prettiman advised that she basically added to the Fiscal Oversight Committee's role. She agreed that focusing on the larger line items allowed for making more accurate cuts. She advised that Mr. Crescenzo alluded to budget figures rather than accurate figures as the Fiscal Oversight Committee was not able to obtain those figures at that time. She actually had the opportunity to review employee contracts and was able to reduce the budget by known facts. Her projection, based on assumptions, is a \$900,000 deficit. She reviewed her findings per handout to Mayor and Council and the Board of Education. (see attached)

Mr. Walker then continued recommendations as follows:

School Board concurred that they will not add any new positions

Item #3,6,7,8 agreed

Item #5 will lease buses

Item #10 tuition - agreed

Mr. Walker continued that the School Board will work in any way they can with the Mayor and Council as well as the taxpayers in affording the children an education and to control spending, including hiring a financial consultant and meeting with Town Council quarterly. Mr. Walker stated the Board of Education is taking immediate steps in ensuring that the school budget will not be in deficit. He concluded by asking for town council's support in approving a sound budget.

Public Heard

Mayor DiDonato opened the meeting to the public.

Skip Byrnes - 827 Giordano Lane

Mr. Byrnes had several questions such as amount owed Waterford, details of fiscal oversight committee cuts as modified by school board. He stated he does not understand how they will cut \$1 million dollars of salaries without cutting teachers. He served on school board for 9 years and at that time they were facing the same issues. He feels there is not enough public eagerness to pay for the level of education that the citizens require and expect. He assured Mayor and Council that during his tenure as school board member he as well as other members did try to alleviate costs. He explained that leaving the State Health Plan was the cause of the 2 months we had to pay back. He asked Mayor and Council to summon the courage to raise the school tax rate as high as they reasonably can to support the current quality of education.

2. Council Discussion & Review of Budget

Councilperson James Bertino

Councilperson Bertino questioned how the school could be so far off with their budget figures from last year if the figures were assumed to be accurate last year?

Ms. Prettiman responded the figures do not add up but she cannot explain the reason for same. In previous year they received special education grants and were applying a large part of the grants to salaries. When the grants stopped coming in they fell short in their budget. Many of these findings were mid year. The fact that they put together an inaccurate budget cannot be changed. We must now move forward.

Councilperson Bertino further questioned does this new budget reflect retroactive pay?

Mr. Walker stated yes, they do have sufficient funding to address retroactive pay.

Ms. Prettiman stated her projection of where the board will be on June 30, 2006 includes an estimated negotiation. Yes, there will be a projected deficit but the board has indicated that they have a plan to take care of the projected deficit.

Councilperson Bertino stated he appreciates the boards honesty, however, that does not help Mayor and Council when it comes to them having to answer to the taxpayers who voted down the budget. It does not make Mayor and Council's responsibility any easier especially since the Town has to live within a budget. He stated that you cannot anticipate percentage increases and then not hold them. Anticipation is very important. He agrees that talking about how we got to this deficit will not help at this point. We must now take action to resolve the problems at the school.

Councilperson Anthony Falcone

Councilperson Falcone stated that Councilperson Bertino touched on some of his concerns already. He questioned the Federally funded positions wherein the funding will be stopped in the future. What does the school board plan to do to maintain these positions?

Mr. Walker responded he does have a plan but not with him this evening. He will forward same onto Mayor and Council.

Councilperson Falcone stated he believes the Fiscal Oversight Committee put much effort into this budget review and he feels the Board of Education has also put much effort into working with Mayor and Council. He stated that he believes we all feel the same way, that the children's education is first and foremost.

Mayor DiDonato

Mayor DiDonato stated that the Fiscal Oversight Committee was given 2 or 3 different payroll amounts to work with and that is where Ms. Prettiman came into play. He questioned could they have looked at the last payroll and projected this figure?

Ms. Prettiman responded yes and that is exactly what she did.

Mayor DiDonato requested someone from the school to clarify the payroll process.

Mr. Motz, Business Administrator, clarified they have 2 payrolls remaining in their year.

Mayor DiDonato questioned the timing of the deficit from documents he has from a month ago until now, a month later.

Ms. Prettiman stated she believes everyone can appreciate that documents were given out with several different figures on them. How can a board member identify that there are insufficient funds if they are not given proper documents for same?

Mayor DiDonato questioned that had Ms. Prettiman not stepped in this past week would the school have been operating on the presumption that they were financially safe and they actually were not?

Ms. Prettiman stated that is not exactly true.

Mr. Walker then stated when the board began researching the figures they found they needed to be tested.

Ms. Prettiman, getting back to the 2 month health insurance issue, stated the error was that the 2 month non payment was actually a 60 day deferral that no one ever booked. This was a cost they were not expecting causing a deficit that they could not make up the following year because they did not know about it when creating their budget.

Mayor DiDonato suggested that past errors made be noted so that they do not occur again. Mayor DiDonato further questioned the budget presented to the voters which stated 15 - 16 teacher layoffs. What departments were going to be subject to layoffs.

Ms. Mary Lou DeFrancisco, Superintendent, stated the proposed layoffs were custodial and half of bilingual aids, not teachers.

Mayor DiDonato questioned number allocated for salary reduction?

Ms. DeFrancisco advised custodial \$80,000 and \$87,000 in aids.

Mayor DiDonato then questioned does the school still plan to layoff?

Mr. Walker responded there will be cuts made, however, they will have to look at the unemployment costs involved as well.

Mayor DiDonato stated he understood the Business Administrator will be leaving soon and questioned the funding of a new Business Administrator?

Mr. Walker responded we will need someone to provide mentoring to new business administrator hence the new consultant.

Mayor DiDonato questioned energy costs and the heater and air conditioner running at the same time? Mayor DiDonato further questioned health care negotiations and health care increase and quotes with savings of approximately \$100,000?

Mr. Walker responded as he previously stated the board recognizes that part of the agreement is that they have to make cuts to meet the budget.

Mayor DiDonato questioned the school boards anticipated 7 percent increase that was projected up until Ms. Prettiman's report which then indicated a shortfall? He stated that he strongly feels we need to know where we stand now. He advised the board that they cannot keep stating the board will look into possible cuts to account for the shortfall again this year and not have a plan in front of them to share with Council this evening. Mayor and Council need specifics in order to make the correct decision concerning the school budget.

Councilperson Edward Wuillermin

Councilperson Wuillermin questioned the numbers in the proposed budget and the consistency of same? He recognized efforts of volunteers in trying to analyze and provide a sound budget. He noted several inconsistencies such as elimination of bilingual aids yet the budget submitted to council includes a 10 percent increase in bilingual instruction. On one hand we are eliminating aids and on another hand we are increasing that budget. We are not sure of where we allocated costs or why areas of proposed school budget contradicts itself. Health care costs are 22 percent less than prior year. He further stated that he feels the auditor's primary focus is the ensure public that there has

been no material misrepresentations. He feels the internal controls are not what they should to be. If we do not know where or how we spent in past years, how can we determine future budgets?

Councilperson Rock Colasurdo

Councilperson Colasurdo questioned retroactive pay? How far back does it go? Did you allow for retroactive pay? Did the teachers receive a pay raise in 2005?

Mr. Walker responded no but the board will meet the necessary increase.

Councilperson Colasurdo stated he appreciates the board working with the Fiscal Oversight Committee who he believes are very talented.

William Crescenzo, Chair, Fiscal Oversight Committee

Mr. Crescenzo questioned some costs in previous years?

Ms. Prettiman explained flat payments as well as social security payments that a school makes and receives back.

Mr. Crescenzo questioned how many teachers did school district hire this year and were any of those special needs?

Ms. DeFranciso stated she believes 14 teaches were hired and approximately 5 were special needs teachers.

Mr. Crescenzo questioned were they originally part of a grant?

Ms. DeFranciso responded, no, they were projected in the costs for 2005/06.

Councilperson Bertino questioned were these teachers included in last years budget?

Ms. DeFranciso responded yes.

Mayor DiDonato once again opened the floor to the public.

Larry Delaney - Broadway

Mr. Delaney questioned how does the board project the anticipated contact amount and be certain that the figure will not go up? Unless a contract has been signed that figure is negotiable. Mr. Delaney further questioned the \$4 million in debt to Folsom and Waterford, where did money go?

Ms. Prettiman stated she is basing that figure on reasonable assumptions.

Mr. Walker once again stated the school will not have a deficit.

Mr. Crescenzo remarked on something Mr. Delaney had questioned. He stated that the Fiscal Oversight Committee is of the opinion that the Waterford tuition is where the problem lies. If salaries rise then the tuition should also rise. How can we assume that we overpaid tuition to Waterford? The Fiscal Oversight Committee ran tuition rates on State calculations and is currently investigating the funding issue.

Yubi Jew

Mr. Jew questioned health benefit calculation and feels it is above average. He further questioned other increases and variations of same.

Skip Byrnes

Mr. Byrnes following up on tuition discussion questioned the large sum?

Mr. Walker stated we do not owe them \$4 million right now.

Mr. Condo explained the cost is not \$4 million. You always estimate a tuition. He believes even the estimated tuition rate this year will be higher.

Mr. Byrnes stated he feels people should understand that the Waterford tuition is not necessarily a bad thing.

Mr. Crescenzo reminded Mr. Byrnes that the matter of tuition is not the only problem we are facing with the school budget at this time.

Mr. Byrnes questioned the possible conflict of interest on board statement made earlier that evening?

Mr. Crescenzo stated the school Solicitor is also a Solicitor for Waterford and he feels a conflict solicitor should be put in place to negotiate with Waterford when it comes to contracts with them.

Sam Leonetti - Harborwood Drive

Me. Leonetti stated he is a former board member who resigned because of some of the problems discussed here tonight. He stated he feels that the tuition should be broken down by building costs in addition to teachers salaries. He suggested the Town contact Ocean City to find out how they factor in tuition. He stressed the necessity of the Town and Board working together because you have teachers and taxpayers that are unhappy.

Karen Deanley - 8th Street

Mrs. Deanley stated she is not an expert with figures but she can state that 7 cents is not enough to save guidance counselors jobs. She does not think the public realizes the impact of not having that support staff of the children. At elementary level she has children every day who refer themselves to guidance. They do talk to their teachers but

they also need counselors. She asked Mayor and Council to consider those things when reviewing their numbers.

Councilperson Bertino questioned how much of the school budget is support staff or specifically guidance counselors?

Ms. DeFranciso estimated \$.5 million dollars is spent in this area and further explained the budget process of this line item.

Councilperson Bertino stated he wanted a better idea on how each item will be affected if he is going to be asked to vote upon a resolution this evening.

Councilperson Wuillermin questioned where the school board intends to come up with the needed funding to comply with the agreed upon budget this evening? The Mayor and Council are hoping that the school board make fiscally sound decisions to meet their budget constraints imposed upon them. Example: Council recommended lease of buses instead of purchase to save money. However, they do not want the school to lease buses at a higher rate than they could actually purchase them. With the agreed increase of the school board and Mayor and Council this evening, will the board be sure to plan for a sound budget in the future?

Mayor DiDonato questioned the school board how they came up with 2.6 million dollar more in spending? Where is it going? Fiscal Oversight Committee are highly educated people and they believe in education and do not want to cut teachers. They are giving them 1.6 million dollars more than last year. To maintain status quo this year do you need only 7 percent increase? He has an issue with auditor speaking on behalf of the board when the auditor's responsibility is performing annual audit. He questioned who is minding the store the rest of the year? He questioned the school board's responsibility with funding allocated by the taxpayers? He questioned how can they confirm that the money will be justifiably spent? Furthermore, will someone be overseeing the funds at the school in the future? He does have faith in the auditors knowledge but wants to know that someone will be responsible for the schools spending in the future.

Mrs. Rehmann then explained increase in expenses as well as reduced revenue.

Mayor DiDonato questioned how could the school budget be increasing yet they are charging Waterford less?

Mrs. Rehmann stated we are refunding to Waterford based on the cut of 14 teachers. Board is willing to re look at budget to determine that correct costs are being charged to Waterford.

Councilperson Wuillermin questioned the refund?

Mrs. Rehmann stated the refund is actual and is based on auditing results.

Councilperson Falcone questioned if there are any contractual issues in charging Waterford more?

Mr. Donio, School Solicitor, stated the contract authorizes charging Waterford any amount legally allowed. He also stated for the record that he was not the Solicitor during the previously negotiated contract with Waterford. He feels presumed conflicts should be brought to the boards attention prior to a public meeting.

Mayor DiDonato questioned has anyone from the board of education brought up the issue to Waterford concerning Waterfords rent or use of facilities?

Mr. Condo stated he has made the Waterford Board aware of the issues and concerns of the Hammonton Board of Education. They have requested someone to review the entire tuition process. He believes the Waterford Board is willing to sit down and come to an agreement with this School Board and Mayor and Council. They came to Hammonton because they want the best for their children. They want to pay their fair and required share. He agreed with Mr. Donio that the contract is very open and allows for reasonable costs. They will not just say we will give you some more but they are willing to pay the appropriate amount if they are asked to do so. It was previously determined by all the parties that that was the appropriate amount.

Councilperson Colasurdo questioned who was the responsible party that should have caught the alluded overpayments made by Waterford?

Councilperson Falcone once again questioned non support staff cutting. Is the school planning to cut this area or not? It's obviously not an easy decision. It is his hope that the school will not cut any support staff. Could maintaining the support staff be done within the current budget?

Mr. Walker stated the board will certainly try to maintain the current services and support staff.

Charles Muller - NJ DOE (Atlantic County Division)

Mr. Muller introduced himself to the public.

Mayor DiDonato questioned what does Mr. Muller recommend to better allocate funds (whether charging tuition, special needs, etc.)? What could Mayor and Council do to aid the process?

Mr. Muller stated that question should be asked of the school business administrator. But Mayor and Council are on the right tract. If you calculate tuition rate a little higher, with your ratables, you should be able to live within budget unless there is a rapid increase. He explained how the Department of Education projects the increase. You need to keep working on actual dollars (what's being allocated, what can be allocated).

Councilperson Wuillermin questioned is his office primarily responsible for the derivation of the tuition rate?

Mr. Muller responded partly and explained the process of taking costs and allocating them.

Councilperson Wuillermin questioned are we placing all these figures into a program that gives us a number and that is the number we are using? Is there any administrative recourse for the district to review that number?

Councilperson Bertino questioned is that number derived from a State average?

Mr. Muller responded yes. He further advised that per the computer calculation the actual cost per pupil was less than the amount actually charged to Waterford.

Mr. Leonetti questioned would surplus money have played a factor in the tuition?

Mr. Muller stated he would have to look at the tuition calculation.

Mayor DiDonato questioned the school board about Home Schooled children. How do they show up on student count? He understood that approximately 8-10 children per grade being home schooled. Those children are still showing up in audited totals of the school system. If that is the case then that's another area where Waterford is paying less.

Mrs. DeFranciso stated students that are home schooled do no appear on the register of the district and do not appear on the budget.

Mayor DiDonato questioned how does the school audit the number of children in the school system on October 15?

Mr. Swartz advised that the Department of Education tells us to specifically test a prescribed amount.

Mayor DiDonato asked for assurances from the school board that they can live within a budget that they and Council agree upon this evening.

Mr. Brian Howell, Town Solicitor, stated it is Mayor and Council's responsibility at this time to come up with a sound budget for the school that does not impair students. He recommended the Fiscal Oversight Committee to advise Mayor and Council concerning whether the proposed increase is a viable increase.

Mr. Muller explained the corrective action plan should have been submitted today by the school. We do have time to review it but we want to make sure it will work for this year and next year. He stated he will work with school and their corrective action plan.

Councilperson Wuillermin questioned is that corrective action plan inclusive in whatever was discussed tonight?

Mr. Muller responded yes and Mayor and Council's resolution deadline is May 19, 2006.

Fiscal Oversight and School Board to recess to discuss proposed school budget.

RESUME WITH REGULAR ORDER OF BUSINESS

Motion by Councilperson Colasurdo, seconded by Councilperson Falcone, resume the regular order of business. Motion carried.

Change in Agenda

Mayor DiDonato requested that the Clerk pass by Resolution #66-2006 to give Fiscal Oversight Committee and School Board time to discuss alternative solutions and Mayor and Council to come back to proposed Resolution #66-2006 later in the meeting.

EMERGENT REPORTS

Committee

Councilperson Bertino

Motion by Councilperson Bertino, seconded by Councilperson Falcone, to advertise for a Highway Laborer to replace the Laborer that just resigned to alleviate additional duties recently added to Highway Department.

Mayor DiDonato reminded everyone that Mayor and Council has placed a freeze on all hiring therefore no action was taken in this regard.

Councilperson Colasurdo stated he wishes to keep Scott Rivera on the parks and commended his performance.

Councilperson Bertino stated he is not asking to replace Scott Rivera, he is asking to replace a Laborer.

Mayor DiDonato also commended Jorge Barreto who is handling the parks.

Mayor DiDonato questioned certain operating practices at the Highway Department and suggested maybe the staff is not being designated work properly as to operate efficiently with the current number of employees. He specifically brought up the process of running two trash trucks down the same roadway and continued use of the former trash cans rather than the new toters.

Councilperson Bertino reminded Mayor that it was agreed that once we gave out all new toters the residents could then request an additional totter. Maybe these homeowners need additional containers. The Highway

Department is making notations while picking up trash and will supply a second container to those who need same. He had proposed charging for an additional container and Mayor and Council did not want to charge the taxpayers for same. He stated he is willing to work with Mayor and Council in whatever decision they make regarding trash pickup and toter disbursement.

Mayor DiDonato also made mention that the highway is picking up bulky waste in the trash truck.

Councilperson Colasurdo requested Councilperson Bertino to invite the Road Superintendent to the next meeting of council.

Mayor DiDonato questioned when will we have a firm date as to the new trash removal system being in place? When will we stop using the old trash cans?

Councilperson Wuillermin also questioned the encouraging of taxpayers to disperse additional garbage over the 96 gallons per week that the current toter holds.

Councilperson Bertino stated the Highway is noting to homeowners when recyclable material is in a trash container.

Mayor DiDonato requested Lance Schiernbeck to attend the next council meeting and present Mayor and Council with a breakdown or plan for trash collection.

Councilperson Wuillermin

Councilperson Wuillermin reported the evaporator at Town Hall is falling apart. He stated we must replace the town hall as quickly as we can as not to put anymore money in the heating/air system. Prior to the evaporator being fixed, the town was using much additional water. However, the matter is resolved.

Councilperson Colasurdo

Councilperson Colasurdo reported on Tuesday Officer Richard Jones conducted a very good presentation to high school students concerning the dangers of drunk driving. He commended Officer Jones.

Councilperson Colasurdo reported on towing issue. He left the decision of the towing contract up to the Chief of Police.

Town Solicitor reported they met with seven towers to establish a rotating list procedure so that all towers would not show up at a scene of accident at the same time. They are subject to proper equipment and criminal background check. There are two additional towers now available to the Town. It was felt that the system we have is working well. Mayor and Council may want to look at having a cap or waiting list. His worry is expanding the list too far may weaken the good system we now have with experienced towers.

Engineer

Mr. Bob Vettese, Engineer, reported on the new Town Hall status including pending Planning/Zoning Board approvals as well as Atlantic County Soil Conservation for new Town Hall.

Councilperson Bertino questioned if Grubb Assoc. has completed their report?

Mr. Vettese stated yes and a report will be forthcoming. No need for additional testing. Also, new Town Hall will go to Pinelands for approval in June.

Councilperson Colasurdo questioned if Solicitor has notified Triad yet concerning the Santora issue?

The Solicitor stated no.

Mr. Vettese further report on Central Avenue project and Egg Harbor Road project.

A discussion was held concerning Calderone correspondence request from April 24, 2006 council meeting. Possibly invite Mr. Calderone to a sewer committee meeting to discuss this matter further.

Councilperson Falcone also discussed mercury problems on First Road in Hammonton.

Mr. Vettese advised that the County Board of Health sends out a letter advising homeowners that a contaminated well was found. They aid homeowners in testing procedures as well as resolution to contamination problem. Results are sent to and evaluated by DEP.

Mayor DiDonato advised Council on the Third Street reconstruction project problem with large trees at St. Joseph School. A request was made to Shade Tree Commission for tree removal. However, there is a funding problem for tree removal as this project has been Federally Funded.

Councilperson Wuillermin stated he felt all large tree removal projects should be reviewed by Council Committee in addition to Shade Tree Commission.

#R 066A-2006 Authorize Tri Veteran Memorial Day Parade May 29

RESOLUTION # 066A -2006

RESOLUTION AUTHORIZING AND ENDORSING

THE ANNUAL "TRI VET MEMORIAL DAY PARADE"

WHEREAS, the Tri Vets continue to promote the Town of Hammonton with their annual "Tri Vet Memorial Day Parade"; and

WHEREAS, Mayor and Council continues to support the efforts of the Tri Vets; and

WHEREAS, May 29, 2006 is the scheduled date for the Tri Vet Memorial Day Parade and Ceremony beginning at 10:30 a.m.; and

WHEREAS, the Tri Vets have requested assistance of the Town of Hammonton Police Department for this scheduled event and closure of the following street in the Town of Hammonton for parade:

Bellevue Avenue (Rt. 54) from Tilton Street to Railroad Avenue

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF HAMMONTON, COUNTY OF ATLANTIC AND STATE OF NEW JERSEY, that the May 29, 2006 Tri Vet Memorial Day Parade is acknowledged and endorsed by the Town of Hammonton contingent upon the following:

1. Filing of necessary insurance certificate with the Town of Hammonton.
2. Filing of required State written approvals for street closures with the Town Clerk's office and the Chief of Police at least two weeks prior to event.

Motion by Councilperson Wuillermin, seconded by Councilperson

Falcone, the resolution be adopted.

All present members of council voted in the affirmative.

Mayor DiDonato declared the motion carried.

PUBLIC HEARD

Mark Santora - Old Forks Road

Mr. Santora handed the Deputy Clerk the letter requested of him at April 24 council meeting. She advised she will copy the Engineer and the Collector.

Five Minute Recess

Mayor DiDonato called a five minute recess.

Fiscal Oversight Committee Recommendation

Mr. Crescenzo advised after review of the proposed school budget and deficit by the Fiscal Oversight Committee they have determined a viable solution to the schools deficit would be for the Town of Hammonton to purchase the Hammonton Middle School for approximately 1.5 million and the school to rent back to the Town of Hammonton the rental costs after the second year. Energy costs and other costs can be taken out. The school gets back to 14.5 cents they were looking for. They ran it by

Mr. Swartz, Town Auditor, who thought the proposed plan could work. The taxpayer still holds onto their 7.1, the town still holds onto the building. Town asks on a monthly basis for Alliance for Government Auditor's firm to review school budget and keep Mayor and Council apprised as to what is going on with the school.

Mr. Don DiDonato advised cannot afford to be in this situation again. Barbara affords a monthly report to Mayor and Council who will approve all hiring and firing. No more lease backs. The cost covers salaries and \$1 million deficit.

Mr. Swartz advised the numbers work although this will require legal input as to whether this is allowable. If town is going to buy the building, the town has to come up with the money to buy the building. Ordinance requires introduction and adoption and 20 day period of estopil for referendum. We are looking at a tight timeline. The deal has to be consummated for it to work. If board elects to do sale lease back of buses that will project revenue. That can be consummated before the end of year. One year deferral in rental payments.

Mayor DiDonato questioned if we can then charge Waterford for the rental fee?

Mr. Swartz responded he does not think this is legal.

Mayor DiDonato asked if the school board is in agreement with this plan? He advised that the Town can enter into an agreement with school that if and when the school gets back on their feet they can earn their building back.

Solicitor questioned how they came up with the 1.5 number?

Mr. Don DiDonato and Mr. Crescenzo stated they sold the last Middle School for \$1.2 million.

Solicitor advised this is something he would have to review.

Councilperson Colasurdo suggested the board knew about the deficit back in January.

Mrs. Rehmann advised that she believed that Steve DiDonato stated that there was a deficit but their professionals advised they were on solid ground.

Solicitor questioned what would you do with bus deal if purchase was to take place?

Mr. Swartz advised the bus deal would stand. He further stated it is allowable for a town to provide funding to the school system however he does not know what the money can be used for.

Mr. Muller stated in Upper Township the municipality would give them money "marked" for specific purposes. However, the town and school would have to agree on same.

Mayor DiDonato questioned what would be the negative to the school system if this proposal solves the schools budget problems and provides a savings to the taxpayer?

Mrs. Rehmann advised she would have to consult her attorney as to the legality of such an agreement.

Mr. Swartz advised conceptually if you do the lease for the buses it would allow you adequate time to research the plus and minus of the sale and lease of the building while accomplishing what you want to accomplish.

Mr. Condo stated this all sounds great if the legislature would approve of same. However, he questioned what happens if the deal does not go through?

Ms. Prettiman stated if the deal does not work out the school will still have a shortfall in their budget.

Mayor DiDonato questioned if Mayor and Council and the School Board are in agreement and vote upon this tonight, does the deal stand?

Mr. Swartz questioned Mr. Muller if the proposed deal does not come to fruition, will the school have an opportunity to recoup somehow?

Mr. Muller stated he cannot give a good answer at this time.

Mayor DiDonato gave the school board an opportunity to comment on the proposal.

Mrs. Rehmann stated certainly it is worth taking a look at and it would certainly solve a problem if it is something we should do. They would have to consider what the impact to Waterford would be. She looks forward to receiving the town resolution to be discussed this Thursday at the Board of Education Meeting.

Mayor DiDonato questioned the Fiscal Oversight Committee, if this deal does not go through, is it their feeling that the school needs the additional money?

Mr. Crescenzo responded yes.

Councilperson Falcone questioned exactly what 2 options are Mayor and Council and the School Board being asked to vote upon, lease/purchase agreement or 14 cent increase?

Mr. Crescenzo continued that if cuts take place we have the issue of the tuition with Waterford that is affected by same.

RESOLUTION #R066-2006 SCHOOL BUDGET RESOLUTION

Resolution #66-2006

WHEREAS, the proposed 2006-2007, School Budget of the Board of Education of the Town of Hammonton, County of Atlantic and State of New Jersey, was defeated at the annual election held on Tuesday, April 18, 2006;

WHEREAS, pursuant to N.J.S.A. 18A:22-37, the Mayor and Town Council consulted with the Board of Education, School Superintendent, and Business Administrator and desire to certify the amount deemed necessary to provide a thorough and efficient education to the students of the Hammonton Public School system; and

WHEREAS, it is the recommendation of the Mayor and Council of the Town of Hammonton that certain revisions be made to the 2006-2007 budget of the Town of Hammonton Board of Education.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Town of Hammonton, County of Atlantic and State of New Jersey as follows:

That the amounts to be included in the taxes to be assessed, levied and collected in the Town of Hammonton School Budget are:

TAX LEVY

General Fund-Original \$ 15,762,794

Reduction \$ 1,241,028

General Fund-Certified \$ 14,521,766

SPECIFIC LINE ITEM REDUCTIONS AND SUPPORTING REASONS

Account # Name Amount Reason

See attached Tables 1-4 of Reductions with supporting explanations and related background information **CONTAINED IN ATTACHED REPORT. SAME SHALL BE ATTACHED AND INCORPORATED INTO THIS RESOLUTION FOR CERTIFICATION.**

TOTAL TAX REDUCTION \$1,241,028

This plan contemplates the purchase of the Middle School building on N. Liberty St. by the Town of Hammonton for the sum of \$1.5 Million, subject to all requisite approvals. The Town and District (as well as the Waterford Board of Education) shall thereafter enter into a long term lease with rent charged at current values. In the interim, the plan contemplates the District entering into a Sale/Leaseback arrangement of its buses to provide a portion of the revenue necessary to fund the 2005-06 deficit as well as the 2006-07 budget. It is intended that the notes associated with the bus arrangement shall be satisfied upon consummation of the Middle school Sale/Leaseback.

Furthermore, should the School not accept the Sales lease back, the Mayor and Council of the Town of Hammonton **WILL REQUIRE** that the tax levy remain at 7.1 cents. Further, should the State disagree with 7.1 cents providing a thorough and efficient education that a forensic audit be completed before changing the tax levy, due to conflicting financial data provided by the school to the Fiscal Oversight Committee and Mayor and Council.

In any event, the purpose of this Resolution is to authorize certify and substantiate a reduction in the proposed tax increase of 22.9 cents defeated upon referendum and subsequently adjusted by the Board of Education to 14.5 cents to a total tax increase not to exceed 7.1 cents.

BE IT FURTHER RESOLVED that the revised General Fund Budget to be raised from Local Tax Levy in the amount of \$14,521,766 is CERTIFIED BY THE TOWN OF HAMMONTON AND HEREBY deemed to be sufficient to provide a thorough and efficient system of schools in the Town of Hammonton.

BE IT FURTHER RESOLVED that the Fiscal Oversight Committee of the Town of Hammonton and the Finance Committee of the Hammonton Board of Education shall meet on a monthly basis to review the fiscal status of the District.

BE IT FURTHER RESOLVED that IT IS CERTIFIED BY THE TOWN OF HAMMONTON THAT the above reductions will not negatively impact on the stability of the District given the need for long term planning and budgeting.

BE IT FURTHER RESOLVED that certified copies of this Resolution be forwarded to the Hammonton Board of Education, the County Tax Board, the Local Tax Assessor and two copies to the County Superintendent of Schools.

Motion by Councilperson Wuillermin, seconded by Councilperson Colasurdo, the resolution be adopted.

ROLL CALL:

Bertino - Yes

Colasurdo - Yes

Falcone - No

Massarelli - Absent

S. Lewis - Absent

Wuillermin - Yes

Mayor DiDonato - Yes

Mayor DiDonato declared the motion carried.

MEETING ADJOURNED 12:05 a.m.

Motion by Councilperson Bertino, seconded by Councilperson Colasurdo, the meeting be adjourned. Motion carried.

Prepared by April Boyer Maimone, Deputy Clerk

Approved by Susanne Oddo, Town Clerk/Admin.