

**TOWNSHIP OF PARSIPPANY-TROY HILLS
TOWNSHIP COUNCIL**

SPECIAL MEETING

**At the Parsippany High School Auditorium
309 Baldwin Road**

Thursday, May 13, 2010

Public Invited with Public Participation

Parsippany-Troy Hills Board of Education (“Board”) President Mancuso opened the joint meeting on behalf of the Board and noted the time, place and manner in which adequate notice of the meeting has been provided by the Board.

Present from the Board of Education: Board President Anthony Mancuso; Board Vice-President Frank Neglia; and Board Members Frank Calabria, Andrew Choffo, Robert Crawford, Debbie Orme, Fran Orthwein, Michael Strumolo and Louis Valori.

Also present representing the Board of Education: Leroy Seitz, Superintendent and Marlene Wendolowski, Board Secretary/Business Administrator

Council President Grossi opened the meeting on behalf of the Township Council at 6:00 p.m.

Judith Silver, Township Clerk, called the roll:

Mr. Cesaro	-	Present
Mr. dePierro	-	Present
Mr. Fox	-	Present
Mr. Stanton	-	Present
Ms. Grossi	-	Present

Council President Grossi noted that also present are Andrew Pascale and Hossam Mohamed with Samuel Klein & Company, the firm retained by the Township Council to review the 2010-2011 School Budget and make recommendations.

Council President Grossi stated that the agenda of this meeting, to the extent known, is as follows:

Consultation with the Parsippany-Troy Hills Board of Education to Determine the Amount Necessary to Provide a Thorough and Efficient System of Schools in the Township

The Council President announced that formal action is anticipated at this meeting and that adequate notice has been provided in accordance with the requirements of the Open Public Meetings Law by filing the notice in the Office of the Township Clerk and by posting the meeting notice on the bulletin board at the Municipal Building on April 30, 2010. Additionally, Council President Grossi advised that copies of this notice were mailed by fax to The Daily Record, The Star Ledger and various other newspapers and local radio stations on April 30, 2010; said notice has remained posted on the bulletin board from the date of posting.

FLAG SALUTE

Opening remarks were made by both Board President Mancuso and Council President Grossi.

Mr. Crawford noted that the members of the Board of Education just received copies of the Council's recommendations and questioned the steps taken to arrive at the number the Council is considering cutting from the School Budget. Council President Grossi explained that the Council made a determination to have auditors review the School Budget, a process similar to last year's review.

Dr. Calabria took this opportunity to note that, prior to the public vote on the school budget, over \$4 million was additionally cut. Dr. Seitz explained that the \$4 million number relates to the fact that the 2010-2011 budget is \$4 million dollars less than the current year budget. Prior to presenting the budget to the public, the Board had to scale back significantly more money because of the restrictions placed on the Board by the State of New Jersey and the loss of \$8.5 million in State Aid from this current year and for next year. He specifically noted that the budget for 2010-2011 is 3.1% less than the current year's budget.

Dr. Calabria commented that the statute provides that the Council does not have to cut monies, but must review the budget; he suggested, therefore, since the Board has already cut over \$8 million, that the Council except what the Board has already done.

Council President Grossi stated that the budget was defeated, even though not by a large majority of those who voted; there is an indication on the part of the population that the Council review the budget and try to find any "fat." She commented that the Council worked hard not to cut programs or teachers.

Mr. Pascale explained that his firm requested detailed information from the Board of Education and reviewed line items. Cuts were proposed without eliminating any teachers, any employees, any sports, or any extracurricular activities. Cuts were proposed where savings were found, most cuts being the result of teachers retiring at higher salaries being replaced by teachers hired at lower salaries. He reiterated that none of the proposed cuts affect children, teachers or programs. He read the attached document (Attachment No. 1) entitled "Parsippany School District 2010/2011 Defeated School Budget," pages 1 – 7, and summarized page 8 (Summary of Findings) by indicating that if the surplus utilized is

increased by \$322,000 and the appropriations reduced by \$1,113,851, the total reduction to the Tax Levy would be \$1,435,851. Based on the average assessed value of a home, the increase in property taxes would be reduced from \$220.92 to \$161.08, a savings of \$59.84.

Dr. Seitz explained that the increase in revenue of \$322,000 relates to the arbitrage payment which is due in August 2011. While the Board may want to consider this recommendation, he doesn't feel that raising this money in 2011-2012 is realistic, noting that the Board had to reduce next year's budget by \$4 million and it does not appear that the financial situation in Trenton will improve for 2011-2012. He commented as to the need to maintain this account to avoid a shortfall in future budgets. Secondly, Dr. Seitz advised that the breakage noted by Mr. Pascale in the various line items is used in the current year budget to fund contract liabilities for payout of unused sick leave. He questioned if this amount has been removed from the numbers provided. Mr. Pascale responded "yes," explaining that he was given a list of the payout for accumulated sick and vacation time for the teachers who are retiring. Ms. Wendolowski advised that there is a problem, noting that the \$792,000 that is accumulated from this year's obligation is taken out of the 2009-2010 Budget, which means there will be no funds available for 2010-2011 if the salary lines are reduced as recommended by Mr. Pascale. The average yearly obligation, per Ms. Wendolowski, is between \$800,000 and \$1.2 million. This year is characteristic with the \$792,000 obligation. Mr. Pascale explained that he adjusted the figures for 2010-2011 based on the figures provided by the Board. He confirmed that he reduced line items by the figures he was given for accumulated sick and vacation; each line item stands on its own. Additional discussion ensued relative to this matter. Ms. Wendolowski commented that there is a difference between taking out the breakage and taking out the dollar obligation to pay for accumulated sick leave and vacation. She agreed that the line item breakage has been taken out, but expressed her concern that she does not see the annual obligation of between \$800,000 to over \$1.2 million for unused vacation and sick leave. Dr. Seitz explained that, if the cuts are made as proposed and the money is not there to pay the obligation owed to retirees, the Board will have to layoff additional teachers, 17 teachers for each million dollars cut. It seems to Dr. Seitz that there is a missing line item, the liability for leave for 2010-2011. Ms. Wendolowski also raised an issue relative to the elimination of funding for unemployment if the Board needs to layoff additional teachers or custodial staff. She cautioned the Board about making this reduction. Mr. Pascale advised that he was given a list of all the reduction in force and, after checking with the Department of Labor website, found that the liability for next year would be \$596,772. Ms. Wendolowski agreed, but noted that the issue is that the Board may have to make additional, substantial cuts and, if the Board chooses to out-source custodial staff, there will be an additional 86 employees that will be added to the list. Mr. Pascale explained that, if this is the case, the Board would also be saving money, as noted in a report in connection with the outsourcing of custodial services. If need be, money could be moved to that line item. Ms. Wendolowski agreed that the Board could choose to do so.

Board Members posed questions/comments. Responses were provided by Ms. Wendolowski and Mr. Pascale. Mr. Crawford expressed concern that Mr. Pascale's number is based on a certain set of assumptions, but the Board is concluding that it can't get to the \$1.4 million based on those assumptions relative to breakage and to the recommendation relative to arbitrage. Ms. Wendolowski agreed. He questioned whether the number proposed by Mr. Pascale is still valid. Mr. Pascale confirmed that the number he recommended is valid. Mr.

Crawford continued to question the number, noting that there is some disagreement, and asked where we go from here in terms of a proposed number.

Council President Grossi stated that the Council can only rely on the data provided by the Board to come to its conclusions. This is the eleventh hour; a decision needs to be made by the 18th. We are hearing that what we did with the information provided to our auditor by the Board is not substantiated because now there is new information. It is not fair to the Council or its auditor that the rules are being changed after the numbers have been reviewed. We should have been told this beforehand. Dr. Seitz indicated that Mr. Pascale was told that the Board would have an obligation, based on history, of between \$800,000 and \$1.2 million; the Board is not changing the data or the rules this evening. Mr. Pascale agreed that the Board did afford him a list of the sick and vacation for the employees that are retiring and he did adjust those line items for those amounts.

Mr. dePierro asked if the arbitrage figure was removed, would that get us to a number agreeable to the Board. Dr. Seitz reminded the Council that for 2010-2011 State Aid was cut by over \$6 million and the Governor is talking about a 2½% hard cap; putting this obligation off until 2011-2012 will just compound the problem. He would rather leave the arbitrage alone and, if the Board has to cut \$300,000 out of the budget, he will find \$300,000 to cut. Mr. dePierro restated his question – if we reduce the proposed budget cut of \$1.4 million to a number like \$950, 000, would that take care of the arbitrage issue? Dr. Seitz agreed that it would take care of the arbitrage issue, but it would not resolve the liability of the payout of unused leave to retirees, which is, at a minimum, an \$800,000 obligation and, realistically, a \$1.2 million obligation. Mr. Pascale, once again, indicated that line items were adjusted to take this obligation into account.

Board President Mancuso stated that there will be a five-minute recess so that Mr. Pascale and Ms. Wendolowski can review the numbers.

PUBLIC HEARING

Board President Mancuso opened the meeting to the public, advising that each speaker would be allowed two minutes.

Monica Sclafani, 320 Littleton Road, expressed concern that the public cannot comment until the cuts have been clarified. It was noted that, at this time, the number presented by the Township Council is \$1.4 million. Ms. Sclafani stated that if the cuts are coming from breakage, as the auditor has indicated, that's one thing; if we are talking about looking for other areas to cut \$1.4 million, that's a total other story. Board President Mancuso confirmed that there is a difference of opinion between the Business Administrator and the Auditor. Ms. Sclafani felt this needs to be clarified before further discussion commences. She stated that the public doesn't want any cuts that affect the kids; once the public knows where the cuts will be made, then the public can comment.

Connie Marchese, 250 Knoll Road, stated that everyone is upset about the education cuts throughout the State and she understands difficult decisions must be made. However, she questioned why the elementary media program is constantly on the chopping board. She advised that she is currently the media specialist at Northvail School and, due to recent budget cuts, she was advised that next year she would be responsible for teaching approximately 700 students at two elementary schools. She further indicated that she received a layoff notice today. She asked what other education programs are being examined and questioned why the Board is choosing to eliminate the elementary media program.

Sandy Giercyk, 104 Fox Hill Road, felt that the Council is looking at a fiscally sound budget, which is actually 3.1% less than last year's budget, but the cut in State Aid is the reason why Parsippany is facing this increase. She pointed out that the school budget fails because it is the taxpayers' only voice. She felt it is a safe bet to say that the Town Budget would also not have been approved by voters this year. If the Council feels the need to make cuts, she proposed that the Township share the sacrifice and cut from its municipal budget every amount it asks the Board to cut from the school budget. She expressed her concern as to the unfairness of the Abbott District spending. She asked that the Council lead the fight to demand equity and reform.

Adam Gragnani, 11 Rhoda Terrace, expressed his concern that the cost of education is about 63% of his tax bill; this is outrageous and something must be done about it. He believes that the School Budget was voted down because the people of this Township have had enough. It was suggested that the teachers and administrators take a wage freeze for one year and pay 1.5% towards health benefits to offset the cost to the taxpayers. He questioned how much money would have been saved if this was accepted, how many teachers' positions would be saved, and would full-day kindergarten not have to be eliminated. He also questioned if administrators and teachers wanted to accept these recommendations, but were overruled by their unions. He applauded those who were willing to make these sacrifices. He felt no teachers should be eliminated; we should come to some kind of agreement that would not affect students.

Robert Farbanish, 6 Inwood Road, expressed his view that the Auditor's recommendations, in connection with breakage, are valid, noting that he did a similar analysis. He pointed out that the School Budget did go down by \$3.5 million this year, but because of the cut in State Aid, it actually went up \$4.5 million, which will have to be raised in taxes if cuts aren't made. He asked that the Council take a hard look at the breakage.

Derek Hull advised that he represents the bus drivers, custodians and maintenance staff in the Township. He stated that this union and its members are prepared to give concessions of approximately \$1.2 million in negotiations, yet he continues to hear talk of privatization. He asked for a commitment from both the Council and the Board that privatization won't happen. This union recognizes that it is important to give back in this economy in order to save jobs. These employees deserve to keep their jobs and students deserve to stay safe and remain in a clean environment.

Janice Guarneri, 219 Longport Road, indicated that she is the spouse of one of the employees represented by Mr. Hull. She noted that more than 60% of the privatization companies don't do background checks the way we do in Parsippany. She pointed out that the school janitors do a lot more than just performing janitorial services.

Michael Cukrow, 35 Wenonah Avenue, as a parent of two young children, indicated that the education is fantastic, but expressed his shock that the School Board is so divided and uncommunicative. He asked that the members of the Board work together for the benefit of the children.

John Colucci, a custodian in Parsippany for 17 years, read a letter expressing his concern with the Board's recent consideration to privatize custodial work at Parsippany High School, which has been an ever-growing source of fear and anxiety for workers and their families. The possibility of privatization is not limited exclusively to custodial workers, but threatens the jobs of other District workers, degrades the quality and safety of our schools, and causes a serious risk to the District that thinks it is saving money. He asked that all the possible loopholes and repercussions of this idea be considered.

Joe Colleran, 18 Holly Drive, stated that the citizens of this State pay the highest property taxes of any state in the nation. He, for one, is tired of hearing every year that his property taxes are going up by "only some percent." Maybe one year, he will hear that the teachers took a cut of some percent. Additionally, he pointed out that he has an election brochure that was distributed just before the November Election, which indicated that Mayor Barberio and his running mates, John Cesaro and Ann Grossi, have a well-thought out plan that will help stop the rising property taxes and sewer fees that we have all been forced to pay. This is the opportunity to do so.

Martin Ward, 28 Allentown Road, advised that he is the night custodian at Lake Hiawatha School. He noted that many of the members of Local 1 don't only work for the Board of Education, but are also residents of the Township. He asked that the Council work side by side with the Board so that the members of Local 1 can continue to work not only for the largest school district in Morris County, but the greatest school district in Morris County. Let's show other towns that it is possible to keep all of their employees when a town council, a board of education and a union work diligently together.

Tim Berrios, 24 Farmstead Drive, indicated that he never heard an answer to the question posed by the first speaker, "What's the number?" He asked how we are supposed to have intelligent discussions when neither the Council nor the Board knows the real number. Additionally, he felt that a teacher who is qualified to teach in this district should not be removed. As soon as we start losing the quality of our education, we start losing the quality of our neighborhoods.

Joe Raich, 8 Wolf Place, stated that he ran for the Board of Education. "You get what you vote for – you got incompetence; next time we will do the right thing."

Pat Petaccia, 182 Hawkins Avenue, stated that the Board of Education brought this upon itself. There is waste in this budget and parents and Board of Education members seem to have blinders on when it comes to what the rest of the taxpayers are going through. She felt that budgets should reflect what people can afford, noting that Parsippany had 78 foreclosures last month alone; people are losing jobs, others are not getting raises. The Council now has the responsibility to review the School Budget; she is expecting reductions. She concluded by expressing her view that the Board of Education is making the Town Council a scapegoat for its own failures and that the Board needs new leadership at this time.

Judy Mayer, 4 Pine Tree Place, stated that she is present this evening representing the teachers of the Parsippany-Troy Hills Education Association. It has been said that school employees should make concessions to show that they value their students, but in fact, years of dedication to this District and the children of Parsippany are proof enough that teachers care about their students and the community. It has also been said that school employees should share the sacrifice suffered by community members. She pointed out that teachers do share that sacrifice, noting that teachers are taxpayers, some are single parents, some have spouses who have lost their jobs, some have college tuition or child-care costs, some have second mortgages or home-equity loans. In years past, when the rest of the community was doing well, the teachers of Parsippany did agree to a salary freeze for three years. The community and members of the Council are probably not aware of this. Additionally, Ms. Mayer pointed out that the present contract was negotiated in good faith by both sides; concessions were made at that time.

Chris Buzinky, 366 Troy Road, questioned if full-day kindergarten will be cut. Board President Mancuso replied that no one will be able to answer that question this evening. Hopefully, an answer can be provided by the next Board Meeting.

Roy Messmer, 10 Drumlin Drive, noted that the Council put 18 hours into reviewing its budget, line item by line item, in a public forum; the School Board does not do this. He wishes the Board would do so in the future. Additionally, he recommended that a work session, without public comment, be scheduled about a week before a future failed budget is reviewed. He explained that many people did not vote to approve this budget because of the total package of the teachers' and secretaries' contracts and the total package of the administrations' salaries. Another concern is the occupancy problem. He recommended many weeks ago that a joint public meeting be held with both the Board and the Council to start working on the occupancy problem.

Brian Manoff, 9 High Ridge Road, stated he is present this evening to put a "personal face" on the budget discussions. He praised his daughter's first grade teacher, who he understands is one of the teachers who received a letter advising that if there is not sufficient funding, she won't have her job. He expressed his opinion that this would be tragic, noting that his daughter excelled, not only because of her teacher's technique and style, but also because of her teacher's compassionate and genuine care. This teacher is just one example of many great teachers in this District. He asked that teachers of such caliber not be eliminated and that class size not be increased.

Board President Mancuso closed the public portion.

At this point in time, Board President Mancuso noted that the joint meeting would be suspended for a few minutes while the Board legally opens the regularly scheduled Board of Education Meeting. The Board then suspended its regularly scheduled meeting in order that, after a brief recess, the joint meeting with the Council could continue.

Upon reconvening after the brief recess, Mr. dePierro commented that roughly 70% of the School Budget is salaries, pensions and benefits; roughly 18% is State-mandated programs; everything else is within the other 12%. In the future, he strongly urged the Board to pay more attention to the 70% when cuts are necessary and less attention to the 12% which includes student programs. Even though he believes the numbers provided by the auditor, he made a motion, because of the arbitrage issue and some concern that there is a need for funds for retirees' payouts, that the Township Council cut \$800,000 from the Budget with the stipulation that the Board promises that all-day kindergarten and school activities not be cut and with the strong recommendation not to out-source custodial services. With those provisions, he reiterated his motion to cut \$800,000, seconded by Mr. Stanton. Mr. Fox stated that he would like to hear a commitment from the Board prior to voting on the motion.

In order to obtain a consensus as to the Council's request, Board President Mancuso asked for comments from Board Members. Dr. Calabria indicated that he has always been committed to all-day kindergarten and keeping the custodians in-house. Mr. Crawford asked the Superintendent if the Board has sufficient options elsewhere in the Budget to cover the \$800,000 cut and stay true to Mr. dePierro's recommendations. Dr. Seitz replied that the Board will be provided with options that do not include the reduction of kindergarten or any reduction in middle school activities as requested by the Council, but any decision lies in the hands of the Board of Education. He indicated that he could not comment on negotiations, but he did advise that, in connection with negotiations with Local 1, we are very optimistic. Dr. Seitz advised, however, that there may be some additional staffing decisions that the Board has to make, noting that there could be layoffs. Mr. Strumolo questioned what is meant by "minor adjustments in staff." Dr. Seitz responded that any layoff is major to him, be it one or five, but in the scope of the budget, he felt there may be a possibility of fewer than ten positions being affected. Mr. Crawford asked if the three unions, the teachers, the administrators, and the secretaries, have categorically said "no" to making any contribution, either in terms of a freeze or paying towards some of the benefits. Dr. Seitz indicated that, at this point in time, the answers have been "no," but the possibility could still be explored. Mr. Choffo stated that he would like to commit to all three recommendations, but his reservation is the material difference in fact regarding the funding of unused sick time between the Council's Auditor and the Board's Business Administrator. With the reservation that the Council's Auditor is correct, Mr. Choffo agreed not to cut kindergarten or middle school programs and not to out-source custodial services. Ms. Orme agreed, noting that she is a big supporter of all-day kindergarten, sports and co-curricular activities as well as the custodians. However, she would like some assurance that no particular area such as art or music is devastated. Ms. Orthwein stated that we are all passionate about the items mentioned by Mr. dePierro, but until she is able to review all the options available in order to recoup these funds, it would be irresponsible for her to make a decision or commitment. Dr. Valori advised that he could support all-day kindergarten, sports and co-curricular activities, and maintaining janitorial staff in-house provided that the discrepancies in numbers, as noted by Mr. Choffo, are not a concern. Mr. Strumolo, after additional thought, expressed his concern

about the possibility of eliminating 10 teaching positions and cutting media programs. His inclination, however, is to support the recommendation, but with some reservations. Board President Mancuso confirmed that a majority of the Board is supportive of the recommendation proposed by Mr. dePierro. He lent his support as well.

The Township Clerk read the following:

**RESOLUTION OF THE TOWNSHIP COUNCIL OF
THE TOWNSHIP OF PARSIPPANY-TROY HILLS,
IN THE COUNTY OF MORRIS, NEW JERSEY,
RESPECTING THE TAX LEVY FOR EDUCATION PURPOSES
FOR THE SCHOOL YEAR 2010-2011**

WHEREAS, at the annual school election held on April 20, 2010, the voters of the Township did not approve the following tax levy that was proposed by the Parsippany-Troy Hills Board of Education (the "Board") for the operation of the school district for the school year 2010-2011:

General Fund \$115,957,971

WHEREAS, the Board provided to the Council all the information and documentation required pursuant to N.J.S.A. 18A:22-37; and

WHEREAS, pursuant to N.J.S.A. 18A:22-37, the Council consulted with the Board on May 13, 2010 and determined that the tax levy should be reduced by \$800,000 with respect to specific line items as per the attached (Attachment No. 2) and with the stipulation that (1) cuts not affect full-day kindergarten; (2) cuts not affect sports and extracurricular activities and (3) school custodial services remain in-house.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Parsippany-Troy Hills, County of Morris, State of New Jersey, that pursuant to N.J.S.A. 18A:22-37, it certifies the tax levy necessary to provide a thorough and efficient education for the 2010-2011 school year to be:

General Fund \$115,157,971

BE IT FURTHER RESOLVED that the Township Clerk forward certified copies of this Resolution to the Morris County Board of Taxation, the Superintendent of Schools of the County of Morris, the Assessor of the Township of Parsippany-Troy Hills and the Secretary of the Parsippany-Troy Hills Board of Education.

Council Members commented as follows:

Mr. Cesaro stated that he is happy that what the public asked be saved has been saved. However, New Jersey and its municipalities are getting crushed with taxes. He stated that he "wants to have a conversation (with the unions)," noting that maybe there could be some reductions on the increases in those contracts. He applauded the custodial union for the "give-backs." He felt more should be done.

Mr. Fox noted that, by the end of this year, the Township will be down by about eight police officers; we don't have the money to replace these officers, noting that we have a police force that protects over 50,000 residents, 24 hours a day, seven days a week. The Board of Education only has 7,500 students, nine months a year. This causes him some concern. We have the potential for a serious gang problem; not replacing police officers is a dangerous gamble. He asked that the public not get annoyed with the Council when it gets sensitive about the Board of Education Budget. He reiterated that 78 homes were in foreclosure last month; our neighbors are losing their homes to sheriff sales. These are tough times; the Council is caught in the middle. The people have spoken and we have to listen to them. Additionally, he noted that there is proposed legislation which will place the school budget on the November ballot; this will decimate our school system. Most people, in his view, do not support school budgets.

Council President Grossi once again indicated that this has not been easy for the Council. She reminded everyone that she is very supportive of public education. When she campaigned last year, taxes were the only issue of concern to voters. She understands what people are going through in these difficult economic times. She agreed with Mr. Cesaro that it would be great if the NJEA agreed to at least take a look to see how it could contribute. She doesn't believe that the teachers in our School District are selfish; they don't make those decisions, the NJEA does. She too applauded the custodial union. She thanked the Board for agreeing with this compromise position that, hopefully, works for everyone involved.

Mr. Stanton indicated that he came here this evening with the following goals: (1) to save kindergarten, (2) to see the custodians remain employed, and (3) to save school sports. Tonight, we are cutting \$800,000, but he believes more cuts should be made, but the problem is that cuts hurt youngsters. He felt that, instead, the administration should be cut and expressed his view that the School District is "top heavy" with administrators.

Roll Call:

Mr. Cesaro	-	No
Mr. dePierro	-	Yes
Mr. Fox	-	Yes
Mr. Stanton	-	Yes
Ms. Grossi	-	No

Resolution Adopted.

MOTION TO ADJOURN: Mr. dePierro

SECONDED BY: Mr. Stanton

Roll Call:

Mr. Cesaro	-	Yes
Mr. dePierro	-	Yes
Mr. Fox	-	Yes
Mr. Stanton	-	Yes
Ms. Grossi	-	Yes

MEETING ADJOURNED: 8:45 p.m.

Minutes Approved June 22, 2010

**Parsippany School District
2010/2011 Defeated School Budget**

<u>Line #</u>	<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
<u>REVENUE</u>			
121	Budgeted Fund Balance - Operating Budget	10-303	\$ 1,960,088.00
	Proposed Increase		<u>322,000.00</u>
			<u><u>\$ 2,282,088.00</u></u>

Rational for increase

Cancel the Current Expense Emergency Reserve in the sum of \$322,000.00. This amount is for an arbitrage rebate liability. A report done by an independent company shows the liability to be in the sum of \$261,573.00, which is not due until August 17, 2011. This amount can be raised in the 2011/2012 budget.

APPROPRIATIONS

2505	Preschool - Salaries of Teachers	11-105-100-101	\$ 685,605.00
	Less:		
	Adjusted Detailed List of Employees	\$ 628,965.00	
	Add: New Preschool Teacher	<u>50,000.00</u>	
			<u>678,965.00</u>
	Proposed Reduction		<u><u>\$ 6,640.00</u></u>

Rational for reduction

Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line.

This reduction will not impact the district's ability to provide a through and efficient education to the students.

2510	Kindergarten - Salaries of Teachers	11-110-100-101	\$ 1,659,460.00
	Less:		
	Adjusted Detailed List of Employees	\$ 1,675,429.00	
	One Retiree	(87,520.00)	
	Add: One Replacement	<u>50,000.00</u>	
			<u>1,637,909.00</u>
	Proposed Reduction		<u><u>\$ 21,551.00</u></u>

Rational for reduction

Cost savings - This reduction is attributed to the difference in the amount of hiring one new employee at a reduced salary

This reduction will not impact the district's ability to provide a through and efficient education to the students.

**Parsippany School District
2010/2011 Defeated School Budget**

<u>Line #</u>	<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
2540	Grade 9-12 - Salaries of Teachers	11-140-100-101	\$ 12,170,155.00
	Less:		
	Adjusted Detailed List of Employees		\$12,611,003.00
	Thirteen Retirees/Reductions in Force		(811,109.00)
	Add: One Replacement		<u>50,960.00</u>
			<u>11,850,854.00</u>
	Proposed Reduction		<u><u>\$ 319,301.00</u></u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line and some retirees not being replaced.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
2621	Salaries of Teachers	11-150-100-101	\$ 200,000.00
	Less:		
	Revised Amount		<u>87,327.00</u>
	Proposed Reduction		<u><u>\$ 112,673.00</u></u>
	Rational for reduction		
	<i>Cost savings - After allowing for a 5% increase over the 2009-2010 projected budget expenditures, the proposed reduction is the amount over the 5% allowance.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
3450	Other Salaries for Instruction	11-209-100-106	\$ 58,804.00
	Less:		
	Adjusted Detailed List of Employees		<u>51,357.00</u>
	Proposed Reduction		<u><u>\$ 7,447.00</u></u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
3770	Salaries of Teachers	11-212-100-101	\$ 656,206.00
	Less:		
	Adjusted Detailed List of Employees		<u>607,476.00</u>
	Proposed Reduction		<u><u>\$ 48,730.00</u></u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		

**Parsippany School District
2010/2011 Defeated School Budget**

<u>Line #</u>	<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
3780	Other Salaries for Instruction	11-212-100-106	\$76,606.00
	Less:		
	Adjusted Detailed List of Employees		<u>49,596.00</u>
	Proposed Reduction		<u><u>\$27,010.00</u></u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
3860	Salaries of Teachers	11-213-100-101	\$4,449,065.00
	Less:		
	Adjusted Detailed List of Employees	\$ 4,533,727.00	
	Two Retirees	(190,910.00)	
	Add: Two Replacements	<u>100,000.00</u>	
	Proposed Reduction		4,442,817.00
			<u><u>\$6,248.00</u></u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount of hiring two new employees at a reduced salary.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
4050	Other Salaries for Instruction	11-215-100-106	\$337,400.00
	Less:		
	Adjusted Detailed List of Employees		<u>286,956.00</u>
	Proposed Reduction		<u><u>\$ 50,444.00</u></u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
4810	Salaries of Teachers	11-230-100-101	\$ 2,055,402.00
	Less:		
	Adjusted Detailed List of Employees	\$ 2,070,641.00	
	One Retiree	(96,530.00)	
	Add: One Replacement	<u>55,000.00</u>	
	Proposed Reduction		<u><u>\$ 26,291.00</u></u>
	Rational for reduction		

**Parsippany School District
2010/2011 Defeated School Budget**

Cost savings - This reduction is attributed to the difference in the amount of hiring one new employee at a reduced salary.
This reduction will not impact the district's ability to provide a through and efficient education to the students.

<u>Line #</u>	<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
4900	Salaries of Teachers	11-240-100-101	\$1,255,360.00
	Less:		
	Adjusted Detailed List of Employees		\$ 1,321,641.00
	Three Retirees		(271,285.00)
	Add: Two Replacements		<u>110,000.00</u>
			<u>1,160,356.00</u>
	Proposed Reduction		<u><u>\$ 95,004.00</u></u>

Rational for reduction

Cost savings - This reduction is attributed to the difference in the amount of hiring two new employees at a reduced salary to replace three employees retiring.
This reduction will not impact the district's ability to provide a through and efficient education to the students.

4910	Other Salaries for Instruction	11-240-100-106	\$ 13,629.00
	Less:		
	Adjusted Detailed List of Employees		<u>8,343.00</u>
	Proposed Reduction		\$ 5,286.00

Rational for reduction

Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line.
This reduction will not impact the district's ability to provide a through and efficient education to the students.

4990	Salaries of Teachers	11-3XX-100-101	\$ 163,050.00
	Less:		
	Adjusted Detailed List of Employees		\$ 245,790.00
	One Retirees		<u>(95,655.00)</u>
			<u>150,135.00</u>
	Proposed Reduction		\$ 12,915.00

Rational for reduction

Cost savings - This reduction is attributed to the difference in the amount of one employee retiring.
This reduction will not impact the district's ability to provide a through and efficient education to the students.

**Parsippany School District
2010/2011 Defeated School Budget**

<u>Line #</u>	<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
			\$
6490	Salaries of Other Professional Staff	11-000-218-104	2,823,963.00
	Less:		
	Adjusted Detailed List of Employees		<u>2,816,849.00</u>
	Proposed Reduction		<u><u>\$7,114.00</u></u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
<u>6770</u>	Salaries of Secretarial and Clerical Assistants	11-000-221-105	<u>\$ 282,306.00</u>
	Less:		
	Adjusted Detailed List of Employees		\$287,850.50
	One Retiree		(51,255.00)
			<u>36,595.50</u>
	Proposed Reduction		<u>\$ 45,710.50</u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount of one employee retiring.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
6850	Salaries	11-000-222-100	\$ 1,596,201.00
	Less:		
	Adjusted Detailed List of Employees		\$ 1,870,611.50
	Six Reduction in Force		(406,865.00)
			<u>1,463,746.50</u>
	Proposed Reduction		<u><u>\$ 132,454.50</u></u>

**Parsippany School District
2010/2011 Defeated School Budget**

<u>Line #</u>	<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Rational for reduction			
<i>Cost savings - This reduction is attributed to the difference in the amount of a reduction in force.</i>			
This reduction will not impact the district's ability to provide a through and efficient education to the students.			
6980	Judgments Against the School District	11-000-230-820	\$ 75,000.00
	Less:		
	Revised Amount		13,650.00
	Proposed Reduction		\$ 61,350.00
Rational for reduction			
<i>Cost savings - After allowing for a 5% increase over the 2009-2010 projected budget expenditures, the proposed reduction is the amount over the 5% allowance.</i>			
This reduction will not impact the district's ability to provide a through and efficient education to the students.			
7603	Salaries of Secretarial and Clerical Assistants	11-000-223-105	
	Less:		\$ 31,367.00
	Adjusted Detailed List of Employees		30,919.00
	Proposed Reduction		\$ 448.00
Rational for reduction			
<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line.</i>			
This reduction will not impact the district's ability to provide a through and efficient education to the students.			
7100	Salaries	11-000-251-100	\$1,391,890.00
	Less:		
	Adjusted Detailed List of Employees		\$ 1,364,540.00
	One Reduction in Force		(39,065.00)
	Proposed Reduction		1,325,475.00
			\$ 66,415.00

**Parsippany School District
2010/2011 Defeated School Budget**

<u>Line #</u>	<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line and the amount of a reduction in force.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
7155	Salaries	11-000-252-100	\$ 414,018.00
	Less		
	Adjusted Detailed List of Employees		
	Adjusted Detailed List of Employees		<u>402,790.00</u>
	Proposed Reduction		<u>\$ 11,228.00</u>
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
15900	Salaries	11-000-266-100	\$ 143,013.00
	Less		<u>142,516.00</u>
	Proposed Reduction		\$ 497.00
	Rational for reduction		
	<i>Cost savings - This reduction is attributed to the difference in the amount budgeted for salaries and the actual amount required to fund this line</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
12600	Unemployment Compensation	11-000-291-250	\$ 49,094.00
	Proposed Reduction		<u>\$ 49,094.00</u>
	Rational for reduction		
	<i>Cost savings - These expenses can be charged to the unemployment compensation insurance trust fund which has a balance as of April 30, 2010 of over \$2,200,00.00.</i>		
	This reduction will not impact the district's ability to provide a through and efficient education to the students.		
	Total Budgetary Line Item Reductions		<u>\$1,113,851.00</u>

**Parsippany School District
2010/2011 Defeated School Budget**

Summary of Findings

	From	To	Change
Revenue			
Increase in Surplus Utilized	<u>\$ 1,960,088.00</u>	<u>\$ 2,282,088.00</u>	<u>\$ 322,000.00</u>
Appropriations			
Reductions to Tax Levy			
Preschool - Salaries of Teachers	11-105-100-101		\$ 6,640.00
Kindergarten - Salaries of Teachers	11-110-100-101		21,551.00
Grades 9-12 - Salaries of Teachers	11-140-100-101		319,301.00
Salaries of Teachers	11-150-100-101		112,673.00
Other Salaries for Instruction	11-209-100-106		7,447.00
Salaries of Teachers	11-212-100-101		48,730.00
Other Salaries for Instruction	11-212-100-106		27,010.00
Salaries of Teachers	11-213-100-101		6,248.00
Other Salaries for Instruction	11-215-100-106		50,444.00
Salaries of Teachers	11-230-100-101		26,291.00
Salaries of Teachers	11-240-100-101		95,004.00
Other Salaries for Instruction	11-240-100-106		5,286.00
Salaries of Teachers	11-3XX-100-101		12,915.00
Salaries of Other Professional Staff	11-000-218-104		7,114.00
Salaries of Secretarial and Clerical Assistants	11-000-221-105		45,710.50
Salaries	11-000-222-100		132,454.50
Judgments Against the School District	11-000-230-820		61,350.00
Salaries of Secretarial and Clerical Assistants	11-000-223-105		448.00
Salaries	11-000-251-100		66,415.00
Salaries	11-000-252-100		11,228.00
Salaries	11-000-266-100		497.00
Unemployment Compensation	11-000-291-250		<u>49,094.00</u>
Total Reductions of Appropriation			<u>\$ 1,113,851.00</u>
Total Reductions of Tax Levy			<u>\$ 1,435,851.00</u>

Effect on Tax Levy - Calendar Year with Debt Service

	Original <u>Budget</u>	Proposed Net <u>Reductions</u>	<u>Change</u>
2010-2011 General Tax Levy	\$ 116,392,802.00	\$ 114,956,951.00	\$ (1,435,851.00)
2010 Net Valuation Taxable	\$ 7,415,751,416.00	\$ 7,415,751,416.00	\$ -
Tax Rate School Year	\$ 1.570	\$ 1.550	\$ (0.019)
2010 Average Assessed Home	\$ 309,043.00	\$ 309,043.00	
School Tax on Average Assessment	\$ 4,850.54	\$ 4,790.70	\$ (59.84)
2009/2010 School Tax on Average Assessment	\$ 4,629.62	\$ 4,629.62	
Increase	\$ 220.92	\$ 161.08	(59.84)

**Parsippany School District
2010/2011 Defeated School Budget
Summary of Findings**

	<u>Account #</u>	<u>From</u>	<u>To</u>	<u>Change</u>
Revenue				
Increase in Fund Balance Utilized	10-303	<u>\$1,960,088.00</u>	<u>\$ 2,020,515.00</u>	<u>\$ 60,427.00</u>
Appropriations				
Reductions to Tax Levy				
Grades 9-12 - Salaries of Teachers	11-140-100-101			\$ 250,479.00
Salaries of Teachers	11-150-100-101			95,000.00
Salaries of Teachers	11-240-100-101			60,000.00
Salaries of Secretarial and Clerical Assistants	11-000-221-105			40,000.00
Salaries	11-000-222-100			125,000.00
Judgments Against the School District	11-000-230-820			60,000.00
Salaries	11-000-251-100			60,000.00
Unemployment Compensation	11-000-291-250			<u>49,094.00</u>
Total Reductions of Appropriation				<u>\$ 739,573.00</u>
Total Reductions of Tax Levy				<u>\$ 800,000.00</u>