

The May 14, 2007 special joint meeting with the Board of Education was called to order at 6:06 p.m. in the Administration Building, 2 Windsor Avenue, Hopatcong, NJ.

Mayor Hodson announced this meeting is held in accordance with the Open Public Meetings Act, NJSA 10:4-1 et seq., special notice having been forwarded to the New Jersey Herald/New Jersey Sunday Herald, the Daily Record, the Star-Ledger and posted on the bulletin board maintained in the Municipal Building for public announcements.

Councilmembers present: John Armeno (arrived at 7:45 p.m.), Richard Bunce (arrived at 6:09 p.m.), Marie Galate, Estelle Klein, Madeline McManus (arrived at 6:55 p.m.) & Sylvia Petillo. Others present: Consultant Andrew Parente & Clerk Lorraine Stark.

2. Moment of Silent Reflection and Pledge of Allegiance to the flag of the USA.

3. Meeting open to public for comments on defeated Hopatcong 2007-08 School Budget and other topics; none was forthcoming.

Mayor Hodson inquired about the 10 retirees, and whether or not the salary appropriations contained the correct information. Mr. Parente explained the compensated absence amounts following a cross reference of the employees. Mr. Parente reviewed Mrs. Sierchio's memo regarding questions that were raised by the governing body following their 9 May meeting. One of the questions pertained to the new State Aid in the amount of \$103,750; this money is targeted to at risk children grades K-8 and is not listed as general budget revenue, a question to be answered when they meet with the School Board. Councilwoman McManus arrived at 6:55 p.m.

Mr. Parente reviewed proposed reductions, which are not related to instruction or programs. Those items: Workers' Compensation, Rentals, Student Transportation Services, Support Services - Professionals other services & Miscellaneous Expenditures, Budgeted Fund Balance & Miscellaneous Revenue. The governing body had a good sense on how they wanted to proceed during the joint meeting, and agreed that they would not negotiate with the School Board in public, but would recess to closed session for the discussion.

Councilmember Galate moved to recess at 7:25 p.m. until 8 p.m., seconded by McManus. Those present voted affirmative. Absent – Armeno.

4. Reconvene at 8 p.m. Joint Meeting with the Hopatcong Board of Education.

All members of the governing body were present.

Dr. Threlkeld noted that Mr. Worman, County Superintendent of School was present for this discussion.

Mayor Hodson acknowledged Andrew Parente of Lerch, Vinci & Higgins, LLP and that the governing body authorized his firm to look at the documentation supplied by the Board of Education a to formulate a report. Following the receipt of the report additional questions were raised and answered.

Dr. Threlkeld explained that information was supplied as per request of governing body, a report was written by Lerch, Vinci & Higgins, LLP, and copies provided to the School Board. He acknowledged

that this was a very good report, and the Board was pleased to receive a copy so that they could understand the justification for the proposed budget cuts.

Messrs. Padula & Threlkeld presented a general overview of the 2007/08 Budget: net decrease in budget from 2006, library costs have been frozen for six years, and the public provided feedback wanting to enhance library services. Dr. Threlkeld noted that text books, supplemental materials, DVD's, new software; cost estimated at \$8 per child. Dr. Threlkeld reported that the budget was within the State 4% Cap levy, that their budget is fluid, and that the Board is always trying to play catch up because of previous defeated budgets. Mr. Lundin explained that a school budget is fundamentally different than a municipal budget, relating how the differences affect them. Mayor Hodson commented that this was a very tight and good budget, noting the difference of \$129,200 proposed in cuts. Mrs. Tobin remarked that information has just been received pertaining to the number of special education children, an increase of six new children that would be sent out of district; this expenditure was not anticipated and could result in an additional \$300,000. Dr. Threlkeld stated that the report was favorable, Lerch, Vinci & Higgins did a commendable job, and was pleased that less than one-half of one percent was under scrutiny. He said that the Board was not saying that they could not cut any money out of the budget, and explained the miscellaneous income; School Board has worked very hard to generate more dollars from short term interest, and historically the rentals have not generated as much money as reported the past two years. Mrs. Sierchio spoke about her letter, and the shortage of one bus driver. Dr. Threlkeld revealed that the special aid was due to the increased percent of needy students, went from 13 to 16 percent; money to be used to address instructional deficiencies, new reading program grades K-3, and the hiring of 2 reading specialists. Mrs. Sierchio revealed that the program had to be approved by the State before any money was received. Councilman Armeno remarked that no capital items were in the budget, but capital projects would be undertaken, requested what was going to be done. Dr. Threlkeld responded: new telephone system, retro-fitting boilers to save energy, new boiler in gymnasium, sidewalk replacement, repairs to Fieldhouse, and tiles to replace carpeting to name several. Councilwoman McManus commented that only 5% of the voters voted the budget down; she did not have a problem with the budget, and would only support a \$50,000 decrease.

Councilmember Klein moved for a brief recess to discuss potential cuts, seconded by Council President Petillo. The vote was unanimous.

Returning to complete the discussion with the Board of Education, Mayor Hodson revealed that the Governing Body was requesting a budget reduction of \$240,000; \$190,000 reduction in operations and \$50,000 Budgeted Fund Balance. Dr. Threlkeld remarked that this was something the Board could live with and fair; he would take it back to the Finance Committee for implementation. Mrs. Tobin commented that this year the process worked very well, and appreciated the opportunity to review the audit document. Mr. Padula moved to accept the \$240,000 reduction, seconded by Lundin. The Board of Education voted affirmative. Councilmember Klein moved to reduce the 2007/08 budget by \$240,000 at the May 16<sup>th</sup> meeting, seconded by Bunce. All in favor, except for McManus who voted nay.

6. Councilman Armeno moved to adjourn at 9:35 p.m., seconded by Galate. The vote was unanimous.

Respectfully submitted: