

MINUTES OF THE PUBLIC BOARD MEETING
HELD MONDAY, NOVEMBER 2, 2011 AT 7:30 P.M.
141 PARK STREET, MONTCLAIR, NEW JERSEY

A. STATEMENTS

The meeting opened at 7:47 p.m.

Let the minutes reflect that adequate notice of this meeting has been approved in the following manner:

1. On Friday, October 21, 2011 notice of this meeting was faxed to the Montclair Times, the Herald News and the Star-Ledger. The time, date and location of this meeting were accurately set forth therein.
2. On this same date a copy of said notice was filed with the Township Clerk and was posted at the public bulletin board in the first floor main hall of the Board of Education building, 22 Valley Road.
3. Copies have also been mailed to all persons who have requested same at no cost.

B. THE PLEDGE OF THE ALLEGIANCE

The pledge of allegiance occurred at 7:48 p.m.

C. ROLL CALL

	PRESENT	ABSENT
Angelica Allen-McMillan	<u> </u>	<u> x </u>
Tanya Coke	<u> x </u>	<u> </u>
Robin Kulwin	<u> x </u>	<u> </u>
Leslie Larson	<u> x </u>	<u> </u>
Shelly Lombard	<u> x </u>	<u> </u>
Norman Rosenblum	<u> x </u>	<u> </u>
Deborah Wilson	<u> x </u>	<u> </u>
	<u>(Arrived at</u>	
	<u>7:51 p.m.)</u>	
Staff Members	<u> 4 </u>	
Members of the Public	<u> 15 </u>	
Members of the Press	<u> 1 </u>	

D. PRELIMINARY DISCUSSION OF THE SCHOOL BUDGET

Dr. Alvarez spoke about the aftermath of the storm. He stated that most of the buildings were in good condition with the exception of tree limbs around the area. With the concern for student safety particularly the walkers, he decided to close schools a second day due to down wires and tree limbs. There were also some traffic lights down in town and he thought that the extra day would allow time for everyone to get through these conditions. He stated that he doesn't favor losing emergency days early in the year but erring on the side of caution for student's safety is most important.

Dr. Alvarez stated that transportation experienced five to ten minute delays and principals reported that attendance was normal. The grounds crew has done a tremendous job in cleaning the area around the school to make sure that it was safe for students.

He stated that overall he thinks things were handled very well and thanked staff for being present at work and community for being patient. Due to electrical issues there were some problems in communicating with everyone regarding school closings. Phone lines were down and internet access was not available. The call to Channel 4 was placed but it did not run that the district was closed.

Dr. Alvarez stated that there would be a discussion about fund balance which would be the beginning of discussions of the 2012-2013 budget. The audit report will be presented at the end of this month at the November 21 board meeting. He stated that they complied with the Board's direction and task of being prudent and watching the budget and also working along with the committees. He stated that they made great headways in savings in terms of special education programs bringing out of district students back into the district and saving on transportation and in other areas. He announced that this year the surplus is slightly larger than in past years. There were a lot of retirements last year that resulted in savings for the district as well. He stated that that he thinks that the district is in a good place to begin the budget discussion this year.

Mrs. Sullivan began by defining the fund balance as an accumulated difference between revenues and expenditures. She stated the following facts about fund balance as follows:

- The amount of fund balance generated in the 2010-2011 budget is not known until the end of the fiscal year- June 30 and after audit is complete -November 2011
- Districts in New Jersey cannot run a deficit and they must spend exact budget amount or generate a surplus
- Any fund balance projected above 2% of the operating budget must be used to reduce taxes in the following year
- \$3.2 million was appropriated and returned to taxpayers in 2011-2012 budget
- The District will return approximately \$6 million to taxpayers in the next budget year 2012-2013

Mrs. Sullivan stated that the budget consists of some 600 accounts so adjustments are made constantly.

Mrs. Sullivan reported that the surplus came from various accounts as follows:

Revenue:

- Extraordinary special education aid

Applications submitted in February and notice of aid received in May 2011.

- Miscellaneous Revenue:

The district received additional miscellaneous revenue from tuition for students from other districts enrolled in Montclair's special education program. Additional revenue was also received from building rentals, and prior year checks that were voided amounting to \$242,000 in additional revenue.

Mrs. Sullivan also reported there were numerous areas where expenditures were less than anticipated as follows:

- Salaries

Mrs. Sullivan indicated that there were about 40 retirements in the 2010-2011 school year that were not budgeted because those retirements were not known in advance. Mrs. Sullivan reminded the Board that the retirements of 2011-2012 were known and reductions from the budget had been made for the 2011-2012 year in the amount of \$800,000. This was in accordance with the Montclair Education Association agreement which stated that if the retiree would notify Personnel of their retirement by September 1, 2010, they would receive an increase to salary while others at the top of the guide remained at same salary.

- Out of District Tuition

Mrs. Sullivan stated that \$1.5 million was generated from the out of district tuition partially due to the District Management Council's review. She added that there were roughly 20 less students out of district in 2010-2011 than in the prior year. There was also the benefit of the ARRA –federal stimulus money which allowed the district to use federal funds to pay some out of district costs.

- Supplies and Textbooks

Mrs. Sullivan stated that in the area of supplies and textbooks money was not spent that was budgeted due to carefully watching expenses and deferring costs that were unnecessary in the 2010-2011 school year.

- Transportation

Mrs. Sullivan stated that savings in transportation is mostly due to out of district transportation. Because there were less students out of district, less students were transported. The routes were also very carefully reviewed amounting to a total savings in transportation of \$476,000.

- Legal Fees

She stated that \$82,000 in legal fees was saved because the district spent less than the amount budgeted. Legal fees vary from year to year based on law suits and other legal issues that arise.

- Utilities and Building Maintenance

Mrs. Sullivan stated that utilities and building maintenance vary from year to year. There was a savings of \$571,000. She added that heating costs this year were lower than anticipated maintenance issues were deferred, and overtime for custodians was reduced.

- Health Insurance and Employee Benefits

In health insurance and employee benefits there was a savings of \$224,000 from the adjusted budget. Mrs. Sullivan indicated that the health insurance policy the district has is not the kind of plan where a fixed premium is paid for each person covered. The plan costs are based on claims that are submitted and therefore the cost varies from month to month.

- All other areas of the budget

Mrs. Sullivan stated that all other areas of the budget consist of hundreds of accounts and that the actual expenditures were less than budgeted by \$156,000.

She concluded the presentation stating that the surplus this year is being increased by \$5.7 million which will go directly to tax relief in the 2012-2013 school year.

COMMENTS FROM BOARD MEMBERS:

The Board asked numerous questions which were answered by Mrs. Sullivan.

E. COMMENTS FROM THE PUBLIC – AGENDA ITEMS

The Board allowed time for the public to comment on agenda items.

F. APPOINTMENTS

Resolution re: Appointment of Board Members to Serve on the Negotiations Committee

Mr. Rosenblum moved to approve the following resolution

RESOLVED, that *Leslie Larson, Deborah Wilson* and *Robin Kulwin* be, and hereby are, appointed to serve as members of the negotiations committee, until the next organizational meeting of the Board and until the appointment and qualification of their respective successors.

Seconded by *Ms. Coke* and approved by a roll call vote:

	AYE	NAY	ABSTAIN	ABSENT
Angelica Allen-McMillan	_____	_____	_____	_____x_____
Tanya Coke	_____x_____	_____	_____	_____
Robin Kulwin	_____x_____	_____	_____	_____
Leslie Larson	_____x_____	_____	_____	_____
Shelly Lombard	_____x_____	_____	_____	_____
Norman Rosenblum	_____x_____	_____	_____	_____
Deborah Wilson	_____x_____	_____	_____	_____

G. ADJOURNMENT

At 9:16 p.m. *Mrs. Kulwin* moved to adjourn the meeting; seconded by *Ms. Larson* and approved by a vote of 7-0.

Respectfully submitted,

Dana Sullivan
Board Secretary