

MINUTES FOR
MONTGOMERY TOWNSHIP COMMITTEE
SPECIAL SESSION
May 18, 2010

1. Montgomery Township Committee met at the Municipal Building, 2261 Van Horne Road, Belle Mead, NJ at 7:30 p.m. on the above date. Those present were:

TOWNSHIP COMMITTEE: Mayor Caliguire, Deputy Mayor Dyer, Committeemembers Wilson, Fay and Carter

Also present were:

SPECIAL COUNSEL - Thomas Cafferty, Esq.

TOWNSHIP ADMINISTRATOR - Donato Nieman

CHIEF FINANCIAL OFFICER - Walter Sheppard

TOWNSHIP CLERK - Donna Kukla

2. Mayor Caliguire stated the following: "Under the provisions of the Open Public Meetings Act, notice of the time and place of this meeting has been posted and sent to the officially designated newspapers."
3. Mayor Caliguire led the Salute to the Flag.
4. Mayor Caliguire explained that the Township Attorney and the Deputy Mayor had to recuse themselves from this issue, as they have family conflicts.
5. Deputy Mayor Dyer stepped down from the dais.
6. **PUBLIC COMMENT**
 - 6-1. Rocky Hill Mayor Zimmerman thanked Mayor Caliguire and Rocky Hill Council President Linda Goldman for their work on the sub-committee. He stated that the Rocky Hill Council meeting unanimously adopted the School Budget Resolution at their May 17th meeting.
 - 6-2. Dave Pettit, President of Montgomery School Board, thanked the sub-committee for their work and diligence. He stated that this had been a challenging time for the entire school community and everyone was looking to move forward and begin the healing process. The proposed cuts are substantial and deep. The school district is and has been for sometime one of the very most efficient districts in the State. The budget that was prepared and was defeated was a very lean budget. He stated that the cuts that the Montgomery School District is facing are disproportionately large compared to the comp districts. There are some items in the budget proposal from the sub-committee that are a bit outside of the thorough and efficient education, but will have substantial impact on the Town.
 1. Triple Tier Busing - calls for about \$700,000.00 in saving. This will create challenges for some families in town. For the system to work, the elementary schools will be starting late and ending late. During the winter months there will be children getting off the bus after the sun has set.
 2. Activity Fees - This would cause a negative impact on children participating. The proposal that the Board was looking at was \$200.00 per sport, \$100.00 per club and \$200.00 for parking fees.
 3. Other Cuts - They have argued that they are below adequacy. He asked that the Township Committee please take a hard look at the Resolution and think about the long-term implications.
 - 6-3. The following people spoke about the activity fee increase:

David Moeller, Ludlow Avenue; Jane Heebner, Theimarx Terrace; and Don Nemeth, Pickering Circle.
 - 6-4. Jeff Podell, Southern Hills Drive, explained that the State is in horrible shape and has been for years. The rationale for voting down the budgets is that the taxes keep going up. The Governor is trying to make the State fiscally healthy. He believed that the residents have to tighten their belts for a few years. He suggested a committee to raise funds privately like when the Township built the stadium.
 - 6-5. Karen Merritt-Kevorkian, Hillcrest Court, expressed her concerns of how these cuts will affect the children.
 - 6-6. Ann Michaelson, Kittansett Court, spoke about private funding and the late days for kids.
 - 6-7. Jeannie Hackler, Sycamore Lane, voiced her concerns over the welfare of the children. She stated that the teachers deserved an apology from the Township Committee because they are not overpaid. She urged that this resolution not be passed.

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- 6-8. Kara Ipeker, Spring Hill Road, stated that she was offended by the sub-committee, by the people who are speaking out against the Governor who says that its time to start living within our means and by the NJEA who is just politicizing along with the Governor. There are no clean hands in this argument. For too long, the residents have been heading towards this. This proposal is irrational and the activities fees are insane. She stated that the fat is at the administrative level. The excesses are in Administration and the number of Psychologists in the schools.
- 6-9. Maria Kauzmann, Fairview Road, disagreed with the previous speaker. She was disappointed with these cuts and personally blamed the Mayor. She was deeply disappointed that the school budget was defeated. This year the residents were faced with a more difficult choice, which was forced on them by the outrageous school aid cuts made by New Jersey's new government. She was saddened by Governor Christie's lack of foresight and disregard for the public school system and the intellectual future of New Jersey. She was disappointed with the Township Committee, and particularly with Mayor Caliguire, in their selection of a sub-committee to discuss the school budget. She believed they chose the easy route rather than challenging themselves with voices of those who support the schools and the budget. She thought the Mayor chose a sub-committee heavily weighted to one point of view and many tied to the Governor's apparent anti-education agenda. She stated that Montgomery Township's cuts are 50% higher than other districts.
- 6-10. Amy Miller, York Drive, stated that this task could not have been easy for anyone, it was a very difficult situation. The State is in a form of chaos. She felt the school district is top heavy with Administrative salaries. She found it very upsetting that young students were going to be dropped off at 4:45 p.m., but yet there is an Assistant Superintendent position that has only been in existence for two years. This is a time of crisis and this is a luxury the Township cannot afford. She spoke of the need to be considerate of the elderly, who cannot afford hundreds of dollars every year to stay in their homes. She stated that there are three Vice Principals in the High School and she saw no need for three. There is nothing more important than the teachers. She suggested that the Township cut one Vice Principal and one Assistant Superintendent for a savings of \$300,000.00.
- 6-11. Eric Weitze, Viburnum Drive, stated that the sub-committee has suggested cuts of \$1.9 million, but the school district does not have to follow the suggested recommendations.
- 6-12. Lisa Falconer, West Street, explained that she moved from the Midwest, and everything that is happening here has happened there 10 years ago. She stated that people needed to work in collaboration. She challenged everyone to come together and have conversations. She stated that the activities fees will cause "haves and have-nots" and suggested fees for all children grades K through 12.
- 6-13. P.J. Singh, Ketcham Road, asked about shared services with neighboring towns. He expressed his concerns about the activities fees.
- 6-14. Greg Kaganowicz, Griggstown Road, stated that he has voted against every school budget for the past 29 years. He feels the Township does not need such a large variety of sports. A substantial part of the football program is supported by the taxpayers and he felt the Township should get rid of the football program.
- 6-15. Pat Graham, Wilshire Drive, thanked the sub-committee and thanked all who came out tonight. There is a division of labor and jurisdiction between Township Committee and the School Board. She stated that the School Board implements the cuts not the Township Committee.
- 6-16. Michele Parise, Dutchtown-Zion Road, read the following letter she sent to the sub-committee into the record:

"Dear Committeemembers: We would like to express our deepest concern in regard to the elimination of staff positions or programs. Teachers, Aides, Secretaries, Nurses and other staff who have a direct interaction with the children need our protection while discussing any further budget cuts. If we lose their daily support, it will have a direct negative impact on our children. Our staff is our greatest asset. They are the reason Montgomery schools are what they are and why as a community we feel so comfortable when our children are there. Our school programs are what make us unique. We highly doubt our middle school was named one of the two middle schools in New Jersey as "one to watch" because there won't be an athletic program next year. For some students, athletics is their area to shine and feel connected to the school. How does eliminating that or maybe music or second language instruction make us a better school district? It doesn't. It makes it less. Yes, Montgomery voters turned down the budget as did many other districts across the State. However, we believe it was a vote of many different frustrations. We don't believe the goal for the people of Montgomery was to make the school less than what we have expected it to be for all these years, especially the many who voted yes this year like my husband and I. Good luck with the decisions you have to make."

She stated that Governor Christie had to make some hard line decisions but he went way out and attacked the public schools. The community is falling apart in many ways. She reiterated that the schools are what make the community.

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- 6-17. Eric Weitze, Viburnum Drive, thanked the sub-committee. The country is in debt. In 2005 the school budget was defeated. At that time it was \$66 million, and now it is \$76 million. There are many unemployed people. He stated that the budget should be on the website for everyone to view. He felt that the activity fee was a good idea.
- 6-18. Fred Patrizio, Bethpage Drive, stated that the subcommittee recommended that the Board of Education take \$200,000.00 of their surplus and reduce the budget. The Superintendent did not agree and said he would rather take it out of curriculum and development. He asked the Township Committee to go back to the Board of Education and tell them to take a hard look at their surplus.
- 6-19. Michael Fedun, Oxford Circle, expressed his issue with the busing aspect.
- 6-20. Christine Petrane, Voorhees Lane, pointed out that the total number of people who voted were 4,382, and the amount of people who voted against the budget was 2,587. She felt that the \$1.9 million cut was to appease a very small amount of people.
- 6-21. Charles Horn, Oxford Circle, asked how money was actually being saved with the budget cut. He stated that he was concerned about property values.
- 6-22. Chris Ross, School Board, clarified the surplus amount statement. The budget cut that is being recommended by the sub-committee is too deep for Montgomery. The Township school district's original proposed budget was below the State's benchmark called Adequacy for a Thorough and Efficient Education. Defeated budgets in other towns did not begin below Adequacy. Other towns in this situation have cut between .12% and 2% of their budgets. She expressed her concerns about the size of the cut and about the effects of the no vote on the morale of the teachers, the school leaders, and staff at all levels. She stated that there were three pieces to this equation: the budget, the amount of local property taxes, and State Aid. The part that nobody is talking about is the fact that the State Aid has been remarkably deficient over the years, but was enormously cut this year.
- 6-23. Committeewoman Wilson commented on State Aid. She stated that if Montgomery received the per pupil support that Hillsborough and even Princeton receives, Montgomery would not be having this discussion.
- 6-24. Laurie Winer, Forest Avenue, agreed with Dr. Ross. She was nervous about cuts. This budget is bare bones and under Adequacy.
- 6-25. Allan Wirsul, Ridgeview Drive, spoke about the quality of education and the quality of the Township. He stated that hardly anyone recognized Ashley Henderson Huff, a soldier from Montgomery Township who was the first women officer killed in Iraq. The Budget and Finance Committee has not been open to all members of the public. There has been no exchange from the public. There is zero transparency. He asked for the Board's Fund 11 account which shows how the money was spent. He saw discrepancies. He brought them to the attention of the Board of Education and he stated that he was laughed at. Last year there were 36 administrators. One Vice Principal quit and his salary was divided and distributed to other administrators. He stated his opinion that the teachers need to give back.
- 6-26. Rich Specht, North Street, distributed a hand out of the School Board budget to try to illustrate it. He looked at districts surrounding Montgomery, such as Hillsborough, Hopewell, Princeton, West Windsor-Plainsboro and a couple of other districts that are similar to Montgomery in terms of its socio-economic basis such as Bernards, Millburn and Ridgewood. What he tried to do is focus on some of the things that he heard as being bug-a-boos and tried to illustrate why he thinks that the Township Committee's decision is not about what's going on in the State but about how Montgomery is being treated. The first graph looks at equalized teacher's salaries. Montgomery teachers salaries are low compared to these other districts. So, it is easier for them to give concessions than other teachers. It is very easy to pick on the Administration. Very few people recognize that this year's budget includes a dramatic reduction in the size of the Administration. If you look at the State Adequacy model that has been talked about, 43 people in an administrative structure is recommended. Montgomery has 32. He stated that Montgomery has one of the lowest per pupil spending in the area. Montgomery is at 89% of its State Adequacy model. A few months before the end of the school year, the State decided they were in an emergency. They decided to take any excess surplus. The State took more than 2½% of Montgomery's budget (approximately \$3½ million). He asked that the State at least give Montgomery credit for that money. He stated that he was at a program where Commissioner Schundler spoke and said that districts should plan for a 15% cut in State Aid, some districts that are below the Adequacy number will be affected less. One and ½ weeks later they say that they were cutting Montgomery by 68%. He questioned what incentives the State is sending to Montgomery, what rewards do they want to make. Do they want districts to spend like Princeton, or do they want districts to spend like Montgomery? Many municipalities are losing less of their budget than Montgomery. Montgomery is in a terrible position. We spend far below anyone else and the budget has been cut even more by the State. Most comparable municipalities School budgets are being cut less than Montgomery's due to the fact that either the budgets passed or the Governing Bodies are cutting them less. Montgomery is being proposed to cut 2.8% on top of the State cuts. He expressed his opinion that the proposed cuts are excessive.

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6-27. Juri Mykulajichuk, Green Meadow Road, thanked the Governing Body for actually hearing the residents. Montgomery Township was thrown a curve ball by the State. He stated that he thought Montgomery had a great Board of Education. He asked the Governing Body to give the Board some breathing room and cut the budget by \$1 million.

6-28. Jane Heebner, Theimarx Terrace, asked what would happen if Rocky Hill passed the tax levy number and Montgomery Township didn't approve it.

Attorney Cafferty explained that it would go to the County Superintendent of Schools for her decision.

6-29. Lisa Youngberg, Canaday Court, stated she was pleased to be part of the budget sub-committee and to have the opportunity to hear from Mr. Kim, Mr. Venanzi and two School Board members. It is important to realize that families are unable to afford to live here. The 2009-2010 tax levy was \$61.9 million, and the proposed 2010-2011 tax levy was \$65.4 million. With these cuts it is still an increase over last year's budget. It will increase taxes over \$258.00 per year and many can't afford that.

6-30. Ed Zimmerman, Mayor of Rocky Hill, stated that the merger of the two districts was not done by choice and may still be overturned. He explained that Rocky Hill had equal votes.

6-31. Earl Kim, Superintendent of Schools, provided clarification on the increase of the budget from last year. The spending level decreased 1.8% from 2009.

6-32. Barbara August, Grayson Drive, asked if there was something the Township Committee could do to get relief from Trenton.

Mayor Caliguire stated that there was not a lot of money floating around Trenton. Senator Bateman set up a meeting with Commissioner Schundler. Montgomery does not get its fair share. Too much goes to Abbot districts.

6-33. Maria Kauzmann, Fairview Road, stated that the Administrators that everyone is so eager to get rid of are the people who are working hard to support the schools. She objected to the comment made about School Board meetings not being open. The Governor took back \$1.8 million from Montgomery's surplus approximately 1 month before the school budget vote.

6-34. Jennifer Pierce, Harlingen Road, stated that health insurance costs have increased 35%. She has lost two jobs and her husband has been out of work for 5 months. Things are tough. She stated that her family has had to do without in order to pay bills. So much unfairness is happening and hopefully this will bring the Township together but we need to pull back. Some are not cutting, they are gaining.

6-35. Bob Meola, Burnt Hill Road, expressed his concern that the Township Committee meet their own standard and not compromise the excellence of the school system.

6-36. Allan Wirsul, Ridgeview Drive, stated that the Board of Education took a portion of their referendum, from the expense portion of the budget and they put it in the supply portion of the budget and they are waiting for this \$9 million check to be cashed out of Trenton.

6-37. Eric Weitze, Viburnum Drive, stated that the Governor is spending too much. He asked that the Board of Education mobilize people to contact Trenton.

6-38. Don Nemeth, Pickering Circle, stated that he has heard many times that we should have New Jersey kick in their fair share. He pointed out that all the residents of the State are New Jersey and that the people are all tapped out and can't do this anymore.

6-39. Richard Specht, North Street, stated that the best thing that could be done is to raise money for the district by working harder to get appropriate State Aid. The Governor is not following the formula. The Committee needs to advocate for Montgomery.

6-40. Lisa Broderick, County Route 601, stated her concerns about cuts in curriculum and staff development.

Earl Kim, Superintendent of Schools, explained that these would not be reinstated but there are other funding sources that can be used.

6-41. Don Matthews, Rutland Road, congratulated the sub-committee. He moved here 60 years ago but his grandchildren's kids can't afford to live here. He recognized the deep cuts in Municipal budget and staff. The School Board has an obligation to work on these same kind of deep cuts.

6-42. Jennifer Pierce, Harlingen Road, stated that in her opinion the "reinstate more money and then fight for what you get back" is not the best thing to do. She felt that you cut back on what you spend and then fight what you get back.

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- 6-43. Juri Mykulajichuk, Green Meadow Road, asked that everyone look at the big picture. What if the \$1.9 million is wrong. He doesn't want the children to suffer.
- 6-44. Cecilia Birge, Adams Drive, stated that she had the privilege to serve on the sub-committee in 2005. The fat came from the surplus and the health care plans. She stated that the cuts have an impact on children and the schools.
- 6-45. Mayor Caliguire thanked everyone for their courtesy.

7. **RESOLUTION #10-5-113 - ADJUSTING 2010-2011 SCHOOL BUDGET BY \$1,952,000 AND CERTIFYING THE AMOUNT OF \$63,487,585 TO BE RAISED BY TAXES FOR THE GENERAL FUND TAX LEVY**

WHEREAS, The proposed Montgomery Township Board of Education budget for General Fund expenses for the school year 2010-2011 was submitted to the voters of the Township of Montgomery and the Borough of Rocky Hill on April 20, 2010 in the amount of \$65,439,585 of which the amount of \$64,042,651 was allocated to the Township of Montgomery and the amount of \$1,396,934 was allocated to the Borough of Rocky Hill to be raised by taxes; and

WHEREAS, The General Fund budget was defeated by a vote of 1,725 for and 2,515 against of which the Township of Montgomery had a vote of 1,653 for and 2,445 against and the Borough of Rocky Hill had a vote of 72 for and 70 against; and

WHEREAS, Montgomery Township is a Type II school district without a board of school estimate and for the purpose of certifying an adjusted tax levy should follow the guidelines for regional school districts; and

WHEREAS, Pursuant to N.J.S.A. 18A:22-37, the defeated school budget was referred to the Montgomery Township Committee and the Rocky Hill Borough Council for review; and

WHEREAS, Representatives of the Montgomery Township Committee and the Rocky Hill Borough Council have, pursuant to N.J.S.A. 18A:22-37, convened in work sessions on April 28, 2010, May 5, 2010 and May 12, 2010 and have consulted with the Board of Education regarding the school budget and the financial needs of the school district in order to provide a thorough and efficient system of public schools in the district; and

WHEREAS, The Montgomery Township Committee and the Rocky Hill Borough Council have determined that certain adjustments in the General Fund revenues and expenses in the proposed budget are acceptable, appropriate and will reduce the amounts to be raised by local tax levy by \$1,952,000; and

WHEREAS, The Montgomery Township Committee and the Rocky Hill Borough Council have determined that these adjustments will not impair the ability of the Board of Education to provide a thorough and efficient education and maintain stability for the students of Montgomery Township and of Rocky Hill Borough;

NOW, THEREFORE, BE IT RESOLVED By the Township Committee of the Township of Montgomery in the County of Somerset that the following adjustments to the 2010-2011 school budget for current revenues and expenses are determined:

Current Revenue Line Number:	00253
Revenue Category:	Unusual Revenues
Revenue Description:	Activity Fees
Item to be Adjusted:	Additional Revenue of \$200,000 should be raised by instituting a stratified co-curricular activity fee that would reflect the actual costs incurred by each activity.
Amount in Proposed Budget:	\$104,000
Adjustment:	\$200,000
Total Adjusted Amount:	\$304,000
Explanation for Adjustment:	The current activity fee does not take into account the relative cost of the co-curricular activities to the school district. The recommendation is that the Montgomery Township School District (MTSD) should institute a stratified activity fee schedule reflecting the relative costs of the programs. The recommended increase in revenue would not impact the ability of the MTSD to provide a thorough and efficient education and maintain stability.

(Item #7 Cont.)

Current Revenue Line Number: 00253
Revenue Category: Unusual Revenues
Revenue Description: Facilities Rental
Item to be Adjusted: Additional revenue of \$35,000 should be raised by charging rental fees that better reflect MTSD's actual costs.

Amount in Proposed Advertised \$0
Budget:
Adjustment: \$35,000
Total Adjusted Amount: \$35,000
Explanation for Adjustment: MTSD should review its rental rates and increase the fees associated with renting its facilities to better reflect the complete costs of renting its facilities. The recommended increase in revenue would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-221-102
Budget Category: Improvement of Instruction Services
Account Description: Salaries of Supervisor of Instruction
Item to be Adjusted: Reduction in the resources allocated to Curriculum Development of \$200,000.

Amount in Proposed Advertised \$627,737
Budget:
Adjustment: \$200,000
Total Adjusted Amount: \$427,737
Explanation for Adjustment: Curriculum Development is not a core activity of a thorough and efficient education and the MTSD should consider a reduction in the funds allocated to curriculum development. The recommended reduction in curriculum development would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-270-517
Budget Category: Student Transportation Services
Account Description: Contract Serv. (Reg. Students) ESCs & CTSAs
Item to be Adjusted: Reduction in Transportation Services of \$700,000.

Amount in Proposed Advertised \$1,444,862
Budget:
Adjustment: \$700,000
Total Adjusted Amount: \$744,862
Explanation for Adjustment: MTSD should institute a change in Student Transportation Services that would allow for economies. The recommended reduction would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-262-100
Budget Category: Custodial Services
Account Description: Salaries
Item to be Adjusted: (1) Reduction in Custodial Services of \$100,000
(2) A reduction of \$3,200 in the salaries of non-represented employees

Amount in Proposed Advertised \$2,069,740
Budget:
Adjustment: \$103,200
Total Adjusted Amount: \$1,966,540
Explanation for Adjustment: (1) MTSD should consider the possibility of privatizing custodial services. In this budget year, there should be the elimination of positions.
(2) If this reduction is implemented, then non-represented employees would have a salary freeze for the FY 2010-2011 budget year. The recommended reductions would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

(Item #7 Cont.)

Current Expense Account Number: 11-000-263-100
Budget Category: Care and Upkeep of Grounds
Account Description: Salaries
Item to be Adjusted: Reduction in Salaries of \$100,000.
Amount in Proposed Advertised Budget: \$301,455
Adjustment: \$100,000
Total Adjusted Amount: \$201,455
Explanation for Adjustment: MTSD should investigate the possibility of achieving savings through shared services. The recommended reduction would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-218-104
Budget Category: Guidance
Account Description: Salaries of Other Professional Staff
Item to be Adjusted: Elimination of one (1) Guidance Supervisor Position.
Amount in Proposed Advertised Budget: \$1,016,672
Adjustment: \$100,000
Total Adjusted Amount: \$916,672
Explanation for Adjustment: District enrollment has started to stabilize. The school district currently has a total of 13 guidance positions, including one supervisor. The elimination of one guidance supervisor position should not affect the guidance program. The recommended reduction would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-218-110
Budget Category: Guidance
Account Description: Other Salaries
Item to be Adjusted: A reduction of \$3,400 in the salaries of non-represented employees.
Amount in Proposed Advertised Budget: \$81,639
Adjustment: \$3,400
Total Adjusted Amount: \$78,239
Explanation for Adjustment: If this reduction is implemented, then non-represented employees would have a salary freeze for the FY 2010-2011 budget year. The recommended reductions would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-222-100
Budget Category: Educational Media Services/School Library
Account Description: Salaries
Item to be Adjusted: A reduction of \$10,300 in the salaries of non-represented employees.
Amount in Proposed Advertised Budget: \$861,652
Adjustment: \$10,300
Total Adjusted Amount: \$851,352
Explanation for Adjustment: If this reduction is implemented, then non-represented employees would have a salary freeze for the FY 2010-2011 budget year. The recommended reductions would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

(Item #7 Cont.)

Current Expense Account Number: 11-000-230-100
Budget Category: Support Services-General Administration
Account Description: Salaries
Item to be Adjusted: A reduction of \$16,700 in the salaries of non-represented employees.
Amount in Proposed Advertised Budget: \$496,627
Adjustment: \$16,700
Total Adjusted Amount: \$479,927
Explanation for Adjustment: If this reduction is implemented, then non-represented employees would have a salary freeze for the FY 2010-2011 budget year. The recommended reductions would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-251-100
Budget Category: Central Services
Account Description: Salaries
Item to be Adjusted: A reduction of \$27,000 in the salaries of non-represented employees.
Amount in Proposed Advertised Budget: \$884,785
Adjustment: \$27,000
Total Adjusted Amount: \$857,785
Explanation for Adjustment: If this reduction is implemented, then non-represented employees would have a salary freeze for the FY 2010-2011 budget year. The recommended reductions would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-252-100
Budget Category: Administrative Inf. Tech.
Account Description: Salaries
Item to be Adjusted: A reduction of \$2,400 in the salaries of non-represented employees.
Amount in Proposed Advertised Budget: \$57,173
Adjustment: \$2,400
Total Adjusted Amount: \$54,773
Explanation for Adjustment: If this reduction is implemented, then non-represented employees would have a salary freeze for the FY 2010-2011 budget year. The recommended reductions would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-270-160
Budget Category: Student Transportation Services
Account Description: Salaries for Pupil Trans. (between home & school) - Reg.
Item to be Adjusted: A reduction of \$12,000 in the salaries of non-represented employees
Amount in Proposed Advertised Budget: \$1,158,878
Adjustment: \$12,000
Total Adjusted Amount: \$1,146,878
Explanation for Adjustment: If this reduction is implemented, then non-represented employees would have a salary freeze for the FY 2010-2011 budget year. The recommended reductions would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

(Item #7 Cont.)

Current Expense Account Number: 11-140-100-101
Budget Category: Instruction
Account Description: Grades 9-12 - Salaries of Teachers
Item to be Adjusted: A reduction of \$3,000 in the salaries of non-represented employees.
Amount in Proposed Advertised Budget: \$7,180,262
Adjustment: \$3,000
Total Adjusted Amount: \$7,177,262
Explanation for Adjustment: If this reduction is implemented, then non-represented employees would have a salary freeze for the FY 2010-2011 budget year. The recommended reductions would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-223-500
Budget Category: Instructional Staff Training Services
Account Description: Other Purchased Services
Item to be Adjusted: Savings in travel and registration expenses related to conferences and workshops.
Amount in Proposed Advertised Budget: \$41,780
Adjustment: \$25,000
Total Adjusted Amount: \$16,780
Explanation for Adjustment: The recommended reduction in travel and registration expenses related to conferences and workshops would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-230-590 (and other similar accounts for travel and conferences)
Budget Category: General administration
Account Description: Misc. Purchased Services
Item to be Adjusted: Savings in travel and registration expenses related to conferences and workshops.
Amount in Proposed Advertised Budget: \$255,432
Adjustment: \$45,000
Total Adjusted Amount: \$210,432
Explanation for Adjustment: The recommended reduction in travel and registration expenses related to conferences and workshops would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

Current Expense Account Number: 11-000-291-280
Budget Category: Personal Services - Employee Benefits
Account Description: Tuition Reimbursement
Item to be Adjusted: Elimination of Tuition Reimbursement for both contractual and non-represented employees.
Amount in Proposed Advertised Budget: \$139,000
Adjustment: \$139,000
Total Adjusted Amount: \$0
Explanation for Adjustment: The MTEA offered to forgo its contractual tuition reimbursement of \$130,000 for FY 2010-2011. The remaining \$9,000 in this account should also be eliminated. The recommended reduction would not impact the ability of the MTSD to provide a through and efficient education and maintain stability.

(Item #7 Cont.)

Current Expense Account Number: 11-000-223-104
Budget Category: Instructional Staff Training Services
Account Description: Salaries of Other Professional Staff
Item to be Adjusted: A reduction of \$100,000 for professional development.
Amount in Proposed Advertised Budget: \$161,977
Adjustment: \$100,000
Total Adjusted Amount: \$61,977
Explanation for Adjustment: The MTEA has offered to forgo \$100,000 of budgeted funds for professional development. NJEA has offered to provide free professional development services. The recommended reduction would not impact the ability of the MTSD to provide a through and efficient education and maintain stability

Current Expense Account Number: 11-000-240-104
Budget Category: Support Services- School Administration
Account Description: Salaries of Other Professional Staff
Item to be Adjusted: Reduction of \$130,000 in salary funds.
Amount in Proposed Advertised Budget: \$478,712
Adjustment: \$130,000
Total Adjusted Amount: \$348,712
Explanation for Adjustment: MTSD should consider a reduction in administrative employee costs. The recommended reduction would not impact the ability of the MTSD to provide a through and efficient education and maintain stability

TOTAL ADJUSTMENTS TO TAX LEVY \$1,952,000

BE IT FURTHER RESOLVED By the Township Committee of the Township of Montgomery, County of Somerset, State of New Jersey, that the Township Clerk is directed to certify by May 19, 2010 to the Somerset County Board of Taxation, the Somerset County Superintendent of Schools, the Township of Montgomery Assessor, the Borough of Rocky Hill Assessor, the State of New Jersey Division of Local Finance of the Department of Treasury, and the Board of Education of the Township of Montgomery that the amount of \$63,487,585 of which \$62,132,320 is allocated to the Township of Montgomery and \$1,355,265 is allocated to the Borough of Rocky Hill, is necessary to be raised by taxation in the Township and in the Borough of the General Fund Tax Levy, exclusive of debt service; which amount shall be included in the taxes to be raised, levied and collected in the Township and in the Borough for the General Fund of the schools.

BE IT FURTHER RESOLVED That copies of this resolution be forwarded by the Township Clerk to the persons and departments herein named for certification purposes.

- 7-1. Committeeman Carter moved the adoption of the foregoing resolution. The motion was seconded by Mayor Caliguire.
- 7-2. Committeeman Carter stated he did not come to his decision lightly. The schools mean a lot to him. He moved here between his Sophomore and Junior year of high school and found a home in Montgomery.
- 7-3. Committeewoman Wilson stated that substantial cuts are in order but these cuts are too deep. The resolution, as written, doesn't strike the right balance. Cuts to busing will have an impact well beyond the children, it is disruptive to families. She had real concerns about cutting Guidance Counseling.
- 7-4. Committeeman Fay stated that this was a very hard job. He stated that the decisions made didn't take into account where the district was against adequacy and where the district was against current funding. Busing and activity fees are of major concern. The Township needs to find the right balance but he doesn't think the Township should include triple tier busing and should include only ½ of the activity fee revenue increase.
- 7-5. Mayor Caliguire explained his recollection of what Lisa Youngberg said at the first meeting of the sub-committee. She spends a lot of time at the food pantry and a lot of residents go there. People don't have the money and would love a zero tax increase. He stated that this is about doing what is right. He wants to be prevent the Township Committee being back here next year. They pushed to find savings. The School Board convinced him that some of the proposed cuts would be detrimental to the children. The Administrator at the School Board said the \$1.92 million in cuts the sub-committee advocated would not effect the thorough and efficient education and would not compromise excellence.
- 7-6. The motion failed on the following:

ROLL CALL - Ayes - Carter, Caliguire
Nays - Wilson, Fay
Absent - Dyer

(Item #7 Cont.)

7-7. Special Counsel Cafferty explained that there is a doctrine of the law called the "Doctrine of Necessity", which has rarely been invoked in Municipal law. This, in limited circumstances, allows someone who had a conflict, who is a member of a board, to vote out of necessity so the board can act. Generally the doctrine only applies where there is a pressing public need for action and there is no alternative forum where that action can occur, and if the body is unable to act without the members in conflict taking part. The body here is able to act. There is a quorum. The fact that the Township Committee wound up in a deadlock vote is an action. That action therefore precludes the application of the Doctrine of Necessity to this case. So, Committeewoman Dyer can't vote because of the conflict and the application of the Rule of Necessity does not apply. The action taken this evening and the tie vote results in a failure to certify the tax rate for the district. It will then go to the Superintendent of Education in Somerset County for ultimate disposition and determination.

7-8. Committeewoman Wilson proposed a different resolution. She asked if the Township Committee were to adopt a resolution with a lower reduction, and send that to the County Superintendent, would it be her task to mediate or decide the rate?

Attorney Cafferty responded that it seems to be the consensus as to what would occur if the Committee were to adopt a resolution that differed from Rocky Hill. The supposition and the operating understanding is if Montgomery were to adopt a resolution, it would go to the County Superintendent, who would attempt mediation, and ultimately, if there was no mediation successful, the County Superintendent would make a determination.

7-9. Committeewoman Wilson moved to amend the resolution by removing the three tier busing, by removing the cut in guidance, and having the activities fees cut to \$100,000 and not \$200,000. The bottom line number would be \$1,052,000.00 rather than \$1,952,000.00. The final paragraph of the resolution shall be amended to reflect these deductions and the appropriate Township Officials are authorized to so amend those numbers on June 19, 2010. The motion was seconded by Committeeman Fay and failed on the following:

ROLL CALL - Ayes - Wilson, Fay
Nays - Carter, Caliguire
Absent - Dyer

ADJOURNMENT was at 10:48 p.m. on a motion by Committeeman Carter. The motion was seconded by Mayor Caliguire and carried unanimously.

Date of Approval:

Donna Kukla, Township Clerk