

SPECIAL MEETING OF COUNCIL
Wednesday, May 14, 2003 at 6:00 P.M.

Pursuant to the attached notice inserted in the Hammonton Gazette edition of May 7, 2003, a Special Meeting of Mayor and Council, of the Town of Hammonton, was held in Town Hall Council Chambers, Wednesday, May 14, 2003 at the hour of 6:00 p.m., Mayor Ingemi presiding.

ROLL CALL

Members of Council answering roll call were Councilpersons: Bertino, Chiofalo, Clark, Olivo, S. Lewis. Absent: Councilperson Maione.

PRESENT ALSO

Present also were Frank G. Olivo, Town Solicitor; Rosemarie Jacobs, Collector/Treasurer; Tara Parkkonen, Accountant.

PLEDGE OF ALLEGIANCE

MAYOR'S STATEMENT

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.

REASON FOR MEETING

1. Discuss and Act on Defeated School Budget
2. Private Sale Tax Lien Certificates
3. Other Matters as Deemed Necessary
4. Public Portion
5. Closed Session

School Budget

Mayor Ingemi requested Councilperson Olivo to address the public concerning the defeated school budget.

Councilperson Olivo advised the public as follows:

REPORT ON EDUCATION COMMITTEE FOR SPECIAL MEETING

Well here we are again, Town Council in the awkward position of dealing with a defeated school budget. However, this year Council took a new approach and decided to bring in an expert to assist and review the budget on a line by line basis. Mr. John Knorr came highly recommended and has an impressive background. Some career highlights include: 28 year of service in the New Jersey Department of Education, 19-1/2 years in Camden County Office, 4 years in Burlington County Office, 5 years in Vocational, 12 years County School Business Administrator, 7 months Acting County Superintendent of Schools, just to name a few. After several meetings with Mr. Knorr between myself and also with the Mayor and representatives from the school, I would like Mr. Knorr to explain his findings. After Mr. Knorr is finished I have several comments that I will need to make.

Mr. Knorr introduced himself and stated he has worked for both School Boards and Governing Bodies concerning budgets. In his investigation of Hammonton Schools Budget, he reviewed the proposed 2003-04 Budget submitted to the County Office and reviewed the State's opinion as to what they require as the necessary cost to operate the school efficiently.

Mr. Knorr further reviewed the following facts with those present:

1. Original approved FY 03-04 budget sent to county office was \$4,888,994 under Cap with T & E cost per pupil \$6,644, which was \$1,253 per pupil below the minimum T & E spending level.
2. Final FY 03-04 budget presented to voters had a T & E cost per pupil of \$7,162, which as \$735 per pupil below the minimum T & E spending level.
3. Total General Fund Revenue and Appropriations increased from \$24,992,143 in FY 02-03 to \$27,024,086 in FY or \$2,031,943 or 8.13%.

4. Net General Fund State Aid increased from \$6,642,288 in FY 02-03 to \$6,744,590 or \$102,302 or 1.54%.
5. The estimated Unreserved General Fund Balance (Surplus) as of June 30, 2003 and available to pay building emergencies, unanticipated special education tuition, and any other unanticipated expenses is \$244,649 or .009% (less than 1%) of the FY 03-04 General Fund Budget of \$27,024,086. The State Department of Education recommends a minimum level of 3%, which in Hammonton's case would be \$810,723. Hammonton is \$566,074 below the State's recommended minimum. In addition, before any district is allowed to appropriate surplus below 3%, it must receive approval from the County Office of Education and prove that the appropriation will not adversely affect the financial integrity of the school district.
6. Finally, a review of the current 02-03 budget indicted that there may not be a savings in the anticipated amount of \$120,000. There will be more spent than originally budgeted in the areas of home instruction, special education tuition, legal services, water and sewer service, heat and electricity, transportation, telephone bill and health benefits. This situation will further compromise the level of surplus.

Mr. Knorr then reviewed the cuts that he recommended be made to the Hammonton School's Budget as follows:

Account #	Description	Amount
11-000-240-103	Sal. Princ./Ass't	\$71,000

Rationale - There are currently budgeted one principal and three assistant principals at the Early Childhood Center and Elementary School for approximately 1,297 students; four administrators are not necessary; especially when only 270 students are enrolled at the Early Childhood Center .

11-000-291-270	Health Benefits	13,000
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Rationale - Savings in health benefits from cutting one assistant principal.

11-000-310-930	Trans. To Cover Deficit (Food Service)	4,500
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Rationale - This appropriation is not necessary as the Food Service Enterprise fund account indicated a surplus of \$112,567 as of June 30, 2002 and the Fund generated a Net Income of \$39,291 in FY 01-02 without a board contribution.

11-209-100-610	General Supplies- Behavioral Disab.	1,000
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Rationale - Most ever spent was \$5,676 in FY 00-01.

11-212-100-610	General Supplies- Multiple Disab.	5,000
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Rationale - Most ever spent will be \$23,000+ in FY 02-03.

GRAND TOTAL RECOMMENDED CUTS **\$94,500**

Councilperson Olivo thanked Mr. Knorr for his presentation and continued with his report as follows:

This is really only round two of the serious problems facing the citizens and children of our town. Although we were all promised a stable school tax with either no increase or a minimal increase, we are now faced with two years of double-digit increases. I share with you the disappointment that what we were all told isn't going to prove true.

Last year the citizens of our Town voted down the budget. Mayor and Council voted to cut the budget, but the State of New Jersey reinstated nearly the entire defeated budget. The reason cited was the fact that Hammonton does not spend enough money out of their taxes toward education, the so called box.

This year is a repeat of last year with one major exception. The amount of increase is nearly double last year. The school budget is still below the box and amount of surplus is dangerously low.

Mayor and Council hired an expert to review the school budget on a line by line basis. His conclusions are not what we wanted to hear but they are apparently the facts that exist. One factor that is important to recognize that gets lost in all the discussions is the question: "What brought us to the point of the financial crisis that we are at today"? This question has never been answered to my satisfaction in the 1-1/2 years that I have been on the education committee.

I do know that the governing body of this Town did not negotiate labor contracts with school teachers and administrators; we did not have any input in whether to build field houses or select programs, which are unaffordable. These were the decisions of the Board of Education over which we have no control. Some of the members who voted for the spending are no longer on the Board, as apparently the voters of this Town didn't believe they were worthy of re-election.

Our expert tells us that the amount of money the school needs to operate and deliver a quality education is nearly the amount of the defeated budget. We can not simply ignore this by picking a number out of the air and hope the bills get paid. This would be an irresponsible act of an elected official. But as an elected official I also have an obligation to the citizens of Hammonton. An obligation that requires me to add further reductions to Mr. Knorr's recommendations. It will call for a slight reduction in staff and savings in the overall tax increase. To quote a friend, "we need to provide the best possible education that the taxpayers can afford". Knowing that we are in a budget crisis year, I hope that the school system will accept our recommendations. It may be a difficult year for both the students and staff but I can only hope the members of the current Board of Education go forward with a conscious and deliberate effort to assist this Town Council in minimizing future tax increases.

We all know that the process is flawed. The State of New Jersey cut aid. The people voted down the budget last year. Council spoke and the BOE didn't listen and appealed to the State. The State imposed the tax. So why vote?

Councilperson Olivo then presented Mayor and Council's recommendation of additional cuts to Hammonton School Budget in the form of cutting staff.

Councilperson Bertino stated it is difficult for Mayor and Council to review school budget documents in 2-3 weeks time. Councilperson Bertino thanked Mr. Knorr and Councilperson Olivo for their hard work and effort in reducing the school budget.

Councilperson Chiofalo questioned Mr. Michael Cuneo, Business Administrator, concerning grant funds received specifically "No Child Left Behind" grant?

Mr. Cuneo responded that \$740,000 was restored in grants. Further, "No Child Left Behind" was already built into budget.

Councilperson Chiofalo exempted the newly elected School Board Members from his comments, and further stated that the School Board utilized surplus funds for several years in an attempt to keep taxes down and get the new school bond referendum passed. He accused the School Board of not being truthful with the public, Mayor and Council and Waterford and causing a 20-25 cent increase over the next 2-3 years. He stated that Waterford students were promised and expect a certain level of education as well as Hammonton students. He closed by stating that the actions of the Hammonton School Board have been financially irresponsible. He stated to the new School Board Members that it's time to restore the public's faith back in the school system. Councilperson Chiofalo stated he does believe that Loretta Rehmann, Brian Howell and Eric Weiss will do everything possible to balance the school's budget in the future.

Resolution #R69-2003 - Hammonton School Budget

WHEREAS, the proposed 2003-2004, School Budget of the Board of Education of the Town of Hammonton, County of Atlantic and State of New Jersey, were defeated at the annual election held on Tuesday, April 15, 2003; and

WHEREAS, pursuant to N.J.S.A. 18A:22-37 the Mayor and Education Committee of Council has met and consulted with a Committee of the Board of Education and the Assistant Superintendent at a meeting and desires to certify the amount deemed necessary to provide a thorough and efficient education; and

WHEREAS, it is the recommendation of the Mayor and Council of the Town of Hammonton that certain revisions be made to the 2003-2004 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	\$11,385,990
Reduction	<u>780,500</u>
General Fund-Certified	\$10,605,490

SPECIFIC LINE ITEM REDUCTIONS AND SUPPORTING REASONS

Account #	Name	Amount	Reason
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See attached schedule.

<u>TOTAL TAX REDUCTION</u>	<u>\$780,500</u>
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BE IT FURTHER RESOLVED that the revised General Fund Budget to be raised from Local Tax Levy in the amount of \$10,605,490.00 is sufficient to provide a thorough and efficient system of schools in the Town of Hammonton.

BE IT FURTHER RESOLVED that the above reductions will not negatively impact on 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.

SCHEDULE OF REDUCTIONS

Specific line item reductions and supporting reasons:

<u>Account #</u>	<u>Name</u>	<u>Amount</u>
11-120-100-101	Salaries-Teachers Grades 1-5	\$72,000.00

Reason: Cut 2 positions-not needed. Year 2002 estimated student enrollment when teachers were hired exceeded actual and anticipated Year 2003 enrollment.

11-130-100-101	Salaries-Teachers Grades 6-8	\$72,000.00
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Reason: Cut 2 positions. Year 2002 estimated student enrollment when teachers were hired exceeded actual and anticipated Year 2003 enrollment.

11-140-100-101	Salaries of Teachers 9-12	\$360,000.00
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Reason: Cut 10 positions. Year 2002 estimated student enrollment when teachers were hired exceeded actual and anticipated Year 2003 enrollment.

11-000-291-270	Health Benefits	\$195,000.00
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Reason: 15 employee benefits at \$13,000 per employee. Saving realized by reduction in 14 teachers and Asst. Principal.

11-000-240-103	Salary of Princ./Asst.	\$71,000.00
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Reason: There is currently budgeted one principal and three assistant principals at the Early Childhood Center and Elementary School for approx. 1,297 students; four administrators are not necessary, especially when only 270 students are enrolled at the Early Childhood Center.

11-00-310-930	TRANSFER TO COVER DEFICIT	\$4,500.00
		(Food Service)

Reason: This appropriation is not necessary as the Food Service Enterprise fund account indicated a surplus of \$112,567. As of June 30, 2002, and the Fund generated a Net Income of \$39,291.00 in FY 01-02 without a board contribution.

11-209-100-610	GENERAL SUPPLIES	\$1,000.00
	(BEHAVIORAL DISABILITIES)	

Reason: Most ever spent was \$5,676.00 in FY 00-01.

11-212-100-610	GENERAL SUPPLIES	\$5,000.00
	(MULTIPLE DISABILITIES)	

Reason: Most ever spent will be \$23,000.00 in FY 02-03

TOTAL REDUCTIONS \$780,500.00

Motion by Councilperson Olivo, seconded by Councilperson Bertino, the resolution be adopted.

ROLL CALL - Yeas: Bertino, Chiofalo, Clark, Olivo,
S. Lewis and Mayor Ingemi.
Nays: None.
Absent: Maione.

Mayor Ingemi declared the motion carried.

Sale - Tax Title Lien

Frank Olivo, Town Solicitor, advised Mayor and Council that the Town holds tax lien certificates on certain properties. He is requesting Mayor and Council to authorize and advertise for the private sale of same. This will alleviate the Town having to foreclose on liens and expenditure of funds for same.

Motion by Councilperson Bertino, seconded by Councilperson Clark, authorize advertisement and sale of tax lien certificates held by Town of Hammonton.

ROLL CALL - Yeas: Bertino, Chiofalo, Clark, Olivo,
S. Lewis and Mayor Ingemi.
Nays: None.
Absent: Maione.

Mayor Ingemi declared the motion carried.

Authorize R & V Draw Proposed Plans for CRDA Arts Center Grant

Motion by Councilperson Bertino, seconded by Councilperson Olivo, authorize R & V, Alternate Engineers, specifically Ed Walberg to draw proposed plans for CRDA Arts Center grant at no cost to the Town of Hammonton, cost of applying for grant to be determined and reported to Mayor and Council at a later date. Motion carried.

DY Fence Project - Airport

Councilperson Chiofalo advised Mayor and Council that he will be investigating the possibility of connecting electrically to Mr. Larsen's property, and paying a one time fee, rather than paying for a new electrical line to be installed for the gate at the Hammonton Airport. He will report back to Mayor and Council with his findings.

Public Portion of Meeting

Mayor Ingemi announced the public portion of the meeting will now be held and anyone desiring may now have the opportunity to be heard.

Dave Rizzotte - Rt. 206, Hammonton

Mr. Rizzotte, School Board Member, thanked Mayor and Council for hiring an expert to review the School Budget. However, he does not agree with the additional cuts to the School Budget that Mayor and Council voted on this evening. He hopes that more parents and students will start making themselves heard concerning issues of education. He further hopes that the new School Board Members do what's right for children and education.

Gabe Donio - Hammonton Gazette

Mr. Donio questioned if cuts were made to non educational programs?

Mr. Olivo responded, no.

Mr. Donio questioned why were only teachers cut and not non-educational programs?

Councilperson Olivo advised that Mayor and Council didn't want to affect any particular program and wanted to still be responsible to the citizens of Hammonton.

Councilperson Chiofalo advised that the School Board does not have to agree on the line items cut as chosen by Mayor and Council and may still agree to the amount of the cuts made to the School Budget.

Skip Byrnes - Giordano Lane, Hammonton

Mr. Byrnes, School Board Member, questioned, if the School Board does not agree to cuts made by Mayor and Council and appeals same, can Mayor and Council explain to State Commissioner the Rational of their cuts to the Hammonton School Budget?

Councilperson Olivo responded that the cuts were based on student population and based on the actual enrollment not the projected enrollment.

Resolution #R70-2003 Enter Into Closed Session

BE IT RESOLVED, by the Mayor and Common Council of the Town of Hammonton that, in accordance with the "Open Public Meetings Act," a closed door Executive Session to be held on the below adopted date, for the purpose of discussing and/or acting upon:

1. Personnel
2. Litigation

BE IT FURTHER RESOLVED, that the minutes of said Executive Session shall be released only after same will have no adverse effect on the matters involved as determined by the Mayor and Common Council.

Motion by Councilperson S. Lewis, seconded by Councilperson Chiofalo, the resolution be adopted.

ROLL CALL - Yeas: Bertino, Chiofalo, Clark, Olivo,
S. Lewis and Mayor Ingemi.
Nays: None.
Absent: Maione.

Mayor Ingemi declared the motion carried.

Resume Open Portion of Meeting

Motion by Councilperson Olivo, seconded by Councilperson Bertino, resume the open portion of meeting. Motion carried.

Authorize Legal Representative - Town Employee - As Per Contract

Motion by Councilperson Chiofalo, seconded by Councilperson Bertino, authorize legal representation as per contract requirements for Town Employee.

ROLL CALL - Yeas: Bertino, Chiofalo, Clark, Olivo,
S. Lewis and Mayor Ingemi.
Nays: None.
Absent: Maione.

Mayor Ingemi declared the motion carried.

ADJOURN

Motion by Councilperson Olivo, seconded by Councilperson Chiofalo, the meeting be adjourned. Motion carried.

April Boyer Maimone, Deputy Municipal Clerk