

**MENDHAM TOWNSHIP PUBLIC SCHOOLS
BROOKSIDE, NEW JERSEY
ELEMENTARY SCHOOL STAFF DEVELOPMENT ROOM
(MEETING IS BEING HELD VIRTUALLY,
NO IN-PERSON ATTENDANCE WILL BE ALLOWED)
WORK SESSION MEETING MINUTES
TUESDAY, MAY 5, 2020, 7:30 PM**

I. Call to Order

The meeting was called to order at 7:33 pm.

II. Flag Salute - Mrs. Holquist led the flag salute.

III. Roll Call of the Board of Education

Mrs. Gretchen Holquist	President	Present
Mr. Aadithya Thayyar	Vice President	Present
Mr. Andrew Christmann		Present
Mr. Peter Dumovic		Present
Mrs. Heather Fraser		Present
Mr. Richard Gondek		Present
Mrs. Joan Mody		Present

Also present: Dr. Salvatore Constantino, Superintendent
Mrs. Donna Mosner, Business Administrator/Board Secretary
General Public – 92

IV. Sunshine Law – Mrs. Holquist read the following statement -

The New Jersey Open Public Meetings Law was enacted to ensure the right of the public to have advance notice of and to attend the meetings of public bodies at which any business affecting their interests is discussed or acted upon. In accordance with the provisions of this act, the Mendham Township Board of Education has caused notice of this meeting to be published by having the date, time, and place thereof posted in the Mendham Township Board of Education Office, sent to the Clerk of Mendham Township, and the Observer Tribune and the Daily Record. This is an official meeting.

V. 2020-2021 Public Hearing Budget Presentation

VI. Verbal Communication from the Public

Mr. Gondek – thank you to everyone for joining, I see a lot of familiar faces and names from other board meetings and the open houses, which is good and I want to say thank you for joining once again. I could not be more sincere that I want to hear what you have to say and I believe that several of the other BOE members feel they say. We take this very seriously and we want you to know that we look at this both for today and the long term view. In a governance role, we have to take into account our actions will have an impact not only in the fiscal year but in years to come. I am have focused on over the past couple of months is the feedback from other BOE members and the public. Another piece is that we need to establish a set of operating assumptions for determining what the budget needs to be. Under normal circumstances that are difficult but this year especially that has been extremely difficult, over the last several months the situation

has changed week to week and day to day. We have reassessed from week to week, listening to opinions and re-evaluated, this has been a constant reassessment process but we do have to come to a set of operating assumptions what things may look like in the upcoming fiscal year and then make the best decision possible based on that. For me, I have taken all of that into account and my priority is long term stability, risk management of the district. We are trying to responsibly manage the budget and be responsible for all of the stakeholders within the township.

Mr. Thayyar – I haven't slept well in weeks, no one makes these decisions likely and I don't like raising taxes any more than anyone else, that is not how this BOE operates. Just a reminder to those BOE members who were here last budget cycle when we decided to cut a lot of staff and there was a lot of negative feedback, saying how important they were, so we increased taxes to 4.99% and the plan was to kick the can down the road to see what next year brings. Over the last four (4) years that I have been on the board, two (2) of those years the budget has increased below 2% one (1) of those years the BOE gave the money back. We take every year, see the situation, and what we need to do. All that data, we can take the medicine now or in doses over time. This problem is not going away just by wishing it away, this is the reality we live in. So how can we solve this? We did a study last summer looking at all different opportunities to increase revenue and it came down to three, how do you solve for increased special education costs, which is not a simple solution. Can we get more private students to attend our schools – which is not a simple solution? We talked about class sizes, which is not an easy fix either. Basically, what it comes down to is to increase revenues – promoting our buses program, and investigate it a little deeper, look at 3 – 5 year plan. Class sizes are increasing in the younger classes and the should get the same education my children have had. Many things went into this and it is a tough decision, by no means did we make this decision lightly.

Mr. Dumovic – My personal congratulations to the administration, teachers, and all of the staff for the extraordinary efforts in keeping our students engaged and learning over the last seven weeks, supporting them during this time of distance learning. This re-enforces my view that our district is better than the best. Regarding next years proposed final budget, it is only my second year on the board, I do respect everyone and their opinions, everyone is hard working, everyone is thoughtful and has the best interest of our students' front and center. In my opinion, I believe the annual school budget should provide the best education to our students at a price that the community can afford, and at this unprecedented time, I think the proposed final budget places an unreasonable tax burden on our community. I have stated consistently since the beginning of the pandemic that this not a time for a significant tax increase and I have heard this expressed by many residents over the last few weeks and we will hear more tonight I am sure. Given so far what the feedback and input have been on the proposed budget I think we should be responsive to the residents and taxpayers of our community. It is important to know that I support additional streams of revenue to help fund our district long term, including purchasing these buses to generate revenue and transport students from neighboring schools, however, buying these buses right now comes at too high a price for our community, my opinion is that a budget with a 5.16% increase in taxes is not appropriate and in my opinion, not fiscally responsible in the current economic climate. We have a superlative school district and the bottom line for me, I know we can provide a world-class education next year and not compromise the superior level of education programs and high quality of instruction we are known for without increasing this budget 5.16%.

Mrs. Mody – I would like to thank everyone and echo my fellow BOE members' sentiments, we do appreciate all of your efforts to contact us and comment during these meeting. We do take everything into account and I personally appreciate all of the feedback because it has made me go back over these numbers time and time again, rethink this decision. Board members are taxpayers too, so this is not as if we get a pass on paying any increases just because we are BOE members, so this decision if not made lightly. As Mr. Gondek stated before, we needed to take into consideration the goals of our strategic plan, which was formed in alignment with many, many members of the community. We wanted to make sure that all goals of the strategic plan were being met. When we went through this process last year, we had many of the same members of our community request time and time again that we find other sources of revenue and that is what has been done. It is not typically the responsibility of a BOE, we are not a corporation, looking for profit but

these revenues were sought so we could help to offset future increases to taxes and we could maintain some risk mitigation in the future. Of course, the base priority was to maintain the level of education our students and parent expect. We do have increased enrollment and there are many on this call now seeking another second-grade class because of their concerns for their child's education so, with all of those considerations, this has been our attempt to solve the problem by creating revenue to ensure our students' education. I do also echo previous BOE members' statements that I am very encouraged to see so many people on this call but please know this is all done in good faith. Thank you.

Mr. Christmann – I want to emphasize a few things; the operations committee has spent more time on this budget than any other year I can remember. This is my second time on the board and I want you to know that they have been doing an in-depth review of what is going on, asking a lot of questions, taking feedback from the board as a broader organization working with the administration, coming up what we feel is a good recommendation for the town, balance between the needs of the taxpayers and the students. 2 comments that I have heard over and over again from the community; not convinced we should be in the bus business? We are in the bus business right now, one of only four or five is the area with the scale to deliver a service at the efficiency we can to the other constituent districts to the form of how we can do it bigger, more broadly for more profit to this town. We have tested the business economics over and over again and that 40K on average per route is not technically taxpayer relief, but that is how I look at it because every dollar another district sends to us is a dollar less that everyone in this town has to contribute. I would like to see us do it bigger and bigger. This BOE particularly has been incredibly engaged in doing the right thing, I realize there is some heated language out there, but I know that in my heart of hearts all of us as neighbors know that people are working in each other's best interest. I have one last thing that I am going to put on the table and hopefully, Peter may get a chuckle at this. I seem to recall that you asked me a few meetings ago about what would change your position on the budget and I said I would like to hear from the town a different story than what has been said in the past. That they are willing to make the changes to the education we provide because the finances are more important. In the big picture discussion do we increase class sizes, do we reduce the special programs delivered, do we not have specials as often, do we provide distance learning in the time of COVID to the level we are doing. It is a topic that everyone in other districts is having right now. Is it not worth the money that is being spent? I stand by that, if I heard from others that we don't want this level of education, I might be inclined to make changes to zero increase budget as in the past but no one has.

Mrs. Fraser – I will echo that, we have spent a lot of time on the Ops and Finance committee reviewing this subject. We started looking at all of this last July, especially with all that we went through with last year's budget and the cuts that were proposed and the feedback from the parents and citizens within Mendham. I am very proud of where we ended up with this and I don't take lightly were we are in the unprecedented time in the world but I feel as a fiduciary and someone who was elected to look at this and be a part of this decision we are making the right decision for our school district, not only for the upcoming year but for the future of the school.

Mrs. Holquist – I have some thoughts that I will share now but I am very much looking forward to what everyone else has to say because this budget discussion and choice is not a simple one. I moved here from California and there were a variety of things that brought me back to this side of the country but I have said on numerous occasions I don't miss the school systems in California, even in the best school district you are writing checks at the beginning of the year for school supplies, most of the specials are gone, you are only provided PE for 60 minutes per week and the minimal foreign language is provided by law. Plus, classroom sizes are much larger. Mr. Christmann stole a little of where my head is at, as I look at our ability to continue to provide the level of programming, given the fixed costs that we have that are beyond our control, such as health care and special ed, if we start to hear that people are comfortable with shifting programming and were are comfortable with cuts and bigger class sizes, things like that is a fundamentally different conversation than were this has been headed. Everything, including tonight, is that we continue to hear is that one of the hallmarks of our town is the premiere education that you can get in the public school system. The only way to assists with tax increases is to address it with revenue. I will say that there have been a lot of discussions of

buying versus leasing options and the short term versus the long term. There is a real conversation to be had about making a different decision for this year based upon the environment that we are in. All of the projections we have seen suggest that if we decided to do that we will be back in this situation again next year and have to once again go above the 2% for certain because we have not fixed anything for the long term. Plus, programming cuts, so there are risks we are inherently building into next year by making shorter-term decisions. I think everyone who has been putting time and effort into this because there is not a simple straight forward solution, I wish there was, we would have all gotten hours back in our lives and much more sleep.

Joy Moyna – 8:00 PM – In a time of uncertainty it is not good to make a change and it is never good to spend money you don't have. A stop should be put on this.

Bill Nitz – 8:05 PM – what can you legally grow the budget and why don't we source out the busing?

Sarah Neibart - 8:13 PM - Hi Superintendent, could you please state once more for the public how much the additional three buses will generate in revenue each year going forward? Compared to the cost of cash for each bus.

Bob Wowk - 8:15 PM - At the same time can you confirm the implied interest rate on the leases?

Jeff Brauner - 8:19 PM - Following on to the Mayor's question, please also include the cost of additional drivers and their salaries/benefits bus maintenance, etc. Essentially what is the Net Profit of the three bus addition?

Sarah Neibart - 8:19 PM - I know there have been saving for the district since school has been closed ~ 200k. Now that the Governor has decided to continue the closure of schools for the remainder of the year, what additional savings are we expecting?

Amy & Steve - 8:19 PM - We commend the board on their hard work and research. You looked into multiple scenarios when creating this budget and came up with a strong solution to create revenue for our district. Rising student bodies result in rising costs. With a growing student population, this is not the time to make significant reductions to teaching, staff, and programs. (Continues in next comment)
Your slides made it very clear that without an increased stream of revenue, cuts will have to be made which would negatively affect our children and staff. We are a top district for a reason and need to continue to support our incredible teachers, staff, and children. We commend you on the proposed budget. You have our full support. Thank you, Amy & Steve Vaccaro

Tracy Budnik - 8:21 PM - Does approval of this budget guarantee that what we are used to having (# of students per class, specials, activities, tech, etc.) will be held constant -- no cuts, no changes / condensing classroom census #s, etc.?

Raymond Sullivan - 8:22 PM - Since you made this budget, the world has drastically changed. Many of us have lost their jobs. Mendham Twp. does not have to be the best! 90% is still an A. A >2% increase is irresponsible!

Jocelyn de Grandpre - 8:22 PM - I would like to speak

As a former BOE member and BOE President, I want to say that we have been in the busing business for some time. I want to commend the district on this revenue idea during this difficult time the BOE must keep moving forward during these situations. I am proud of this district and caution the community on stepping on your hard work. Thank you, I fully support this plan.

Adam P. Dubeck - 8:23 PM - I would like to speak

What is the tax increase on the average accessed home?

A school board is not there to make money and I want to commend this BOE on finding sources of revenue. The school is the jewel of the community. It is irresponsible to use COVID as a scapegoat. It is, however, responsible to keep looking ahead. I am in support of this plan, it is money well spent. Thank you.

Colin Elgarten - 8:23 PM - I would like to speak

As a former member of the BOE, I understand how a budget works. The district needs to take into account the full cost of accounting of transportation. Does the Pre-K really make money, is it even self-funded? What is the net positive? Ken Elgarten

Tricia O'Brien - 8:24 PM - Can the superintendent confirm the average increase per household? Also, confirm the average home price for comparison.

Valentina Harner - 8:27 PM - Raising taxes at the times like these would be a slap in the face for the families in our community, as many people are struggling. That would be a reputational risk for the BOE that would not be easy to repair. Also, home values have dropped 100-150K in the last few years, and an additional tax increase will compromise them even more. There is another district in NJ that spends over \$22k per student - Newark. That does not translate into the quality of education. By compromising home values with higher taxes you are cutting the branch we are all sitting on.

Jill Davi - 8:32 PM - Board members have discussed how parents were unhappy with cuts last year, but last year was not in the middle of a global economic crisis. What would be the impact on class size and other education services in a zero increase budget scenario?

Mr. Christmann – for rounding purposes to cut 1,000,000 it would probably mean 13 to 14 teachers which would increase class sizes 25%.

Peter Saharko - 8:35 PM - I would like to speak.

First off, I'd like to applaud the work of the Board of Education, the leadership of the school district, the teachers, administrators, and the staff. I have enormous gratitude for all the hard work they've done to make our community stronger.

In the past two months, we've learned a lot about who we are, and who we should be, as a nation and a community. We've learned the importance of contributing to the greater good, and how sacrifices we make on an individual level in the present ultimately make us safer and stronger as well in the long term.

Today, on a smaller scale, we face a similar choice. We can fund our schools at the level that experts say is required, or we can engage in tired anti-government rhetoric to play politics.

Today I saw a truly outrageous anonymous letter that is being circulated around town that demands a response. The letter is filled with falsehoods and the type of silly, cooked up numbers that people who aren't as smart as they think they are fond of throwing around.

Let me highlight a few of the outrageous comments:

“We are being fleeced by professionals.”

This budget “enriches those who hold us hostage.”

It is the height of cowardice and moral midgetry to deliver these comments without being willing to sign your name to them.

Another outrageous statement in the letter? The overwhelming reason are schools are excellent is and I paraphrase, *the brilliance and work ethic of parents.*

I think anyone who has been dealing with the challenge of educating young children during this time recognizes this statement’s delusional folly. The author has contempt for public service and it drips out of the entire letter.

We are all proud that the Mendham Township Elementary School received a Blue Ribbon designation. Across the board, our schools are the pride of our community and our greatest marketing resource. Strong academics. Balanced extracurriculars. A dedication to being inclusive. But most importantly, in these trying times during a global pandemic, our school system moved seamlessly to a virtual learning environment. I have friends who are young parents scattered across the competitive Northeast of the United States, and not a single one has described a program as comprehensive and effective as the one here in Mendham Township.

Our school system being ready for this moment wasn’t an accident. The district and the Board were smart enough to prepare for this eventuality in executing a strategy and having the technological resources to meet the moment, all of which require time and money.

The investments we make today prepare us for tomorrow. Shortchanging our schools today means we won’t be ready for the next great challenge, whatever it might be. I trust our experts to guide our school spending decisions, I am glad to take on this small additional burden for the greater good. Not only because it’s the right thing to do but because I understand that, ultimately, I will be the one who receives the reward from this investment.

Those who would celebrate our schools when it serves their interests should not turn around and knee cap those schools when it serves their ideology. That is the very definition of hypocrisy. Indeed, my family benefits from this stellar school district, your family might benefit from the carried interest loophole. We live under a social contract. We make compromises, or we return to the state of nature.

I strongly support the experts who crafted this budget and their continued wisdom in guiding our education system. Thank you.

Sarah Neibart -8:38 PM - I would like to speak. Thank you.

I was unable to attend the last budget meeting and I sent a letter to the Superintendent and BOE that I would now like to read.

Unfortunately, I am unable to call into your meeting this evening because I have a Township Committee meeting at the same time. As some of you know, I see my role as Mayor of Mendham Township not just as a figurehead of the town, but as an advocate for our residents and problem solver for our community members. This evening, I write to you as a community partner. A partner who knows that we all share the same values and want what’s best for our community.

At this point, most of you have probably heard about my offer to the Superintendent for the Township to go out for debt through short term notes for the proposed buses. I am willing to bring a bond ordinance in front of the Township Committee as well as a proposed resolution that would detail the township’s contract with the local school district.

At last week's board meeting and the past two open houses, I have requested that the School Board go out for debt for the buses instead of paying for the buses in cash. I know that many of you do not want to do that because doing so would require the matter to be on the November ballot and I understand that is not conducive to your timeline. I am concerned that the future of public and school busing is unknown and that we might not be able to provide this service in the manner you expect. However, I know how important this is to the board, so I want to help you do this in a cost-effective and timely way.

We need to continue to deliver quality services to educate and protect our community members, but we need to do it reasonably. I urge you to consider this offer so that an increased financial burden is not levied on our residents at a time of incredible stress and uncertainty.

Monica Whitmore - 8:40 PM - Thank you for your time. I recently successfully defended a dissertation on school funding and student achievement in our state. I have reviewed the state budget summary for the district and have studied historical and current financials. As an educator and a taxpayer, I commend the board on their careful and creative governance. I support this budget because it will maintain property values in this uncertain time while maintaining programs and opportunities for our youth. Monica Whitmore

Jeff Brauner - 8:41 PM - Thanks...I couldn't figure out to unmute!

Richard Rapp - 8:44 PM - Re Fixed costs, I own a business with a dozen employees, and I can assure you that salaries are variable expenses, not fixed expenses that you contend, you can hire, you can fire, you can replace someone who is being overpaid with someone equally or more qualified for a fraction of the salary, so the entire premise of you struggling to pay for your self-imposed budget problems is inherently flawed.

Dr. Constantino – I respectfully disagree with almost everything you said. I appreciate the fact that you own a business but school districts have union employees and you cannot just hire and fire at will. There is a process, especially if someone has tenure.

Sarah Neibart - 8:53 PM - The increase is upping the budget base so once the increase is included; it's not going to be removed.

Tracy Budnik - 9:01 PM - echoing @Jill Davi, I would like to know specifically how many sections of 3rd and 4th grade are planned for the fall? With the likelihood of state-mandated changes/requirements for physical distancing within a confined classroom space, in my opinion, it would irresponsible to consider collapsing 4 sections down to 3. I would like to hear specifics about plans for the Fall please (and, thank you!)

Tricia O'Brien - 9:02 PM - To clarify- this a \$25 per month or 6 dollars per week (1.5- 2 Starbucks coffee) increase in an almost million-dollar home to maintain school programming and a plan for fewer tax increases by having developed a long term plan based on a long history of busing for our schools in a town that relies on the reputation of the schools. As a parent and 10 yr. resident, I applaud this very smart and a volunteer group of residents for their thoughtful plan which will likely help us in the next years.

Adam P. Dubeck - 9:07 PM - Trish, agreed, all this talk for a \$300 ish tax increase for a person that owns a \$900,000 home to keep our schools at the top and give our teachers and students the resources they need, come on!

Meredith Ogden - 9:22 PM - We commend and thank this Board for your time and effort spent on developing this plan. We fully support this budget as it will maintain property values, as well as the excellent education of our children. It is clearly a plan that you have developed, after much thought and research, to create revenue and for less tax increase in the long term. Without an increased stream of revenue, cuts would have to be made which would negatively affect our children, our teachers, and our schools. We have an amazing school district and we need to continue to support our teachers, staff, and administration. Thank you. Meredith & Stephen Ogden

Pratip Chattopadhyay - 9:24 PM - I want to commend the board for their thoughtful approach to developing this budget, and for having a strategic plan for the future. Dr. Constantino's slides comparing the projected net revenue over the coming years with the bus plan, vs the net loss without it, is convincing and telling. Even if some of the assumptions underlying the projections could be mistaken, nothing will account for the huge difference between the proposed budget and without it. I think Dr. Constantino should show those two slides one more time. I worry that killing this budget proposal is simply dooming us to a future full of higher taxes and programming cuts. Killing the budget proposal will hurt the long-term prospects of this community – both in terms of school ratings and home values – much more than this tax increase. This budget is actually an investment in the future; it is not at all irresponsible, as some critics have stated. I think the critics are looking at concerns about COVID's economic fallout in the wrong terms. If anything, when you have coming economic uncertainty you need to prepare for the future. This budget very clearly offers a plan for the future. Those against it don't have a plan for the future.

Diana Orban Brown - 9:24 PM - I would like to speak.
I commend you on the information posted on the website.
From what I can see it looks like we pay more for Pre-K than we receive, where can I find that breakdown. Also, the transportation/net \$40K can there be a breakdown of that as well.

Dr. Constantino – Diana I would be happy to speak with you in regards to this.

Steve Szabo - 9:33 PM - This seems like a sound decision for us to allow us a chance to think ahead to revenue generation proactively and more importantly maintain property values in an area where they have dropped. I support this proposal and disappointed we are thinking about a few dollars monthly for long term benefits.

Lauren Garofalo - 9:34 PM - Good evening, we are already cutting it to 3.16%, so what are we even debating here? Find another more deserving district in this COUNTRY! I do not favor temporary fixes and I sympathize that this is not the best time, but next year won't be a better time either since the recovery from this virus will take more than a year. As a taxpayer and parent of children in this district, I will not accept cuts in staff or programs. That's what makes our district top notch. I foresee a long line.

Lauren Garofalo - 9:35 PM - of people moving into this area because of our schools. I know many members on the BOE and believe me, their hearts are in the right place. No more temporary fixes, please. There's no more deserving district. I support the budget at 5%, but 3 is better than less.

Lauren Garofalo - 9:37 PM - And forget any state aid! I wouldn't rely on it at all!

Rick Blood - 9:39 PM - I have some questions. Thank you for all the work on the budget. News of this generated a lot of interest. I would like some more specific information; class sizes, enrollment, specific staff, and details, there really is nothing and the total amount seems excessive.

Amalia Duarte - 9:49 PM - I want to thank the Board of Education members and school administration for their hard work on this budget and for hosting multiple forums for public input. These are not easy decisions to make. It's clear you have done your due diligence in trying to maintain the high quality of our schools in a challenging time.

Monica W - 9:59 PM - One final comment. I commend the community for coming out to learn more about school finance in NJ. A noble cause indeed! I implore the board to heed the Superintendent's comments regarding mandates, comparisons, and performance data. Respectfully, your vote tonight should be based on what we know today, not assumptions. Thank you. Monica Whitmore

PUBLIC COMMENT IS CLOSED

VII. Action Items:

Operations and Finance

1. ADOPTION OF THE FINAL BUDGET 2020-2021 BUDGET

A. 2020-2021 BUDGET AND PUBLIC HEARING

BE IT RESOLVED that the Mendham Township Board of Education adopts the final budget for the 2020-2021 School Year:

	General Fund	Special Revenue	Debt Service	Total
2020-2021 Total Expenditures	\$19,714,282	\$ 130,000	\$1,171 175	\$21,015,457
Less: Anticipated Revenues	\$ 3,082,198	\$ 130,000	\$ 225,000	\$ 3,437,198
Taxes to be Raised	\$16,632,084	\$ 0	\$ 946,175	\$17,578,259

B. APPROVAL OF BANKED LEVY FOR THE 2020-2021 BUDGET

WHEREAS, the Mendham Township Board of Education has a taxing authority composed of unused expiring banked levy from previous budgets of \$37,917 from the 2017-2018 school year and \$175,641 from the 2018-2019 school year, totally \$213,558 and adjustments for enrollment of \$608,991 from the proposed 2019-2020 school year budget, totally \$822,549 to be used to increase the tax levy above and beyond the allowable 2% (\$309,991) for the 2020-2021 school year budget.

BE IT FURTHER RESOLVED that the Mendham Township Board of Education, in the County of Morris, New Jersey, approves the one time transfer of \$225,000 of Capital Reserve

funds to the Debt Service Fund to be utilized to make a payment towards a portion of the Debt Service Payment dues in the 2020-2021 school year budget.

C. ENROLLMENT ADJUSTMENT

BE IT RESOLVED that the Mendham Township Board of Education includes in the 2020-2021 budget the adjustment for enrollment in the amount of \$608,991. The district intends to utilize this adjustment for the purpose of paying for supplies and materials necessary for the additional students.

D. TRAVEL AND RELATED EXPENSE REIMBURSEMENT – 2020-2021

MAXIMUM TRAVEL ALLOWANCE FOR 2020-2021 BUDGET:

WHEREAS, pursuant to N.J.A.C. 6A:23A-7.3, a board of education must establish in the annual school budget a maximum dollar limit for such travel and expenditure reimbursement for the 2020-2021 school year, as defined in N.J.A.C. 6A:23A-7.1 et seq.,

NOW, THEREFORE, BE IT RESOLVED, that the Mendham Township Board of Education approves establishing a maximum travel expenditure amount of \$25,000 for the 2020-2021 school year. The maximum travel expenditure amount for the 2019-2020 school year is \$21,250, of which, \$18,867 has been spent as of April 1, 2020, and \$2,383 is encumbered to date.

E. PROFESSIONAL SERVICES 2019-2020 BUDGET

WHEREAS, N.J.A.C. 6A:23A:5.2 (a) mandates boards to establish annually prior to budget preparation, for public relations and each type of professional service a maximum level of spending for the ensuing school year (2020-2021); and

WHEREAS, the tentative budget includes the following appropriations:

Legal	\$10,000
Auditor	\$30,500
Architect	\$27,500
Physician	\$4,200

BE IT RESOLVED, that the School Business Administrator track and record these costs to ensure that the maximum amount is not exceeded.

2. RESOLUTION FOR DISTRICT TAX 2020-2021

BE IT RESOLVED that the amount of district taxes needed to meet the obligations of the Mendham Township Board of Education during the school year 2020-2021 is \$16,632,084 plus \$1,060,000 Principal Debt Service Payment and \$111,174 Debt Service Interest Payments, totaling \$1,171,175 for Debt Service minus \$225,000 of Capital Reserve funds that are to be transferred as a one-time payment towards the Debt Service Payment, which equals \$946,175 of Debt Service that Mendham Township is hereby requested to place in the hands of the Treasurer of School Monies that amount according to the following schedule in accordance with the statutes relating thereto:

Monthly Due	General Fund	Debt Service	Monthly Due	General Fund	Debt Service
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Date	Tax Levy	Tax Levy	Date	Tax Levy	Tax Levy
July 1, 2020	1,386,007.00		January 1, 2021	1,386,007.00	
August 1, 2020	1,386,007.00		February 1, 2021	1,386,007.00	
September 1, 2020	1,386,007.00	43,400.00	March 1, 2021	1,386,007.00	473,087.00
October 1, 2020	1,386,007.00		April 1, 2021	1,386,007.00	
November 1, 2020	1,386,007.00	429,688.00	May 1, 2021	1,386,007.00	
December 1, 2020	1,386,007.00		June 1, 2021	1,386,007.00	
Total 2020:	<u>8,316,042.00</u>	<u>473,088.00</u>	Total 2021:	<u>8,316,042.00</u>	<u>473,087.00</u>
				<u>16,632,084.00</u>	<u>946,175.00</u>
			Total FY20-21 Certified Levy:	<u>17,578,259.00</u>	

Discussion:

Mr. Christmann – amazing the breath of comments that have come in during the conversation. Not all positive and not all negative. This is really what it should look like, is a discussion, debate, and an interest in what we are doing. I especially appreciate Mr. Bloods' comments on wanting more details, I believe you will find more than you are looking for in the user-friendly budget on the website. Let's boil it down to what we are up to - \$34.99 per \$100,000 housing value. Rounding it to \$314.00 per year for the average assessed home in Mendham of about \$900,000. Versus instead being at a 3.60% budget which would be \$252.00 per year = \$62.00 difference was made in the comments. This would be the budget for next year. But it is \$62.00 is the math that I use. So we are talking about an average dinner for two at the Blackhorse. The town has historically wholeheartedly been in favor of delivering an excellent education but the question is to what extent do we pay for that, I think it came through loud and clear tonight in the conversations. There are clearly questions in regards to the transportation aspect. Let's take that head-on – we could opt to get out of the transportation business. When I was on the board last time and the president this was talked about and the town came out and said do not do that, we want our employees doing this. Those are the people we know and trust, it was tabled back then. It wasn't just a financial decision, also based upon the input from the town. In the end, we have all of this information and have a budget that provides the best possible education for our children. Until the town comes and says it is too much and we are ready to back off from being a top-performing district and we are willing to be mediocre. Perhaps next year we need to because the economy is so bad, we could have state aid taken away, insurance increases skyrocket from COVID, at that point we will need to make some really hard decisions and make cuts. But for now, we will educate our students excellently and the same standards

we have since my children were in the district. The cost-benefit is worth it in the aggregate and therefore I will be voting in support of the budget.

M. Thayyar – Just a few words, thank you to everyone for coming out. I don't think that I have seen a budget hearing so well attended in my five years being on the BOE. As I stated earlier, as a BOE we put the needs of the district first and each year they may differ. We have had increases over the years that are 1.5 because that year that worked with the needs of the district. Now things have changed and our needs have changed. Union contracts are in place and we have improved our classes and made some changes. We can drive revenues to be able to reduce taxes, which we have discussed at length the option of buying versus leasing and the delta between these two just does not pan out, we need this 5.16% increase to secure the next few years. In regards to some of the comments and mistaken facts, you can email Dr. Constantino or the Principals for clarification. I am supporting this budget and I will be voting in favor of it.

Mr. Gondek - Andy I think represented a lot of what I was going to say so I don't need to go back over that. It is really about taking a long term view of what the needs are of the district. Although, looking at all of the feedback that we have gotten in the form of something formal like the strategic plan and the several emails we received, including those from this afternoon. Taking all that into account but Mr. Blood when you made that comment about details because you're not in the district and you don't know certain facts about classroom size or other facts, I actually wrote that down as a note for next year. Some of us just have to be so far down into the weeds on all these little minute details that sometimes we do need to kind of pick our heads up and realize that we need to be very transparent and that we need to make sure that we are putting that information out there. I wrote that down as feedback for future budget presentations. But outside of that, the other piece that I want to appreciate is that I think everybody here really stayed on track. Today, you know, coming into this meeting we got a lot of good feedback. There were, however, a few misstatements, but I believe we have corrected them. Again, possibly because the information isn't out there enough or wasn't in the right place at the right time and so we're able to plan we're able to make those updates and make those corrections. But that's all I have for now. I may come back later here.

Mr. Dumovic - I like what happened in the last hour and a half. I attended a number of ordinary meetings before I was a member of this board and I've never seen such participation of the public and I've never seen such deliberations from board members before tonight. Before tonight, we obviously received some input and feedback verbally and in writing from the public and tonight, many people spoke and, you know, we all, for sure listen carefully to the input and the feedback. I guess I see three things that came especially from tonight's public hearing where I think we allowed everyone to speak and, and we're respectful of all the comments. I heard people in favor of the proposed budget, with an increase of 5.16%. I heard people who were not in favor of the proposed budget of 5.16% increase and then I heard also and I saw one of the slides. 3.60% increase. That came, I guess, in response to, if we elect to lease all of the buses or some of the buses I'm not quite sure. But I saw that was a 3.60% increase. I guess that came as a result of the offer made by the mayor. So those are the three things that I heard. I'm not sure if it is simply yes to 5.16% or no 5.16%. I'm not sure if 3.60% is on the table. At the moment the official thing that we're discussing and potentially voting on is to raise the taxes by 5.16%. But it seems as if there is a possibility that we could still move ahead with the plan. In terms of the transportation plan and leasing buses, which would not come as high a cost of 5.16%. So, you know, from those three things. I guess I'm more in favor of 3.60% than 5.16%. So, 'm not sure if there's any further discussion around that and what the process is to get to that. But, I think that the offer that was made by our partners on the township committee is something that can still allow us to move ahead with the plan which is the longer-term plan and I think we should seriously consider that.

Mrs. Holquist - So, just in response to that and check me on this if I'm incorrect here, but right now we need to take action and discuss the 5.16% and to bring another budget forward we would need to vote this

one down, then someone will need to motion a new motion and second a new one, into the budget discussion, and then vote on that, but from a process, the standpoint is that correct.

Mrs. Mosner – that is correct.

Dr. Constantino - That's because it's the approved tentative budget. It has to go by the process at this point at the public hearing it has to be moved, then seconded and the BOE can make any changes or simply vote no on the tentative budget. Then, move a new one and adopt the one that you're referring to here which can be looked at, discussed, and voted on. If that does indeed happen.

Mrs. Mody - I can offer my comments question. I think, with regard to the difference between the two proposed plans, 5.16%, and the 3.60% tax increases. What Addi was referring to as the delta between the two amounts I think is \$7 or \$8 on the assessed value of \$100,000 per household and the 3.60% eliminates the revenue stream that we're talking about, the 5.16% would sustain our programming. I know Peter and Andy mentioned this before; what would make us change our minds. If I heard from parents who are concerned about this tax increase that they wanted to eliminate all the special programming. If I heard from parents that they didn't need specialists in a school and that they would hire team tutors to support their children's education, and that they don't care about the extra-curricular activities. I maybe would change my mind. But, I have not heard that and I've asked people. We've all done our due diligence. On the contrary, I have heard from some people is how can we make sure that we maintain what we have because I moved here for these schools. I was fortunate enough to attend a public school in a neighboring town that created a foundation for my education that led to, further education that has benefited me in my life. I want my children to have that benefit and I want all the children in this town to also have that benefit. With that said, I do sincerely appreciate all of the comments and all the participants from the public. Mrs. Orban-Brown and Mr. Blood and Mayor Neibart, you have made this conversation better with your questions and challenges to our budget. The attempt at transparency that we have delivered is a result of very intelligent questions from our community and as I mentioned before, it made us reassess this budget multiple times a week for the past two months. And again, I sincerely offer that this is done in good faith to maintain and sustain the level of programming that people expect from both of our Blue Ribbon School.

Mrs. Fraser - I feel like I'm going to repeat. A lot of what has just been said, but, you know, the questions have been great and we have gone through multiple scenarios. We've gotten on multiple, calls and video conferences and looked at different ways that this all works out. I too moved to Mendham because of the school districts. There's no train line like some other towns have, yet there's a reason that people are moving to this remote area. I want my kids to have a great education. I want our teachers and our district to be supported and like Gretchen sent earlier, you know, we went through it last year, trying to solve this issue but we could only put a band-aid it. What we are proposing with this 5.16% tax increase is solving for multiple years. I fully support the proposed 5.16%.

Mrs. Holquist - school financing is hard; it takes a long time. The budget has been reviewed by the county superintendent and approved to make sure that we're doing things properly by law and by the Stations of the commissioner of education. So it has been looked at a number of times. The one thing I don't want to lose though is there are a lot of people that are hurting right now and although we have focused on the budget it is not lost to me. I know it's not lost on anybody else on this board, how people are hurting and the unknowns, and you know our students are dealing with those unknowns very day. This has been an incredibly forensic exercise, the budget, but I just want to acknowledge that it's not lost on me and to get through this isn't easy. I've hit the point where I'm not sure there's a right answer here. But, there is an answer that puts us in a better position. Longer-term. And it hurts a little bit and

where I struggle is that it is staring me in the face of having to look all of the taxpayers in the eye and saying well I made the decision this year, knowing that I'm going to have to make another tough decision maybe next year due to this crisis that could either impact programming or impacting the tax rates. We must be thoughtful of all so I don't know that I have anything more to add other than. This is, this is not an easy choice and I want to fully acknowledge that regardless of how we proceed. They're going to be people who are very disappointed and very upset, on both sides. So, that is where I am.

Mr. Christmann moved to approve the Action Items for May 5, 2020, Public Hearing; Operations & Finance items 1 – 2, seconded by Mrs. Fraser and the motion was CARRIED in a roll call vote: Mr. Christmann; yes, Mr. Dumovic; no, Mrs. Fraser; yes, Mr. Gondek; yes, Mrs. Mody, yes; Mr. Thayyar; yes; and Mrs. Holquist; yes. Motion carries

XIV. Adjournment

Moved by Mrs. Fraser, second by Mr. Christmann to adjourn the meeting. The meeting was adjourned at 10:33 pm.

Respectfully submitted,



Donna Mosner
School Business Administrator/
Board Secretary