

SPECIAL MEETING OF COUNCIL

Monday, May 17, 2004 at 6:00 P.M.

The Special Meeting of Mayor and Council was held at Town Hall, Council Chambers, 100 Central Avenue, Hammonton, New Jersey, on May 17, 2004 at the hour of 6:00 p.m., Mayor Ingemi presiding.

ROLL CALL

Councilpersons answering roll call were: Bertino, Chiofalo, Clark, Morano, Olivo, S. Lewis.

PRESENT ALSO

Angela Maione Costigan, Town Solicitor

School Board Members in Attendance

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

Mayor Ingemi advised the reason for this special meeting is to discuss the defeated school budget. Mayor Ingemi continued that it is his hope that Mayor and Council and the School Board can come to an agreement, so that the budget does not go to the State for review, as he feels this is in the best interest of the tax payers as well as the students.

Councilperson Olivo Statement:

Once again we are here with a defeated school budget. Although not as controversial as last year, the budget was defeated once again by the voters of Hammonton. That always puts Mayor and Council, and especially myself, in the middle of a situation where we must value the education of our children and also be concerned with "out of control" tax increases. This balance can be difficult and there are usually no winners. However, this year we have a new BOE and administration that was willing to take the time and listen to our concerns. I would like to thank the members of the finance committee of BOE as well as Mary Lou DeFrancisco and Leslie Motz for their time and effort. It is without question a better board. The BOE has a financial disaster on their hand. They have been working long days in an outstanding job. The past business administrator kept books that were difficult to track how spending occurred. Monies would be exchanged through accounts with many

line item transfers and that made this boards job more difficult. But, gone are those days. I feel the new board is acting responsibly and will correct the problems.

Remember, "on time and under budget?" Words we no longer hear. Unfortunately, we must still pay for the past to survive the future. This board is promising new things that I believe will help them bring a new confidence level back to the BOE. They are engaging special council to see who should be held responsible for the misappropriation of funds. This is an area that council suggested to the board but was originally denied which led to an ethics complaint being filed by the town. An ethics complaint that according to the State Ethics Committee didn't go far enough in naming everyone involved. I hope that this board acts responsibly and takes it to the next level. The BOE is also looking at ways to reduce short-term debt. This is an area that adds approximately 12 to 13 cents to the budget this year alone, and mostly comprised of lease purchases, an area where overspending occurred. This is another area that this board is learning to control. They have promised to give us a 6 month update as to how they are doing with this years budget. I would also like Mayor and Council to aid this board, if they need our help, in engaging the special council or in any refinancing needs. Remember, we are now in this together. Once again I believe in this board and know they understand that a balance is needed within the community.

The defeated budget included a 19.2 cents tax increase to the Town of Hammonton.

I believe the following areas will not harm the education process, give the BOE a little surplus, in the event the State seeks a refund, and will help add some new educational programs to the curriculum.

1. Increase the Anticipated Revenues from Federal Sources from \$782,274 to \$885,274 for an increase in revenue of \$103,000. Monies anticipated are under budgeted.
2. Reduce the Energy Appropriation from \$1,200,000 to \$975,000 since this is an over budgeted area. This still allows for an increase of approximately 5%. This is a savings of \$225,000.
3. Elimination of the proposed Supervisor of Language Arts and Social Studies. This position is not needed at this time. Anticipated salary savings of \$55,000.
4. Elimination of one benefit package for the one position not filled.

Total savings with above lines \$453,000.

Councilperson Olivo advised he first thought of making additional teacher cuts. However, he has received written response concerning the need for these teachers. He now believes this area should not be cut.

Councilperson Clark questioned is the proposed figure something the Board of Education and members of Council worked out together and are in agreement with?

Councilperson Olivo stated, yes, however the only adjustment he recently made without BOE consent was the 5 percent adjustment to Energy. Tonight he is requesting Board of Education input.

Councilperson Morano questioned what is the current surplus?

Councilperson Olivo responded 1.7 percent.

Councilperson Bertino questioned what does the State require?

Mr. Giraldo responded 3 percent.

Councilperson S. Lewis questioned what impact there would be if eliminated Social Study teacher?

Councilperson Olivo stated it would increase class size.

Mary Lou DeFrancisco stated there were 19-20 teachers cut last year and freshman electives were eliminated.

Mayor and Council commended board for their hard work and cooperation with Council in working with school budget.

A discussion was held between Mayor and Council and Board of Education members concerning the possibility of additional cuts/additions, with addition of \$46,000.00 placed back into budget.

ADOPTION OF RESOLUTION #83-2004

WHEREAS, the proposed 2004-2005, 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 13, 2004;

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 2004-2005 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 \$12,528,484.00

Reduction \$ 341,000.00

General Fund-Certified \$12,187,484.00

SPECIFIC LINE ITEM REDUCTIONS AND SUPPORTING REASONS

Account # Name Amount Reason

See Attached Schedule A of Reductions

TOTAL TAX REDUCTION \$341,000

BE IT FURTHER RESOLVED that the revised General Fund Budget to be raised from Local Tax Levy in the amount of \$12,187,484.00 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 A OF REDUCTIONS

Specific line items reductions and supporting reasons:

Account # Name Amount

20-4420 Revenue account \$46,000.00

Reason: Earlier calendar of Federal money has allowed for increase in anticipated revenue

11-000-262-620 Energy Appropriated \$225,000.00

Reason: Reduce the energy appropriation from 1,200,000.00 to \$975,000,000.00 since this area is over budgeted. This decrease still allows for on increase of approximately 5%.

11-000-223-102 Eliminate proposed supervisor \$55,000.00

of Language Arts and Social Studies

Reason: Position not needed at this time.

270. Eliminate benefit package

for above position not filled
\$15,000.00

Reason: Above position not filled.

TOTAL REDUCTIONS \$341,000.00

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

ROLL CALL - Yeas: Bertino, Chiofalo, Clark, Morano, Olivo,

S. Lewis and Mayor Ingemi.

Nays: None.

Mayor Ingemi declared the motion carried.

PUBLIC HEARD

Loretta Rehmann - President of School Board

Mrs. Rehmann thanked Councilpersons Bill Olivo, Jim Bertino and Mayor Anthony Ingemi for their time spent with members of school board in this budget preparation. She stated that she is thankful to have an interested council and she is happy that she can provide council good figures. She stated the Board of Education is working hard for the taxpayer and their primary concern is the children. She is not happy with the budget and understands the public is not happy either, however, she is happy with the current Board of Education and this Mayor and Council working together. She also thanked the School Business Administrator and Superintendent of Schools. She finalized by stating that she will not sacrifice the good of the child. If a child can be provided the same education without traveling to another district, and this provides a savings to the taxpayer, she will gladly provide the education for the child here in Hammonton. Also, appeal is pending on monies owed to State. In closing she stated that she believes the Board of Education is in agreement with Council and will not take this budget to the State for further review.

Ralph Condo - Waterford School Board Member

Mr. Condo stated he has been involved in many school budgets in the past. He commended the school board and council for their efforts here tonight. He agreed that the taxpayers will not be happy, however, the

children of Hammonton and Waterford will be happy. Waterford is currently contributing 60 percent of the budget. Waterford was aware that Hammonton had good educational programs but they questioned if Hammonton would build upon them and this years budget shows that Hammonton has.

Mary Lou DeFrancisco - Superintendent of Schools

Ms. DeFrancisco thanked board of education finance committee. She stated they are an open group, like Mayor and Council, and find the answers to their questions. She thanked Mayor and Council, Board of Education, Mrs. Motz, and everyone who worked on this budget for their support of the children. She feels this budget will allow the school to rebuild.

Jim Donio - Bellevue Avenue

Mr. Donio stated he admires the piece process that happened this evening between Mayor and Council and Board of Education. As a Hammontonian he feels Waterford's, Mayor and Council's, and Board of Education's pain. He feels the boards working together is a great thing as we have had so much animosity in the past. However, he does want to bring to everyone's attention that no one in this room caused the problems that the Mayor and Council and School Board facing. He believes the BOE can appeal to the State but in doing so will find that we really do owe the penalty money. He then questioned who will be held accountable for the \$100,000's of tax dollars that we don't have to pay to them? He still questions why the people who brought the Town of Hammonton into this budget trouble are not being held accountable?

Councilperson Olivo answered one question, Mayor and Council took the advice of their special counsel as to what they should have done with the complaint? However, he cannot answer the question as to whether or not another complaint should be filed, especially since the State also thought that charges should have been filed against additional people.

Mr. Donio, in closing, stated he feels the people who spent the tax dollars unlawfully should be made to pay back this debt.

Councilperson Chiofalo agreed with Mr. Donio but stated Mayor and Council did their part which is more than any council has ever done and now it's up to the School Board to take this further.

Councilperson Olivo stated he would be willing to aid the school board in their efforts to bring these people to justice.

Mrs. Rehmann advised the School Board is currently looking into this matter but she wants to stay within the law. She also stated the BOE may engage counsel and counsel may advise the Board that it will not be favorable to the taxpayer to bring this case to the State once again.

Mr. Condo agreed with Mr. Donio and stated he too would like to see accountability.

Councilperson Chiofalo asked Mr. Donio to let the school proceed in the matter as there are other meetings we can continue this discussion.

Councilperson Morano stated he was not here when all this happened and it is his hope that next year he can read this budget book with complete understanding. The important thing is that we are on the right tract.

Eric Weiss - Greenwood Drive

Mr. Weiss thanked everyone for their time spent on school budget. He stated this is not over, the foundation has been laid and he is looking forward to meeting with council again in six months.

Larry Delaney - Broadway

Mr. Delaney stated he lived in this community for several years and whatever figures Mayor and Council and Board of Education come up with he will have to pay for. He disagrees with the aspect that a student cannot learn in a class of 36 when that occurred in his day of teaching. Also when the student goes onto college, that student will be in a class of 50 to 200. He questioned why does education cost so much money? He spoke of the last contract, in which longevity was added. He feels the large salary increases to teachers is what makes them stay in the field instead of retire. He doesn't feel the negotiating boards are thinking properly. He thanked everyone for listening.

ADJOURN

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

Susanne Oddo, Town Clerk/Adm.