

## **SPECIAL MEETING**

**JANUARY 13, 2011**

This Special Meeting was called pursuant to the provisions of the Open Public Meetings Act. Notice of this meeting was faxed to The Our Town, The Record, The Community News and The County Seat newspapers on January 10, 2011. In addition, copies of this notice were posted on the bulletin board in the Municipal Building at 15 Park Avenue, filed with the Borough Clerk and distributed to all persons, if any, requesting copies of same pursuant to said act.

In case of an emergency or fire alarm, you must evacuate the building by using the exit door immediately to my right at the rear of the room. Occupants must exit the building by using the staircase and not the elevator.

**Roll call showed the following members of the Governing Body present:** Mayor Eustace, Councilpersons Febre, Bresko, Jengo, Fleischmann and Savage. Also present were Borough Attorney William F. Rupp and Borough Clerk Jean M. Pelligra.

**Absent:** Councilperson Auriemma and Borough Administrator Thomas H. Richards

### **Special Meeting for the purpose of:**

A feasibility study focus group with the Mayor and Council, Whitehall Associates and representatives of the Board of Education regarding sending/receiving district relationships and any other matters that may arise subsequent to this notice.

Superintendent of Schools Michael Jordan introduced Ernie and Monica Parrestos of Whitehall Associates.

Mr. Jordan explained we are involved in a tuition dispute with Hackensack High School and there has never been a formal contract. Mr. Jordan explained there is a state formula which dictates the maximum that may be charged per student, but you may negotiate and agree on an amount lower than that figure, adding, negotiations have never been afforded to us. He stated we reached out to Rochelle Park and South Hackensack who agree we can no longer afford the increase which this year is between seventeen and twenty percent. He advised after several meetings, Hackensack continues to reject our resolutions. He put in prospective the amount of money we are charged per student, explaining we currently have 252 students enrolled in Hackensack High School and this year's total tuition equaled \$3.3 million which equates to approximately \$11,200.00 per student. The new requested rate is \$13,125.00 per student which does not include the \$1.5 million we pay for out of district special education placements or transportation. He advised the maximum tuition rate allowed to be charged by state statute is \$15,500.00 per student. He also explained we pay a tuition adjustment rate which is the difference between the rate we are given and the rate the state allows for that year, adding, we currently owe \$850,000.00 for the past two years. He stated in total we pay \$5.5 to \$6 million per year which equates to thirty-two percent of our overall budget.

Mr. Jordan explained per state statute, we are now conducting a feasibility study which includes focus groups on our send / receive policy. He stated he visited nine districts over the summer, and added, when we reach this point we have to make a selection based on finance, education and demographics and we have selected Paramus. He stated Whitehall Associates has scheduled their first meeting with Paramus for data collection.

Mr. Jordan explained when this study is complete it is up to the Board of Education if they want to pass on the recommendation to the State Commissioner of Education to review, adding, if this is done, a ruling will be made on the termination of our relationship with Hackensack.

Mayor Eustace stated this is a focus group and this Body has no jurisdiction over the Board of Education and will not be making any decisions for the Board of Education.

Ernie and Monica Parrestos introduced themselves and summarized their backgrounds and areas of expertise.

Ms. Parrestos spoke regarding the questionnaire that was distributed and the purpose of the study. She explained the statutory purpose of the feasibility study is to determine if there will be any substantial negative impacts in the areas of finance, education and/or demographics.

Mayor Eustace stated the questionnaire seems to be one-sided against Hackensack High School.

Ms. Parrestos responded the questionnaire is for informational purposes only to help determine what type of questions should be asked to get the data.

Mr. Parrestos spoke regarding the three components, finance, education and demographics, and stated both Hackensack and Paramus will be evaluated in these areas. He stated they will handle the education part and the other components will be handled by their financial expert and demographer. He explained all three areas will be included in the final report and the final decision will be up to the Board of Education.

Councilperson Fleischmann asked if the financial part of the study will take into consideration our property values as they relate to each district.

Mr. Parrestos responded he will be meeting with the financial people tomorrow and will ask if property values are considered. He advised this is the very beginning of the study and once all of the data is collected and the report is complete, it will be presented at a public meeting.

Mr. & Mrs. Parrestos reviewed the questionnaire and asked the Mayor and Council for their comments or questions.

Councilperson Bresko questioned the Hackensack High School tuition numbers and how they are audited.

Mrs. Parrestos responded although she is not involved with the financial portion of the study, there is a statutory requirement that an annual audit is performed.

Mayor Eustace asked if the Mayor and Council could get a copy of the Hackensack High School Audit.

Council President Savage stated we do not have a contract with Hackensack High School and asked if South Hackensack or Rochelle Park has a contract.

Mrs. Parrestos responded no.

Councilperson Febre asked if the study determines it is in our best interest to end the relationship, is there anything that would prevent us from doing so.

Mrs. Parrestos explained the decision is not made by the study, rather the feasibility study supplies the data to the Board of Education who in turn can present the information to an administrative law judge; but explained they must prove there is no substantial negative impact financially, educationally or demographically to the current participants of the send/receive relationship.

**MEETING OPEN TO THE PUBLIC (FIVE MINUTE TIME FRAME)**

Mayor Eustace opened the meeting to the public for any comments.

Louis Turro – 591 Palmer Avenue – questioned where in the audit it shows that Hackensack High School is fiscally responsible and suggested a forensic audit be done.

Mr. Parrestos responded the State of New Jersey requires each school district to be audited on an annual basis, adding, there is an additional and separate audit for send/receive districts. He explained the state would have to be requested by the Board of Education to perform a forensic audit.

Mayor Eustace summarized in answer to Mr. Turro's question the Board of Education would have to request that a forensic audit be performed and encouraged people to attend the Board of Education meetings.

Attorney Rupp spoke regarding the normal school budget appeal process and the administrative / pupil ratio.

Mr. Parrestos responded and further explained budget and financial information is readily available on the NJ Report Card website.

Mayor Eustace asked if the other two sending districts were doing feasibility studies.

Mrs. Parrestos responded no.

Joan Rivera – 57 Parkway – stated she attended a focus group back in November and the amount of the tuition adjustment rate was \$750,000.00 and now you are saying \$850,000.00, and asked if we are going to owe that money anyway if we change districts.

Mrs. Parrestos responded she cannot answer that question because it is not part of the feasibility study, but it would be a good question to ask the Board of Education.

John McMorrow - 69 Woodland Avenue - Asked how long the feasibility study will take and when will the results go into effect.

Mr. Parrestos responded it should certainly be completed during the Spring of 2011 and will then be presented to the Board of Education during an open forum, adding, the Board of Education would then meet to deliberate on how to proceed.

Margaret Lugo – 731 Coles Street – stated she does not understand how the questionnaire is going to be helpful when only a few people read and check off the appropriate number of their response, but other closed minded people simply mark off the number “five” all the way down the questionnaire.

Mrs. Parrestos responded the purpose of the focus groups and the questionnaires are to give us the questions we should ask when we go into Hackensack to speak to their administration and staff.

Russ Bargiel – 597 Edel Avenue – asked if another school district seems better and more students attend that public school, how will that affect the budget, adding, also how will the quality of their special education program affect the budget.

Mrs. Parrestos responded this information will be addressed in the study.

James Csaposs – 644 Wyoming Avenue – stated we should know if the sending district’s tuition fees exceed the actual cost per student.

Mrs. Parrestos responded the receiving district can charge up to what is statutorily acceptable but explained whether that is equal to the actual per pupil cost falls under a different statutory provision.

Joan Rivera – 57 Parkway – stated if we leave Hackensack High School, it would have a negative impact because our students have always ranked in the top fifteen percent of the school.

Mrs. Parrestos responded it has to be a substantially negative impact.

Mayor Eustace stated even if the study forces them back to the table to negotiate a fair tuition rate, we will be in better shape than when we started.

### **ADJOURNMENT**

Councilperson Savage moved the meeting be adjourned; seconded by Councilperson Jengo and so carried at 7:17 p.m.

Borough Clerk