

**TOWNSHIP OF PEMBERTON
SPECIAL JOINT MEETING
BETWEEN PEMBERTON TOWNSHIP,
PEMBERTON BOROUGH, AND
PEMBERTON TOWNSHIP BOARD OF EDUCATION**

MAY 12, 2010

6:30 P.M.

1. Township Clerk Mary Ann Finlay announced that notice of this meeting was made in accordance with the Open Public Meetings Act and led the assembly in the Pledge of Allegiance.

Mrs. Finlay advised that Council President Scull is absent this evening and requested that Council designate a chair for this evening.

Motion by Stinney and Inge for Mr. Cartier to be designated as Chairman for tonight's meeting. Stinney, yes; Inge, yes; Prickett, abstain; Cartier, yes. Motion carried.

Roll call of Pemberton Township Council members:

PRESENT

Ken Cartier

Tom Inge

ABSENT

Mr. Prickett stated he is present but has a conflict of interest as his wife is on the School Board, and he must recuse himself from the meeting.

Mrs. Stinney asked the Solicitor to read the doctrine, The Rule of Necessity, to the public. Mrs. Stinney explained that she is in a similar situation as Mr. Prickett as her daughter-in-law works in the school district. Ms. Colella informed the doctrine, The Rule of Necessity, is used when there is a conflict of interest but a vote must still be taken because there is a public need for the vote and there is not an alternative forum that can grant the same relief. The doctrine will allow the Council to vote because there is not another forum for the budget to be reviewed; the budget must be reviewed by the Council per law. Mrs. Stinney confirmed with Mrs. Finlay that all Council members received an email containing The Rule of Necessity.

Roll call continued for Pemberton Township Council:

PRESENT

Diane Stinney

ABSENT

Sherry Scull

Roll call of Pemberton Borough Council members:

PRESENT

Michael Brant

William Emmons

Robin Mosher

Stewart Thompson

William Wilson – recused

ABSENT

Robert Rose

Mr. Wilson recused himself as he is an employee of the Board of Education

Roll call of Pemberton Township Board of Education members present:

PRESENT

John Ulrich

Timothy Haines
Thalia Kay

Also present: Pemberton Township Mayor David Patriarca, Pemberton Borough Mayor William Kochersperger, Pemberton Township Superintendent of Schools Dr. Michael Gorman, Pemberton Township School Business Administrator/Board Secretary Pat Austin, Pemberton Township Solicitor Antonella Colella, Pemberton Township Clerk Mary Ann Finlay

The meeting was called to order by Chairman Cartier at 6:35 pm.

BUSINESS FOR DISCUSSION AND/OR FORMAL ACTION, AS ADVERTISED: For the purpose of discussing, reviewing and determining action on the 2010 Defeated School Budget. Formal action may be taken.

PEMBERTON TOWNSHIP COUNCIL RESOLUTION NO. 112-2010:
Invokes The Doctrine of Necessity for Pemberton Township Council

RESOLUTION NO. 112-2010

RESOLUTION INVOKING THE DOCTRINE OF NECESSITY

WHEREAS, THE DOCTRINE OF NECESSITY MAY BE INVOKED BY A GOVERNING BODY WHEN DUE TO THE EXISTENCE OF CONFLICTS OF INTEREST A QUORUM DOES NOT EXIST TO VOTE ON A MATTER REQUIRING GOVERNMENTAL ACTION; AND

WHEREAS, THE TOWNSHIP OF PEMBERTON IS REQUIRED TO PARTICIPATE IN THE PEMBERTON TOWNSHIP BOARD OF EDUCATION DEFEATED BUDGET PROCESS; AND

WHEREAS, PEMBERTON TOWNSHIP COUNCIL MEMBERS SHERRY SCULL, DIANE P. STINNEY, AND RICHARD PRICKETT HAVE DISQUALIFYING CONFLICTS OF INTEREST DUE TO THEIR OWN, OR AN IMMEDIATE FAMILY MEMBER'S, EMPLOYMENT BY THE PEMBERTON TOWNSHIP BOARD OF EDUCATION; AND

WHEREAS, THE DOCTRINE OF NECESSITY MUST BE INVOKED SO THAT THE PEMBERTON TOWNSHIP COUNCIL CAN PARTICIPATE IN THE DEFEATED SCHOOL BUDGET PROCESS.
NOW, THEREFORE, BE IT RESOLVED BY THE PEMBERTON TOWNSHIP COUNCIL OF THE TOWNSHIP OF PEMBERTON THAT THE DOCTRINE OF NECESSITY BE INVOKED SO THAT PEMBERTON TOWNSHIP COUNCIL MEMBERS SHERRY SCULL, DIANE P. STINNEY AND RICHARD PRICKETT CAN PARTICIPATE IN THE PEMBERTON TOWNSHIP BOARD OF EDUCATION DEFEATED BUDGET PROCESS.

Motion by Inge and Stinney to approve Resolution No. 112-2010. Inge, yes; Stinney, yes; Cartier, yes. Motion carried.

Mr. Gorman advised he forwarded a letter to Mayors Patriarca and Kochersperger as well as Council which outlined the status of the defeated budget and financial matters that have taken place since March. Mr. Gorman relayed there was a significant number of retirements and resignations prior to their meeting of April 29. As a result, the recommendation was made to both Mayors and Council that the School Board is looking at those positions as being collapsed. As previously informed, positions would be compressed as they became vacated with the exception of specific certificates.

PEMBERTON BOROUGH COUNCIL RESOLUTION NO. 2010-18:
Invokes The Doctrine of Necessity for Pemberton Borough Council

Motion by Brant and Emmons to invoke The Doctrine of Necessity for Pemberton Borough Council. Brant, yes; Emmons, yes; Mosher, yes; Thompson, yes. Motion carried.

BUDGET REVIEW BY COUNCIL AND CONSULTATION WITH PEMBERTON BOROUGH COUNCIL AND BOARD OF EDUCATION:

Mr. Cartier confirmed with Dr. Gorman that there are no layoffs within the additional cuts. Dr. Gorman advised the layoffs enacted are primarily because of declining enrollment, and the reductions done for the initial budget proposal included some layoffs but primarily retirements and resignations. Dr. Gorman informed the only administrative reduction was one principal position that was to be filled with in-house staff. When asked how much the districts are paying for outside consultants Dr. Gorman explained there are consultant fees that are used

for specific professional development but they can be infused in the professional development line. Mr. Ulrich reminded both Councils and residents that due to the changes in state funding and the loss of Abbott districts throughout the state that the amount of money to be raised locally will increase significantly. The local fair share is significantly higher than what is currently being paid, particularly in the Township. Over the next several years, the state funding will slowly evaporate and the local fair share will have to be met, and the School Board will not have much control over what has to be raised in taxes. Mrs. Stinney commented that enrollment needs to be brought up. Mrs. Kay spoke of the state formula being used to fund schools. The Borough will have much less of a tax burden than they had this year while Pemberton Township will be picking up a larger burden this year and each year forward. Mrs. Kay suggested to be very slight with any cuts in the school board budget because future years will depend on the decision being made tonight. Mrs. Stinney asked Dr. Gorman what is being done to recruit students to Pemberton Township. Dr. Gorman advised this year they were designated as a high performing school district by the County Executive Superintendent. Dr. Gorman spoke of outreach efforts through United Communities and the 174th Unit from Fort Drum which will be relocating here as well as other units that are anticipated to move in. Mr. Inge noted that will only bring residents to Fort Dix, and it is not doing anything for the housing population in Pemberton Township. Dr. Gorman reiterated they have been designated as a high performing district because of their test scores having increased with 23% more students passing over the past three years.

PUBLIC COMMENTS:

Chairman Cartier opened the meeting to public comments. Those indicating a desire to be heard were: **Rich Koster, Browns Mills:** Works indirectly for the schools in the private sector and is also a shop steward. He stated that when everyone else is making sacrifices, the teachers and everyone else that works for the school system have to make sacrifices too. He questioned slide number 20 on the budget that there were 54.5 layoffs which is mostly through attrition. With that there was still a bump of \$1.7 million for salaries, benefits, tuitions and utilities. It seemed odd to him to add utilities to that line as it appears they are trying to blame the raises as possibly higher utility costs. He suggested going back to the table to negotiate and have a three year freeze for the teachers to keep their jobs. **Anne Quin, Browns Mills:** Has attended Council meetings as well as School Board meetings over the past several years. She does not accept the explanation given that the Board of Education did not see the merger between the Township and the Borough coming. She spoke of her husband facing a layoff and commented that there are too many Administrators. There are 4-6 people in the budget that make over \$100,000 each and some of those contracts are expiring at the end of June. She noted that the private sector is going without raises and possibly without health insurance. She expressed that the School Board needs to do something with respect to contracts and suggested clauses be put in contracts that in the event of an economic downturn there is something that gives the taxpayers some kind of relief. She advised that her family consists of herself, her husband and her 22 year old, unemployed daughter. They live on less than \$50,000 a year. She wants the School Board to start cutting the salaries and benefits and understand where the residents are coming from as taxpayers. She informed she moved here nine years ago from Philadelphia specifically for the school system and feels cuts need to be made from the top down and not from the bottom up. **Leslie Koster, Browns Mills:** Has lived here almost her entire life. She spoke of the number of principals in our schools and suggested cutting back on them. She stated the residents of North Hanover Township do not want their children coming to Pemberton Township because their district is much better; their grades are higher and their academics are better. Families that live in the new housing on Fort Dix have children that are going to North Hanover schools. She reflected that Lenape School District teachers have taken a three year pay freeze and are paying part of

their insurance. Teachers were still laid off because of state cuts. She asked if Pemberton Township teachers are doing this, noting she pays almost 50% of her own health insurance and her household income is a little over \$50,000. She is looking to move out of the Township because they can't afford to live here. **Lisa Ebersole, Pemberton Township:** Expressed pride that her daughter goes to Pemberton Township schools where she is an excellent student and receives high test scores. She spoke of honor programs being cut and commented on the need for activities here for their children. She wants the programs that need to be here to stay, noting they have to think of their children who are the future of Browns Mills and cutting things is not going to help them. **Stacy Stockton, Pemberton Borough resident:** Expressed concern that as a taxpayer they don't lose sight that they are here to educate the kids, and the kids come first. Mr. Stockton's biggest concern is that the facilities are maintained. He spoke of shared services between the Borough and Pemberton Township. He commented on the Greenberg Farm and farmland preservation noting that people have to live somewhere and of the need for working together. **Anne Quin:** Commented that the school budget used approximately \$3 million of a \$7 million surplus. She asked what is being done with the remaining \$4 million, noting it appears that Pemberton Township will have to raise taxes and bear the biggest burden. She suggested the budget be broken down line item by line item. She acknowledged education is important but they can't keep going in the direction they're going. Instead of asking for more money from the taxpayers, she suggested they show them what is being done to change it. **Steven Skulimoski, Browns Mills:** Asked Dr. Gorman to clarify his earlier comments that the cuts in the original budget proposal were mainly through attrition due to declining enrollment in the schools, and the \$480,000 additional reduction in the budget proposal is also from declining enrollment. Dr. Gorman clarified there is a declining enrollment and the most recent reductions will be attended to by transferring people in different buildings and evening out the student load. Mr. Skulimoski asked why that couldn't have been part of the original budget proposal. Dr. Gorman explained that at the time of the original budget proposal, he did not have the retirements and was trying to accomplish this through attrition rather than through significant layoffs and they have been able to do most of it through attrition in the last three years. Mr. Skulimoski asked if there are Fort Dix students attending Northern Burlington schools, what is being done about it. Dr. Gorman informed that the County Executive Superintendent who oversees all of the schools as far as governance goes has dictated that the geographic boundaries are to be observed at the base. The case is currently before the Office of Administrative Law regarding enrollments and where students go. Dr. Gorman added that students were grandfathered who were living on the base during the time the housing transition was taking place. Those students were given the opportunity to finish out their schooling in the school that they had started. Mr. Skulimoski asked once everything "shakes" out, what their possible increase in enrollment will be from Fort Dix students going to Northern Burlington. Dr. Gorman replied the original projections received from the base were 500 additional students. They have not seen a growth of 500 students at this point in time. As far as when it all shakes out and all of the grandfathered students have gone and new students have come in, they would expect to reach the enrollments at the base that they were a few years ago. As an example, the Fort Dix Elementary School three years ago was just under 140 students and now it is up over 260 students. There was a major growth there. Mr. Skulimoski commented on the resolution to approve the budget already being on the agenda. Mr. Cartier commented that Council is hearing public comments now. Mr. Cartier expressed that there are rumors that North Hanover is taking over the Fort Dix school. Dr. Gorman reiterated it is in front of the Office of Administrative Law and the fact is when the Colonel was the Commander of the base as it was becoming a joint base made the request that all students residing on the base attend either North Hanover or Northern Burlington. They have been very aggressive in their quest to retain the students that are on the base. That is partially why they are in front of the Office of

Administrative Law at this time. Fort Dix School is Pemberton Township's school but the disposition of it is going to be something that is determined in the Office of Administrative Law and that is owned by the Federal Department of Education and it is not owned by Pemberton Township. Mr. Cartier asked about the improvements that were made that Pemberton Township paid for. Ms. Austin stated Pemberton Township did not pay for any of those. All of that money came from federal impact aid, section 8008. Mr. Cartier interjected that it is filtered through the Township budget to which Ms. Austin agreed. Ms. Austin continued that once it is finally completed they want to turn it over to them and then it becomes their's but they don't want to do that until they run through all of the money and get that building right where they want it to be. There being no additional members of the public indicating a desire to be heard, Mr. Cartier closed the meeting to public comments. Mr. Inge asked about the money that was put in the Pemberton Township High School and asked who paid for that. Ms. Austin replied that is the Township's building and the mortgage is paid off and that was one of the reasons why the tax levy proposed when it was presented to the voters was so minimal because the debt service taxes for the high school that the Township residents paid for was a 20 year debt in 1990 and it is now paid off. Mr. Inge expressed the size of that building was based on military students going there. Ms. Austin agreed. Mr. Inge expressed that if the judgment goes against Pemberton Township, then Pemberton Township residents lose a lot of money because one of the reasons the school was enlarged was due to the population of students coming from Fort Dix. Dr. Gorman expressed the high school enrollment of students who are on the base is approximately 50. Most of the students who are military affiliated that are in the high school are living in town and are not residing on the base. Mrs. Stinney asked Dr. Gorman how long the decision of where the students live on Fort Dix has been before the Administrative Judge. Dr. Gorman relayed about two months and there has only been a preliminary hearing. That was a request by the Commissioner of Education for a review of this situation by the Office of Administrative Law. **Rich Koster, Browns Mills:** Asked if tonight is a formality or if they will go back to the table and adjust this to last year's level before re-presenting it. Mr. Cartier explained that by law the Township has to act and the Borough is going to act on Monday as to a recommendation to the School Board. Mr. Ulrich expressed it is important that everyone understands that current state law is that all of the children on a military base attend the same school district. That means all of the children on the joint Lakehurst-Dix-McGuire would all go to the same school district. That is geographically difficult particularly for Lakehurst. They are currently working on changing the law. The federal government came in and made it a joint base but the state has to catch up with the federal government. Mrs. Kay commented that a question was raised earlier regarding decisions being made by contracts and contracting units. New contracts were entered into with the Superintendent of Schools and the Business Administrator which their salary increase is zero and they are contributing 1.5% of their base salaries to their medical benefits which was the recommendation of the Governor. Next year it is possible that a raise may be given of up to 2.5% if all performance is reached to the School Board's satisfaction. There is no stated increase for the next year of his salary. They have both taken this to heart. The teachers are a different bargaining unit and they are presently under contract and that contract has not been opened. It will end the 30th of June and then they will follow the protocol of correctly following negotiated agreements and contracts to be within the letter of the law. What comes out of that agreement, they don't know and they also know that the Governor has introduced legislation to cap employees at 2.5% as well as asking for 1.5% in medical. They do have a commitment from their major Administrators. Mrs. Stinney asked how many employees will be affected with the 1.5% towards their medical. Dr. Gorman expressed as the new law states it will be all contracts that come due from this point forward and that is all of those who are not under contract so anybody that is non-affiliate and if you have a bargaining unit that is currently in an agreement that extends beyond the

June 30, 2010 deadline, they are not subject to the 1.5% contribution until their unit contract comes due as per law. Mrs. Stinney asked where will the 1.5% be utilized. Ms. Austin responded it will reduce the expenditure line and reduce the appropriation and fall out into fund balance. Mr. Inge confirmed the teachers' contracts will end this June and if the Governor goes ahead and passes the 1.5% requirement, it's not a decision the teachers can make anyway; it's going to be mandated. Dr. Gorman confirmed the 1.5% contribution is subject to all employees whose contracts come due June 30th as well as any who are not in a bargaining unit. When asked if the 1.5% contribution for medical and 2.5% cap on raises has been taken into account in this budget Ms. Austin responded the budget was formulated in mid-March and these executive or legislative orders came in after that so it was not considered. **Anne Quin:** Remarked that Mrs. Kay previously stated that the Superintendent and Administrator were not going to get raises this year but next year they could possibly get a raise. Mrs. Quin asked that given the economic conditions of their Township and the high number of unemployed people and the lack of jobs, why didn't the school administrator and top people of his administration, take it upon themselves to say to the Taxpayers they are willing to give back some of their money now to make things a little easier. Mrs. Quin again asked what the \$4 million surplus in the school budget will be used for. It is a situation where the state has taken some of our surplus and they do have plans for the surplus to be used on their capital improvements on heir buildings that need to be maintained. That helps keep their debt level down that they have to fund and pay back. If there were any kind of catastrophic issues, they might have to be able to use some of that surplus as well. Mrs. Kay noted the municipality has done planning where they are using \$3 million in surplus leaving a balance of \$600,000 in surplus. That's a very low amount for a municipality to work with but that's what the state is asking everyone to do. Mrs. Quin asked why the school district didn't think about a rainy fund day for emergencies that can occur. Mrs. Quin thanked Council for thinking of the taxpayers with their portion of her taxes and their willingness to use the surplus to ease the burden knowing full well how hard it has become for the residents of the Township. Mrs. Quin commented that everyone has different bargaining agreements but no one can tell the residents if the teachers are willing to take pay freezes and give concessions back to the taxpayers because she still hears the same old "not me. Dr. Gorman replied the board is currently in negotiations and are not at liberty to disclose anything at this point in time. Mrs. Quin stated to Dr. Gorman that he has speculated that he is working on getting more students from the military bases to attend our schools but at this point in time from her point of view it is purely speculation and he has not provided any kind of concrete evidence that the Township is even going to get the students. If they don't get the students they will be in a bigger hole a year or two down the line because all he has been saying for the last several years is that they are working on it. He can't go to Mount Holly and ask them to bring their students here but he can go to the military community moving in to the area to attract them to this side of the base or into our community. Mrs. Quin acknowledged Dr. Gorman's statement but added that he is not telling her what is being done other than that and she has not seen anything concrete that it is working. Mrs. Quin stated that is not acceptable anymore. Dr. Gorman responded that the enrollment in Fort Dix Elementary School has risen by 110 students in the past two years. Mrs. Quin stated that is only one school and asked Dr. Gorman how many schools are in the Township. Dr. Gorman replied that is where the students at the military go to school and that is the school that serves the students who are on the joint base. Mrs. Quin commented the truth be told, the board has to start solving the problems instead of telling her they are working on it. Because she can't take it anymore and wants to be shown something and not told something. There being no additional members of the public indicating a desire to be heard, Mr. Cartier closed the meeting to public comments. Dr. Gorman noted that a concern was raised by the public regarding cutting honors programs. Dr. Gorman clarified that there is only one school program that was cut this year and

that was in the area of cooperative office practices. An alteration in that program would have been made regardless of the finances because it was a matter of the school employing those students as a school district. The students were working in various offices in the schools. That process has been re-thought and feel they should be in other assignments or private sector positions. As far as class size goes, they have taken the communities concerns and the class size is premiere in terms of their thinking. As they have been working on the budget, they have worked to maintain what were the Abbott recommendations for class size; 21 in first grade, 23 in third grade, and 24 in fifth grade. Those are the class sizes anticipated for the school year. In terms of the honors program, it has been changed as directed by the State and have actually doubled the teachers. There was one teacher one year ago and now there are two teachers in terms of working with the gifted and talented students. They are trying to take what was stated earlier this evening to heart. While there is a great deal of speculation about what is reduced and what is cut, priorities have been class size and programs. Dr. Gorman reiterated the only program eliminated is the Cooperative Office Practices and it is only partially eliminated. It was eliminated as far as Pemberton Township schools being one of the employers of students. Everything else in terms of programs has stayed in place; class sizes have remained stable as far as the Abbott recommendations that they have been adhering to over the years. Mr. Inge asked if that will be effective in September also. Dr. Gorman replied as it stands now, they fully anticipate that it will be. Mr. Inge confirmed the enrichment program will continue in September. Dr. Gorman expressed the enrichment program was altered from what it was two years ago because they were sited by the State of NJ that their program was not in compliance with state standards. They have corrected that and in that correction, the program was doubled this year. Dr. Gorman asked Ms. Austin to address the issue of the tax levy to clear up some issues raised tonight. Mrs. Stinney asked if any lay offs included nurses. Dr. Gorman answered there were no nurses included in the lay offs but they do have to rethink some of their services because they've had retirements come in and they need to re-examine how they will deliver that service. Mrs. Stinney remarked there are so many medical situations now with the children. Mr. Inge asked if there any nurses retiring. Dr. Gorman replied two. Mr. Inge asked if those positions will be filled. Dr. Gorman stated it is premature for him to state they will be filled because that is under discussion now and they are looking at delivering service next year because we might be able to do it in a different manner than now. If looking at our schools, we are aligning campuses where we have two or three small schools on a campus site. There are some consolidations that we are trying to work with in that context. Mr. Inge remarked that two of his children go to school in Pemberton Township and in one of the schools the nurses rotate from the two schools. A nurse is required to go on the field trips. Mr. Inge was on a field trip last week and a child had to be rushed to the hospital in an ambulance and it was a good thing the nurse was there. If reducing nurses, they should look at reducing activities for the children as well. If reducing nurses, by law should have to have so many nurses by the amount of students. That will take away from other activities. If looking at the total picture. Dr. Gorman reiterated it is all under consideration at the moment and it would be premature for him to make a commitment at this time on the board's behalf. Dr. Gorman added that the resignations have not even been approved by the board yet. Ms. Austin wanted to address some issues specifically to Mrs. Quin and Mr. Koster. Mrs. Quin spoke of surplus and Ms. Austin conveyed the board has been planning for this and the potential state aid loss and it really is through the surplus mechanism. Also with the tax levy for the Township residents, over the past seven years the taxes have only been raised to the minimum. We couldn't go lower than the amount required by the state of New Jersey. This year was the first time in the last seven years that the taxpayer has been asked for an additional increase. That increase was really an offset through the debt service. The mortgage for the high school was paid and that was approximately \$500 thousand. That was an easy fix in terms of raising the general fund tax levy by 4% because it

was the debt service that went away. It was a \$6.00 impact and thought it would be a minimum. As Mr. Ulrich state earlier, the local fair share in this district alone and the Township is twice the amount that is being raised now. That means that at any day the state could say the minimum is no longer \$11 - \$12 million and it's now \$13 or \$14 million and we would be required to raise the minimum. You can't go below the minimum. We were trying to bump up that minimum tax levy to a level that approached the local fair share. The surplus was really in preparing for the inevitable. In 2007, a new funding formula came about which (Ms. Austin provided a print out for both Councils) stated Pemberton Township would lose \$37 million of the \$81 million of state aid. There are three years to plan for that and the Board has been planning for that. It came one year too early because there is a new Governor and he decided to cut the state aid by \$5 million so we were fortunate enough to be able to put that money back in to next year. Through planning they were able to use the surplus for that and it wasn't from the local taxpayers, it was really from state aid. Dr. Gorman and the prior Superintendent have been cutting and we are getting the same state aid and not raising taxes. The money that you receive over and above the appropriations in terms of revenue goes in to surplus. Surplus becomes a reserve. What happened in February, the Governor took away a lot of the surplus and reserves. What he did was take away the excess surplus which is the 2% that we are required to raise. The board had it in capital reserves; maintenance reserves. The Governor was only to take 25% of the reserves. In preparing for future years, we still have some surplus left and hope to be able to use it next year. Ms. Austin referenced slides regarding savings money. One slide talks about the early separation agreement, the jointures and all the things that enabled them to spend and save money. Hopefully there is enough to stave off program cuts for gifted and talented and keeping class sizes maybe for one more year. In our effort to get that tax levy one bump up, the board wanted to do it this year because the debt service went away. Ms. Austin had the explanations for all 31 former Abbott districts and wanted to share it with the public to show how the board is planning. It's nothing they were surprised with. Ms. Austin referenced comments made regarding shared services and advised that the Board does use Pemberton Electric. There is not a principal in each grade; there is a principal in each school. Dr. Gorman has a plan for that as well. Ms. Austin referenced slide 20 and noted that salary and benefits were always in a line by themselves but because it is a negotiating year, they blended everything together. In an unsettled year, the salaries and benefits really can't be spelled out. If looking at previous years, the salaries and benefits are spelled out. Ms. Austin passed out documents to both Councils and explained that it contains all 31 former Abbot districts and what the loss to state aid was in 2007. Other information refers to what the Governor did in February 2010 which was taking away a lot of the surplus. Ms. Austin noted there is approximately \$6 million in reserve for future years so programs won't be cut and class sizes can be maintained according to Abbott. Ms. Austin referenced \$2.8 million that was cut and the Board appealed and received \$250,000 back. The Governor received \$476 million this year and \$123 million of that figure was from former Abbott districts. Ms. Austin spoke of the balance sheet and the reserves which were planning for future years and the \$37 million dollar problem. Ms. Austin commented that we are one of the few districts that still maintain programs. The only program cut we had was the co-op program. Mr. Cartier noted recommendations were received from the Board of Education that certain accounts be reduced. The first account was salaries of teachers grades one through five to be reduced by \$358,718 which is through attrition. The second account is salaries of teachers grades six through eight by \$119,573 which is also through attrition. Mr. Cartier asked where the union contract stops. Dr. Gorman explained the PTEA which is the Pemberton Township Education Association represents teachers, instructional aides, secretaries, maintenance and custodial. There is a transportation association which represents all bus drivers, mechanics and bus aides. There is a Pemberton Township Administrator's Association who represents the principals, supervisors. There is

also the Pemberton Township Support Services Association which represents the operations side of the supervision which includes supervisory positions which do not require a certificate as well as the IT personnel. Mr. Cartier confirmed there are four different bargaining unions of which the PTEA is negotiating now because their contract ends June 30. Mr. Cartier asked if the other bargaining units were approached concerning a salary freeze. Dr. Gorman answered yes and meetings are being scheduled but he cannot comment beyond that at this time. Mr. Cartier asked if they were approached prior to the vote on the budget. Dr. Gorman replied yes but no negotiation sessions have taken place. Mr. Cartier expressed that the district is top heavy in Administration and is concerned when teachers are cut before supervisory or administration positions. A level does have to be maintained at a certain level, but all of the cuts that are coming out of the budget are teachers and secretaries and bus drivers. There are not any supervisory and/or administrative cuts. One principal is being cut at a minimum of \$100,000 but there is nothing from administration. Dr. Gorman conveyed at this time next year there will be twelve buildings and ten principals and they are looking at stretching their resources even further. Over the past few years, two assistant principals have been cut and over the past four years, two supervisors out of the seven were cut as well as cutting out one central office administrative position coming into this year. They have been chipping away at this but there are not as many bodies to chip away at as there would be in another bargaining unit. They are trying to do as much as they can through attrition but having leadership at building level is important. Mr. Cartier agreed that attrition has to come first but expressed concern regarding the lay offs. Savings jobs whenever possible is very important to him. Dr. Gorman informed there were 8 instructional lay offs and some have transitioned because of retirements. Involuntary lay offs is from 10 to 20. Mrs. Stinney conveyed that she attended the budget hearings and clarified that one administrator was cut. Dr. Gorman informed the second administrative position will come out of the Pemberton Township budget and go to early childhood is an entirely separate budget. The early childhood center is being built on Arney's Mount Road which will require a principal but that is funded through the state program for early childhood. There are no local property taxes that go into that particular funding. Mr. Inge confirmed that job title will not be lost and will put on a different line item. Dr. Gorman agreed and added it will be on the local line and go in to the early childhood budget which is totally state funded. Mr. Inge asked if because they are an Abbott district if they are mandated by law to have so many vice principals or principals. Dr. Gorman replied no but there are guidelines in terms of class size but there are no guidelines in terms of administrative. Mr. Inge conveyed that the public has heard over the years that since they are an Abbott district they are required to have so many administrators in the district. Dr. Gorman answered there are positions that are required such as there is a requirement for a principal to be in the early childhood center but there is not a mandate for number of students or number of faculty and the number of principals. Mrs. Stinney asked for a salary of the administrator for the early childhood center. Dr. Gorman replied he could not provide that salary at this time plus the board has not received a recommendation yet. Mrs. Stinney confirmed that upon board approval, that person will be going to the early childhood center and will utilize that particular funding and wait until the school opens. Dr. Gorman conveyed the early childhood center will hopefully be open late winter and that principal should be working with their faculty in their satellite sites now to start moving things toward bringing them together for the transition when they go to the new building. Mrs. Stinney wanted it to be clear for the record that she is speaking of not early childhood but the administrative position that was transferred over in to the early childhood budget. In reality there was one administrator that was cut from the high school. Dr. Gorman agreed and stated there is one less principal in the district from retiring and that position will be replaced internally. There is one position that will be able to move to another site. Mr. Cartier commented there are two less principals in the budget. Dr. Gorman agreed and stated in the budget but not in the

district. Mr. Cartier confirmed the tax payers will be paying for two less principals. Mr. Inge asked if there is going to be a cap of 2.5% on property taxes, how will the school board manage their budget next year with a small surplus. Dr. Gorman replied that is something they will be discussing as the year passes because that is something that they obviously have to prepare for. Mr. Inge stated he knows that the board has been putting money aside for the past three years and he met in Dr. Gorman's office with the Mayor and Councilwoman Stinney several times over the last three years and that was one of his focuses to make sure he was putting money aside because we all knew this day was going to come. If residents aren't sure, this is what they were doing. That money wasn't just being set aside, they had a particular goal and knew that they were going to have to start facing reality. Other surrounding communities such as Moorestown and Medford that don't receive the funding like Pemberton Township are up in arms and they are saying they are being treated differently than other townships because they are receiving this aid. A lot of them don't understand why we are getting this aid and a lot of it is because we don't have the ratables that other townships have. We have the Pinelands that prevent us from having a lot of ratables in the Township and developments that could boost up our ratables so we can compete with other Townships. That's what the residents need to know regarding why we are in the Abbott situation we are in and why the Governor is being bombarded by other towns and they are voters and they are not understanding this. Every year we are losing a portion of our Abbott funding. The new early childhood center is being funded by the state but once that school is turned over to us, it's going to be the residents of Pemberton Township that have to maintain that school. Mr. Inge was upset that they went from peak roofs to flat roofs and the school board went back to the state and wanted them to go back to the original drawings because in the future it will cost the Township and the tax payers to maintain that school. We are dealing with the state and the state picks and chooses what they want to do. The government needs to understand that when they are taking funds from Pemberton Township they have to look at having outside agencies lighten up on Pemberton Township so we can operate the same as other townships operate. Mrs. Stinney asked if it would seem like they would let the administrator go until the position is workable and hire someone on a lower level since hearing tonight regarding being top heavy. Dr. Gorman replied it would be counter productive to lay off an administrator to hire another one. Mrs. Stinney commented salary wise they could come in at a lower level. Dr. Gorman stated that position is covered by a bargaining unit. The Borough Council thanked the Township for hosting tonight as well as Dr. Gorman, Ms. Austin and the board. They pointed out that the Borough paid tuition and that wasn't always such and all these years the main office building is located in the Borough and they don't pay taxes on it so it all kind of evens out. Mr. Inge commented that the Council has no authority to tell the school board where to make cuts. Mr. Cartier clarified that Council has the authority to make recommendations. Mr. Inge conveyed one of the recommendations was to lose an administrator. That has been recommended by a lot of the residents in the Township and also by Council. Mrs. Stinney noted they are at their cap. Mr. Cartier relayed Mr. Inge is saying instead of making it all in the teachers, make it a mix of administration and teachers and/or bus drivers or service. Mr. Inge advised he would like to see the aids stay as it is very important to have aids. When there are problem children in class that need strict discipline and if there is not an extra aid in the class with a one on one basis with that child then the other children in that classroom suffer. Mr. Inge added the aids are the backbone to the teachers and administration and they are one of the lowest paid people. He expressed that after school care is very vital to Pemberton Township and he has his children in the program and utilizes the summer programs as well. A lot of residents in the Township use the program because they can't afford to pay outside agencies to take care of their children when they are working. It is a very safe environment at the schools and people are very well skilled. Mr. Inge would hate to see them lose any aids. There are two nurses that will be retiring. Mr. Inge

commented on being able to go outside of civil service guidelines and noted the governor stated he has to make it easier for municipalities to hire at a lower rate. Mr. Inge suggested if removing someone from a higher paying job and put more demand on other people in the same position to have to spread themselves out a little more. It is something that has to be done and is done all the time in the private sector. From hearing from the residents and other members of Council, that's where the cuts need to be; at the higher levels and not at the lower levels. Mr. Inge acknowledged that the Board has done a great job trying to promote Fort Dix and get those students in. They received approximately \$17,000 per child from Fort Dix which really helps. They are in a better situation now than where they were two years ago as far as Fort Dix and it's due to what has been going on in the schools; the higher grade levels, the higher test scores, going into the school unannounced and making sure the teachers are following their plans and are on schedules. Mr. Inge commended the Board for that. Mrs. Stinney thanked the Board of Education and Pemberton Borough Council and Mayor for coming out tonight. Mrs. Stinney also thanked the residents for their comments this evening. Mr. Cartier expressed Mr. Inge's recommendations are good and they would rather see something go down in administrative salaries and retain some more of the teachers that were proposed to be laid off and reduce the amount to the state minimum.

PEMBERTON TOWNSHIP COUNCIL RESOLUTION NO. 113-2010

Pemberton Township Council's resolution certifying 2010-2011 School Budget.

RESOLUTION NO. 113-2010

A RESOLUTION CERTIFYING THE PEMBERTON TOWNSHIP SCHOOL BOARD OF EDUCATION 2010-2011 SCHOOL BUDGET WHEREAS, THE PEMBERTON TOWNSHIP SCHOOL BOARD 2010-2011 BUDGET WAS DEFEATED BY ITS VOTERS; AND WHEREAS, N.J.S.A. 18A:22-37 PROVIDES THAT UPON DEFEAT OF A SCHOOL BUDGET BY THE VOTERS OF A MUNICIPALITY, A MUNICIPALITY'S GOVERNING BODY SHALL DETERMINE THE AMOUNT WHICH, IN THE JUDGMENT OF THE GOVERNING BODY, IS NECESSARY TO BE APPROPRIATED FOR EACH ITEM APPEARING IN THE PROPOSED SCHOOL BUDGET IN ORDER TO PROVIDE A THOROUGH AND EFFICIENT EDUCATION FOR STUDENTS IN THE DISTRICT; AND WHEREAS, PURSUANT TO N.J.S.A. 18A:7F-5, A SCHOOL DISTRICT'S GENERAL FUND TAX LEVY MAY NOT BE LESS THAN ITS REQUIRED LOCAL SHARE; AND WHEREAS, REPRESENTATIVES OF THE TOWNSHIP OF PEMBERTON MET WITH REPRESENTATIVES OF THE PEMBERTON TOWNSHIP BOARD OF EDUCATION AS REQUIRED BY N.J.S.A. 18A:22-37; AND WHEREAS, AFTER CONSIDERATION OF THE PROPOSED 2010-2011 BUDGET FOR THE PEMBERTON TOWNSHIP SCHOOL DISTRICT, THE TOWNSHIP COUNCIL DETERMINED THAT A TOTAL OF \$478,291.00 COULD BE REDUCED FROM THE BUDGET WHILE REMAINING WITHIN THE LIMITS OF N.J.S.A. 18A:7F-5; AND WHEREAS, THE PEMBERTON TOWNSHIP SCHOOL BOARD RECOMMENDED LINE ITEM CUTS TO TEACHERS AND SUPPORT STAFF SALARIES; AND WHEREAS, THE TOWNSHIP COUNCIL HAS REJECTED THESE LINE ITEM CUTS AND HAS DETERMINED THAT REDUCTIONS SHOULD BE TAKEN FROM ADMINISTRATION LINE ITEMS AND NOT FROM TEACHER'S SALARIES. NOW THEREFORE, BE IT RESOLVED, BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF PEMBERTON, IN THE COUNTY OF BURLINGTON AND STATE OF NEW JERSEY, THAT THE LINE ITEM REDUCTIONS TO THE 2010-2011 SCHOOL BUDGET ARE SET FORTH BELOW:

1. ACCOUNT 15-000-240-130 (SALARIES OF PRINCIPALS AND ASSISTANT PRINCIPALS) SHOULD BE REDUCED BY \$478,291.00

REASON FOR REDUCTION: DUE TO THE DISPROPORTIONATE AMOUNT OF ADMINISTRATIVE STAFF IN THE PEMBERTON TOWNSHIP SCHOOL DISTRICT, THIS STAFF IS NOT NECESSARY TO PROVIDE A THOROUGH AND EFFICIENT EDUCATION IN THE PEMBERTON TOWNSHIP SCHOOL DISTRICT.

BE IT FURTHER RESOLVED, THAT THE FOLLOWING DETERMINATION IS HEREBY MADE OF THE AMOUNTS NECESSARY TO PROVIDE A THOROUGH AND EFFICIENT SYSTEM OF EDUCATION IN REGARD TO THE 2010-2011 BUDGET OF THE PEMBERTON SCHOOL DISTRICT WITHOUT HAVING AN AFFECT ON THE ABILITY TO PROVIDE A THOROUGH AND EFFICIENT EDUCATIONAL SYSTEM:

- | | | |
|----|---|-----------------|
| A. | THE ORIGINAL TAX LEVY ON THE BALLOT FOR THE BASE BUDGET: | \$12,435,574.00 |
| B. | THE AMOUNT OF REDUCTION TO THE TAX LEVY FOR THE BASE BUDGET : | \$ 478,291.00 |
| C. | THE AMOUNT OF TAX LEVY BEING CERTIFIED FOR THE BASE BUDGET: | \$11,957,283.00 |

Motion by Stinney and Inge to approve Resolution No. 113-2010 with the following changes: reducing administrative salaries and retaining some of the teachers that were to be laid off and retain the minimum cap as the state requires. Stinney, yes; Inge, yes; Cartier, yes. Motion carried.

Mrs. Stinney thanked everyone for coming out.

The meeting was adjourned at approximately 9:23 pm.

Respectfully submitted:

Mary Ann Finlay, MMC
Township Clerk