

The special meeting of the Board of Education of the City of Vineland was held in the Landis Administration Building, 61 W. Landis Avenue, Vineland, New Jersey, Wednesday, March 13, 2019 at 5:41 p.m., pursuant to notice with Mr. English, presiding and the following members present Ms. Acosta, Mr. Fiocchi, Mr. Holmes, Mr. Medio, Mr. Sbrana, Ms. Spinelli and Mr. Ulrich. Absent: None.

Also present: Dr. Gruccio, Superintendent, Mr. Frangipani and Mr. Frey, Assistant Superintendents, Mr. Musterel, Interim Board Secretary, Dr. Rossi, Executive Director of Personnel, Mr. DeSanto, Solicitor, press and public. Absent: None.

Mr. English announced that in compliance with the New Jersey meeting law commonly referred to as "The Sunshine Law," the Vineland Board of Education has caused notice of this meeting to be sent to the following, announcing time and place thereof, agenda, etc.: The Daily Journal, SNJ Today, the Press of Atlantic City, Nuestra Comunidad, Visto Bueno, the Clerk - City of Vineland, and Administrative Office Public Bulletin Board,

Flag Salute:

Resolution: Mr. Musterel read a resolution to convene into executive session for the following reasons as outlined in N.J.S.A. 10-4-12. Any matter or pending or anticipated litigation or contract negotiation in which the public body is or may be a party. If contract negotiation the nature of the contract and interested party is update on VEA Contract. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer. **BE IT FURTHER RESOLVED** that the Board of Education hereby declares that its discussion of the aforementioned subject(s) may be made public at a time when the Board Attorney advises the Board of Education that the disclosure of the discussion will not detrimentally affect any right, interest or duty of the School District or any other entity or person with respect to said discussion.



Motion: Upon motion by Mr. Holmes, seconded by Mr. Fiocchi, the resolution was passed. All Members voted "yes."

The Board recessed to executive session at 5:44 p.m.

The meeting resumed at 6:18 p.m.

Public Comments

on Agenda Items: Tara Myerson

Ms. Myerson spoke about the need for basic skills teachers for the students who struggle.

Harry Meyers

Mr. Meyers said he realizes that we have a 14 million dollar shortfall and he discussed a few ideas that he had.

Ronald Walker

Mr. Walker questioned how the district got in debt, who is responsible and how long did we know that this was going to happen. He expressed his concern in regards to the people that are going to be cut. Mr. Walker said he will not fight the Board's decisions but will challenge them wholeheartedly.

Antoinette Ocasio

Ms. Ocasio said this is her 24th year working in the food service department and she never thought that she was going to be faced with losing everything that she worked for. She urged the Board to reconsider their decisions.

Vicky Miller

Ms. Miller expressed her concern in regards to privatizing and urged the Board to reconsider their decisions.

Reem Alkheel

Miss Alkheel expressed her concern in regards to district employees losing their jobs.

April Stevenson-Kinder

Ms. Kinder said that she just came in and asked if increasing the taxes was addressed. She said she does not remember if there ever was a significant increase in taxes due to the school district. Ms. Kinder thanked the people who have kindly cleaned our schools, cafeterias and served our children.

Linda Fields

Ms. Fields asked the Board before they make any final decisions to think about what their role is as a leader and who you are representing. She said you have a group of people that you are here to represent and before making any decisions she prays that the Board thinks about the legacy they are leaving and what is best for the people.

Mr. Medio said Mr. Jennings resigned from the Board yesterday and he wanted to thank him for his service to the Vineland School District. He said that he was a very conscientious Board member listening to both sides of controversial issues. Mr. Medio said Mr. Jennings took his committee meetings very seriously and was always trying to get the best outcome for the district. He wished him luck in his future endeavors.

Special

Presentation (s): Mr. English introduced Mr. Scott Musterel, Interim Business Administrator, to present the 2019-2020 School District preliminary budget.

Mr. Musterel said he is here to present the 2019-2020 proposed School District Budget. He said he is going to review the budget process, historical summaries, proposed revenues, proposed appropriations, proposed tax levy, and anticipated reductions. Mr. Musterel said there were communications between the principals, supervisors, department heads, finance meetings and Board. Mr. Musterel reviewed the revenues and appropriations. He said even with the shortfall we have managed to have over half of our expenses stay in the classroom. Mr. Musterel said we are proposing a tax levy of \$24,703,562 which would be a tax rate of \$0.644. He said the average cost to the homeowner would be \$35.00 annually. Mr. Musterel with the state computations our "fair" share of tax levy should be \$64.4 million and we are proposing \$24.7 million. He said we are below the state's requirement by \$39.7 million, which means the state believes Vineland is NOT paying their fair share and "should" be raising an additional \$39.7 million in taxes. Mr. Musterel reviewed the proposed personnel reductions. He said we are doing our best as a district to fill the personnel reductions with existing personnel. Mr. Musterel reviewed the non-salary reductions. Mr. Musterel reviewed the proposed non-salary increases. He said in summary we are trying to meet state expectations.

Mr. Musterel said during the Abbott years there was no tax increase and Abbott was replaced in 2007 by the NJ School Development Authority. He said there was no tax increase from 2008 to 2015. Mr. Musterel said we are attempting to satisfy the State's expectations by raising taxes. He said the state had an issue with the excess fund balance we had been generating. Mr. Musterel said which is why we utilized not only the FY16-17 audited excess fund balance but we carried over a portion of the FY 17-18 projected fund balance directly into the 18-19 budget. He reviewed the city and county tax increases from 2015 to present. Mr. Musterel said not only will the 4% tax increase help us with FY 19-20 budget but it will also have a compounding effect for future years. He said without this tax increase we would have to add to the already devastating cuts by \$237,534 for every 1% not raised, which is the equivalent of \$9.88 per year on the average residential property value. Mr. Musterel said reducing the tax increase would imply that we are more interested in cutting additional jobs and

possibly future programs than asking for a viable tax increase. He said it is important to remember that with every new year, before we even start the budget process, we will be looking at a shortfall between \$3 and \$4 million due to salary and benefit increases. Mr. Musterel said this is one more reason why these tax increases are so important.

Mr. English thanked Mr. Musterel and his staff. He said we are looking at a tax increase and budget line items. Mr. English said there are many things on the line item side that he does not like nor do some Board members. He asked if we did a 5 or 6 percent tax increase would the positions still be cut. Mr. Musterel said he would have to know the specifics but the administrative team has worked very hard over the past 5 months to present the best possible budget with education in mind given the lack of monetary resources that we are currently facing. Mr. English asked what is the Board approving this evening. Mr. Musterel said the Board is approving the tax levy amount and the total dollar value of the budget. Mr. English asked with a fluid document can things change. Mr. Musterel said fluid document is a fair assessment.

Mr. Medio asked when is the Board meeting scheduled where we can make recommendations to change this budget. Mr. Musterel said there is a tentative meeting scheduled for April 29th for the budget hearing. Mr. English said what he would like to see happen is to have two finance meetings with four Board members sitting in on each one. Mr. Musterel said he does not have a problem with that if Dr. Gruccio does not. Mr. English said he has spoken with Mr. Frey and Dr. Gruccio very extensively in regards to his thoughts on the AMSA Program going back to the way it was. He said he is looking for bigger ticket items that possibly can save some staff members. Mr. English asked Dr. Rossi to address the staff cuts, Dr. Rossi said anyone in the category of being employed for over 22 years we have had communication with and discussed all the options. He said one advantage is attrition. Dr. Rossi said from the time we settle this budget until August 30th we will do our best to place qualified impacted people in those positions. He said all the effort right now is to place people in those categories that have a plan. Dr. Rossi holds out hope that the veteran people, who are not choosing to retire, can be placed.

Ms. Spinelli thinks it would be beneficial if we knew what we needed to increase the taxes to in order to save these positions.

Ms. Acosta asked what our banked cap amount is and how much can we increase taxes. Mr. Musterel he thinks our bank cap is \$39 million. He said because we are so low on our fair share we are allowed to raise our bank cap to \$39 million.

Mr. Ulrich said he believes that last year we reached one percent back into the cap with a three percent tax increase. He does not think it is possible within the statute to raise \$39 million dollars. Mr. Musterel said he will double check the figure.

Ms. Acosta said we are short our fair share of \$39 million but she knows that statutorily we can only raise taxes by a certain percentage based upon banked cap.

Mr. Ulrich said when the Board went from an April election to a November election there was a caveat that the budget would no longer be voted on by the public. He said the rule to let the public vote on the budget was done taken away.

Mr. Musterel said he is looking at the state software and the bank cap available for 20/21 is \$36.9 million.

Mr. English asked under the proposed personnel reductions if the Energy Use Advisor, Maintenance Supervisor and Grounds Worker should come out of the maintenance budget. Mr. Musterel said he looked at them as managerial positions so they were put under Administrative and Support.

Mr. Medio said he does not think it is proper budgeting for us to use the sale of property when the property did not sell. Mr. Musterel said the Oak & Main property is budgeted as a revenue for next year. He said we have until June 30, 2020 to sell that property. Mr. Medio said it is not revenue because we do not have that money.

Mr. English said the county comparison chart baffles him because Bridgetons number is lower but they received an extra \$4.5 million. He asked Dr. Gruccio who is fighting for us. Dr. Gruccio said we have been doing our very best to fight for us. She said we have met with the Governor, Commissioner (twice) and Senator Sweeney. Dr. Gruccio said every time we meet with any of them we are told that we are not doing our fair share in raising our taxes. She said when that is done we will be looked at in a different light and hopefully we will receive funding. Dr. Gruccio said no one will guarantee us anything but we have done everything we can to speak with the people we need to speak to. She said they are telling us it is our obligation and if we do not care about our students why should they give us money. Mr. English said our budget is 80 plus percent of salaries and benefits. He said he hopes that before we entertain possibly cutting someone's livelihood that we look into opening some contracts to see if there are givebacks that will save 50% of them. Mr. English said it should be all of us trying to figure out how can we get together and save as many jobs as possible. Dr. Rossi said the UAW is not legally permitted to bargain away Civil Service rights. He said as you are all aware we are working on closing a VEA Contract and the give back was a struggle. Mr. DeSanto cautioned Mr. English that matters such as this are extremely sensitive and should not be aired out in public.

Dr. Rossi said members have approached him and asked what can they do. He said that he is aware that they cannot bargain away Civil Service rights. Mr. English thinks that every problem has a solution. He said tonight we are tasked with voting on a 4% tax increase and many budget line items that none of us like. Mr. English said the ultimate goal is to leave tonight with everyone happy but that is not going to happen.

Mr. Ulrich said it is the Board's responsibility to set the tax levy and to exercise our duties the best way that we can. He said tonight we face a potential stalemate of split Board members supporting a fluid document with a 4% tax increase. Mr. Ulrich said he is disappointed that on the eve of this vote Mr. Jennings did not exercise his duty and come to the meeting knowing this is a life changing vote for people. He said that he is going to support Dr. Gruccio's 4% tax increase however; he does not like everything in the budget and things can be changed. Mr. Ulrich said when Mr. Walker asked who is to blame he said we are all to blame because at some point in time we touched this budget. He urged his fellow Board members to do the right thing and support Dr. Gruccio's budget.

Ms. Acosta said as far as the banked cap it appears that we have over 11 million in banked cap and we could legally use 30 percent without having to take it to a vote. She would like to see us continue to provide more for our students and she thinks the parents and community will be behind us. Ms. Acosta said if it were up to her she would recommend a 6% tax increase. She would like to get to the point where we can stop cutting and start hiring.

Mr. Medio said in August he asked for a two year plan, which he never received. He said that he was told we are trying to get through this year because we do not know what to do. Mr. Medio said he also mentioned in the past to have a hiring freeze. He said this year we hired 3 million dollars worth of salaries. Mr. Medio said if we had not done that the budget deficit would be down to 11 million. He said this budget eliminates major projects in maintenance. Mr. Medio said the students will be in buildings a few years from now doing what Delsea did having trash cans out to catch the rainwater. He said that he would cut the Title I coaches and he finds it hard to believe that \$336,000 for special education nurses is something we need. Mr. Medio thinks somehow this money will be used to bring back child study teams.

Mr. Medio asked why are we going to have another assistant principal. He said we should cut six or seven assistant principals. He questioned the purchase of three buses. Mr. Medio said these are some of the things to cut. Mr. Medio said he will not be voting to cut instrumental lesson teachers at the elementary level.

Mr. Sbrana said when it comes to raising taxes he takes it very seriously. He said he does not think the economy in this town has grown dramatically and feels we are a district that has special needs. Mr. Sbrana said he is less concerned with the 4% than what seems to be a disproportionate impact at the schools. He said moving forward we need to take a second look at that.

Ms. Acosta said she has an issue with our basic skills teachers and feels it is significant to cut 18 of them. She said we are taking away a teacher from the children who need it the most.

Mr. English said he cannot see all these cuts passing, which means we are going to have to dig in deeper. He said Dr. Gruccio and Mr. Musterel presented us with a balanced budget with severe cuts and a 4% tax increase. Mr. English said he will be supporting the tax increase tonight but there are several line items he does not like.

Ms. Spinelli said if the 4% tax increase is voted on tonight and later down the road we want to increase it to 5% to save positions are we held to the 4%. She does not feel she received enough knowledge tonight to vote on this. Ms. Spinelli said if we increase the taxes one more percent it would be an additional \$200,000, which could save 5 cafeteria aides.

Mr. English asked what is the deadline to get the preliminary budget to the county. Mr. Musterel said it is due to the county on March 20th. Dr. Gruccio said we must send our budget amount with the tax increase to the county by the 20th of this month. She said on April 29th is our public hearing and people can speak about specific line items. Dr. Gruccio said our final budget vote is May 8th.

Ms. Acosta asked once we vote for a specific tax increase are we locked into it. Dr. Gruccio said that is correct.

Ms. Acosta said if we voted for a 6% increase tonight we could cut it down and have more flexibility to work with. Dr. Guccio said you cannot cut it down at that point. Dr. Guccio said we started the budget with a 6% tax increase but the feedback we received from the Board did not support that.

Motion: A motion was made by Ms. Acosta to increase the tax levy from 4% to 6%, seconded by Ms. Spinelli. All Members voted "no" except Ms. Acosta and Ms. Spinelli who voted "yes." The motion did not pass.

Mr. Musterel said we can change the tax levy up to the final hearing so you are not held to the tax increase at this point.

Mr. DeSanto said you can vote tonight for a 4% increase but you are not locked in to the 4%. He said the Board needs to get an amount to the County Superintendent. Dr. Guccio said that will change the figure that is due by March 20th if we change the tax increase. Mr. DeSanto said we believe this to be the case but he did not know this would be an issue tonight. He suggested to go through with the budget tonight as presented with a 4% tax increase.

Mr. Fiocchi he is not comfortable with what Mr. DeSanto said and would like a firm decision. Mr. DeSanto said he is sorry because this is not something that he deals with everyday and he is not familiar with it. He said this is budget law, which is a totally separate set of statutes.

Mr. English said as Board President it is his recommendation that we stay with what we have in front of us.

Mr. Ulrich said as a point of order there was a motion made with a second and we have to vote on it.

Ms. Acosta said she feels very strongly that given the huge deficit we are facing that we have to do something. She said we need to show the state that we are serious in contributing our fair share. Ms. Acosta feels that the public will support our decision. Mr. DeSanto said Ms. Acosta is suggesting something that is not balanced from a budget stan point.

Mr. English apologized and said that he does not like being blindsided.

Mr. English asked Ms. Acosta if this is something that is coming up after listening to the people who came up and spoke or something that has been on her mind. Ms. Acosta said after listening to the presentation, public comments and her fellow Board members it is something she strongly believes in.

Mr. Holmes said we do not have enough information tonight to vote on a 6% tax increase.

Mr. Sbrana does not believe that we should be making these kind of changes tonight.

Mr. Holmes said an hour ago Board members were saying they were not going to raise taxes 2% and now we are going back and forth.

Recommendations:

A C O S T A	E N G L I S H	F I O C H I	H O L M E S	M E D I O	S B R A N A	S P I N E L L I	U L R I C H
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		2	1				
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RECOMMENDATIONS

It is recommended that:

- a. The Board approve the 2019-2020 school district preliminary budget for submission to the State of New Jersey, Department of Education, as follows:

All Members voted "yes." (9-0-0)

<u>Fund</u>	<u>Budget</u>	<u>Local Tax Levy</u>
General	\$167,101,367	\$24,703,562
Special Revenue	25,166,292	n/a
Debt Service	-	-
Total	\$192,267,659	\$24,703,562

- b. The Board approve the Local Tax Levy in the amount of \$24,703,562.

All Members voted "yes." (9-0-0)

- c. The Board approve the maximum travel amount in accordance with NJAC 6A:23A-7.3 for the 2019-2020 school district budget in the amount of \$26,853. The travel amount spent, to date, in the 2018-2019 school year is \$11,954.

All Members voted "yes." (9-0-0)

Mr. Medio asked what the travel expense covers. Mr. Musterel said this is the travel expenses budgeted in code 580 and is basically mileage and other travel expenses we have throughout the district. Mr. Medio asked if this is the travel to conferences and meetings. Mr. Musterel said yes.

Public Comments

Agenda Items: Rebecca Allen, Elementary School Band Teacher

Ms. Allen spoke on behalf of the music program. She invited the Board and Administration to the end of the year Elementary District Band Concert held at the Landis Administration Building on Wednesday, May 29th at 7:00 p.m.

Vera Bojko, Elementary School String Teacher

Ms. Bojko invited the Board and Administration to the All City District String Concert, which will be held on Tuesday, May 28th at 7:00 p.m. at Wallace Middle School.

Ashley Pacitto, Dallago Preschool Special Education Teacher

Ms. Pacitto spoke in support of in-class resource teachers and the child study team. She expressed her concern on how much food is wasted daily at the preschool level. Ms. Pacitto feels the children are being given too many different choices of food and we provide way more than we need to.

Lou Russo, Vineland Resident

Mr. Russo thanked the Board for doing the right thing. He said it is the largest investment that this Board has given to increase the revenue for our students. Mr. Russo discussed health insurance and said the increases do not count in the 2% cap. He wanted to clarify that club advisors make \$24 per hour for 30 meetings.

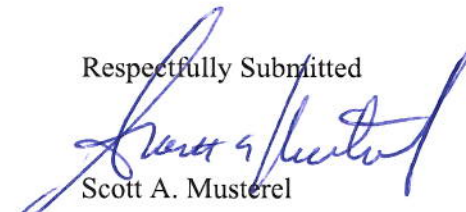
Dr. Rossi said we lost 121 positions in the last 3 years. He said it has been a hard month. Dr. Rossi said he has met with people and heard their stories, which we are trying to work through. He said it is an impossible situation and there is no answer that is satisfactory.

Lisa Arena, Vineland Resident

Ms. Arena said no one could be prouder of being able to have spent 33 years working for Vineland Public Schools. She believes in our schools, what we do and how we educate our students. Ms. Arena knows that Dr. Rossi spends hours and hours trying to balance everything out to get the best possible outcome for every individual. She spoke in support of the basic skills teachers and aides.

Adjournment: The Board adjourned the meeting by voice vote at 7:55 p.m.

Respectfully Submitted

A handwritten signature in blue ink, appearing to read "Scott A. Mustarel", is written over the typed name.

Scott A. Mustarel

Interim Board Secretary

SAM:dt