MINUTES OF THE LOPATCONG TOWNSHIP BOARD OF EDUCATION

President Taggart called the meeting to order on February 11, 2011 at 7:04 pm. Mrs. Barna read the following opening statement: "I would like to announce and have placed in the minutes that adequate notice of this special meeting of the Lopatcong Township Board of Education has been provided in accordance with the Open Public Meetings Act by publication of the annual notice in the Express-Times. A copy of the agenda has been filed with the Township Clerk and posted at both school locations.

The Pledge of Allegiance was recited by all present.

ROLL CALL

Present: Dennis Drake, Robert Edinger, Ernie Gallant, Joe Kennedy, Kurt Kessler, Ed Krusman, Bob McFarlane and Bill Taggart

Absent: Wade Caccese

Others Present: Vicki J. Pede, Superintendent; Teresa E. Barna, Business Administrator/Board Secretary; Rosemary Kowalchuk, Principal; Matthew Eagleburger, Principal; Stephen Geisel, Asst. Principal and approximately 10 members of the public.

READING OF THE MISSION STATEMENT

Mrs. Pede recited the District Mission Statement.

PRESENTATION - ANTHONY PANELLA, ESQ.

Mr. Panella explained to the Board that the district is in a position to get the state approvals to refinance the outstanding debt on the middle school. The bonds were originally sold in 2000 and were refinanced in 2001 to save the taxpayers over $500,000. Mr. Panella recommends holding out to refinance to when the savings would be between $750,000 and $1M in interest. The bond market works in reverse of the stock market. The Department of Community Affairs needs to approve the refinancing along with the Local Finance Board. There is a hearing scheduled for March 9th. Mr. Panella will be there on our behalf. A savings of $750,000 would equate to approximately $37,000 per year each year on the balance. Once the approvals are obtained, they are good for one year. The current debt repayment schedules goes to 2030.

a. Finance

R-178-11 **Application to Local Finance Board for Approval to Issue Refunding School Bonds**

Motion by Mr. Gallant, second by Mr. Edinger,

WHEREAS, The Board of Education of the Township of Lopatcong in the County of Warren, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) issued $15,895,000 aggregate principal amount of tax-exempt refunding school bonds in 2001 (the "2001 School Bonds") to refinance previously issued school bonds, the proceeds of which were used to fund a voter-approved school facilities project; and

WHEREAS, the Board has determined that the current tax-exempt interest rate environment may enable it to realize going-forward debt service savings for the taxpayers of the Township of Lopatcong through the issuance by the Board of Refunding School Bonds, Series 2010 (the "Refunding School Bonds") to refund all or a portion of its outstanding callable 2001 School Bonds in the amount of $15,095,000 maturing on January 15, 2012 through July 15, 2030 (the "Refundable Bonds"); and

WHEREAS, in efforts to realize such taxpayer savings, the Board now desires to adopt a refunding school bond ordinance (the "Refunding Bond Ordinance") authorizing the issuance of the Refunding School Bonds in an aggregate principal amount not to exceed $15,700,000, the net proceeds of which shall be used to refund the Refundable Bonds in accordance with their terms; and

WHEREAS, in accordance with the requirements of N.J.S.A. 18A:24-61 through 62, the Board has determined to make application (the "Application") to the Local Finance Board within the Division of Local Government Services, New Jersey Department of Community Affairs (the "LFB") for approval to adopt the Refunding Bond Ordinance and to issue the Refunding School Bonds (collectively, the "Refinancing"); and

WHEREAS, the Board believes that:

(a) it is in the public interest to accomplish the Refinancing;

(b) the Refinancing is for the health, wealth, convenience or betterment of the inhabitants of the Township of Lopatcong;

(c) the amounts to be expended for the Refinancing are not unreasonable or exorbitant; and

(d) the Refinancing is an efficient and feasible means of reducing the costs of providing services for the needs of the inhabitants of the Township of Lopatcong and will not create an undue financial burden to be placed upon such municipality.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE TOWNSHIP OF LOPATCONG IN THE COUNTY OF WARREN, NEW JERSEY as follows:

Section 1. The preparation of the Application and the filing of same with the LFB for its approval are hereby approved, and the school officials and officers, including but not limited to, the Board President and Vice President, the Superintendent, the Business Administrator/Board Secretary and any other Board representative, together with bond counsel, Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel") are each hereby authorized and directed to represent the Board in such matters pertaining thereto.

Section 2. The LFB is hereby respectfully requested to consider the Application and to record its findings, recommendations and/or approvals as provided by N.J.S.A. 18A:24-61 through 62.

Section 3. The Refunding Bond Ordinance attached hereto as Exhibit A is hereby approved. Bond Counsel is hereby authorized and directed to publish the required notice of pending ordinance of the Refunding Bond Ordinance in the authorized newspaper for publication of School District notices, in the form and at the time required by N.J.S.A. 18A:24-61.4.

Section 4. This resolution shall take effect immediately.

Roll Call Vote: 8 – Yes. Motion carried.

R-179-11 **Approval to Issue Refunding School Bonds**

Motion by Mr. Kessler, second by Mr. Gallant,

WHEREAS, The Board of Education of the Township of Lopatcong in the County of Warren, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) issued $15,895,000 aggregate principal amount of tax-exempt refunding school bonds in 2001 (the "2001 School Bonds") to refinance previously issued school bonds, the proceeds of which were used to fund a voter-approved school facilities project; and

WHEREAS, the Board has determined that the current tax-exempt interest rate environment may enable it to realize going-forward debt service savings for the taxpayers of the Township of Lopatcong through the issuance by the Board of Refunding School Bonds, Series 2010 (the "Refunding School Bonds") to refund all or a portion of its outstanding callable 2001 School Bonds in the amount of $15,095,000 maturing on January 15, 2012 through July 15, 2030 (the "Refundable Bonds"); and

WHEREAS, in efforts to realize such taxpayer savings, the Board now desires to adopt a refunding school bond ordinance (the "Refunding Bond Ordinance") authorizing the issuance of the Refunding School Bonds in an aggregate principal amount not to exceed $15,700,000, the net proceeds of which shall be used to refund the Refundable Bonds in accordance with their terms; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE TOWNSHIP OF LOPATCONG IN THE COUNTY OF WARREN, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS**:

Section 1. The Board is hereby authorized to refund all or a portion of its outstanding callable 2001 School Bonds in the amount of $15,095,000 maturing on January 15, 2012 through July 15, 2030. The 2001 School Bonds may be redeemed on or after July 15, 2011, upon proper notice as required therein (a "Redemption Date") at the redemption price of 100% plus accrued interest to the Redemption Date.

Section 2. In order to finance the cost of the purpose set forth in Section 1 hereof, the Board is hereby authorized to issue not to exceed $15,700,000 aggregate principal amount of Refunding School Bonds, all in accordance with the requirements of N.J.S.A. 18A:24-61 through 62.

Section 3. An aggregate amount not exceeding $90,000 may be allocated from the aggregate principal amount of the Refunding School Bonds to pay for the aggregate costs of issuance thereof, including printing, advertising, accounting, financial, legal and other expenses in connection therewith.

Section 4. The purpose of the issuance of the Refunding School Bonds is to realize net interest cost savings for the Board (net of all costs of issuance of the Refunding School Bonds).

Section 5. A certified copy of this Refunding Bond Ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs (the "Director") prior to final adoption hereof, together with a complete statement in the form prescribed by such Director and signed by the Business Administrator/Board Secretary, as chief financial officer of the Board, as to the 2001 School Bonds to be refinanced by the issuance of the Refunding School Bonds authorized herein.

Section 6. The supplemental debt statement required by N.J.S.A. 18A:24-16 and N.J.S.A. 18A:24-61.4 has been duly prepared and filed in the Office of the Clerk of the Township of Lopatcong and in the Office of the Business Administrator/Board Secretary of the Board as of the date of approval of this Refunding Bond Ordinance and a complete executed duplicate thereof has been filed in the Office of the Director and such statement shows that the gross debt of the Township of Lopatcong is increased by the authorization of the Bonds by $605,000.

Section 7. The Board covenants to maintain the exclusion from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended, of the interest on all Refunding School Bonds issued under this Refunding Bond Ordinance.

Section 8. This Refunding Bond Ordinance shall take effect upon final adoption hereof, after the consent of the Local Finance Board has been endorsed upon a certified copy hereof.

Roll Call Vote: 8 – Yes. Motion carried.

PUBLIC COMMENT ON AGENDA ITEMS

None

BUDGET DISCUSSIONS

Mr. Gallant stated that the district has not received state aid figures yet. However, the Governor has indicated that there will be increases in state aid for all districts. The board will need to go to the 2% CAP in order to avoid more cuts in staffing or programs. The Finance Committee has looked at possibilities of cuts of over $400,000. The budget will reflect staffing cuts equal to 5.4 full time equivalents. The committee has agreed to put off upgrading computers in the primary classrooms.

Mrs. Pede explained that the district has recently been notified of a couple of additional out of district placements for high school aged students that will have an impact on the current and proposed budget. The board is considering the possibility of starting a special education class at the middle school that has the potential of generating revenue. The district administration has also reached out to other schools looking for shared services opportunities.

The Board will adopt the preliminary budget on March 1st. We will continue to receive revenues from the Preschool Inclusion Program and the special education program at the middle school. The summer programs will be cut to 4 weeks instead of 6. Computer upgrades in the amount of $16,000 has been reduced as well. We are receiving Education Jobs Funds in the amount of $117,802 which is one time funding for the 2011-2012 school year.

Mr. Kennedy stated that the negotiations committee met with the leaders of the education association to inform them of the budget situation. The LEA will be taking things into consideration and get back to the administration by February 28th.

Mary Duaime asked what the status is on Kindergarten courtesy bussing. Courtesy bussing is still in the budget at this point. Classroom field trips have been cut. Mrs. Duaime also asked if it was possible for the district to educate the 9th graders here rather than pay tuition to the high school. It was explained that Lopatcong is a K-8 district cannot education students in the

9th grade. This would require much time and expense as well as physical space problems and could not be a consideration at this point.

NEW BUSINESS

a. Education

R-175-11 **Kids Vote 2011**

Motion by Mr. Kennedy, second by Mr. McFarlane,

Be it, RESOLVED, that the Board of Education, upon recommendation by the Superintendent, approve an indemnity agreement with the County of Warren for "Kids Vote 2011" to be held April 27, 2011 for the purpose of holding a simulated election for Lopatcong students.

Vote: 8 – Yes. Motion carried.

R-176-11 **Merit Pay Earned**

Motion by Mr. Gallant, second by Mr. Drake,

Be it, RESOLVED, that the Board of Education, upon recommendation by the Superintendent, recognizes that Mrs. Teresa E. Barna has met the requirements of merit pay as stated in her 2010-2011 employment contract as it relates to no recommendations in the annual audit for the 2009-2010 fiscal year and therefore will be paid the amount of $443.00.

Roll Call Vote: 8 – Yes. Motion carried.

INVOKE THE DOCTRINE OF NECESSITY

Motion by Mr. Gallant, second by Mr. Drake,

Be it, RESOLVED, that the Board of Education hereby invokes the doctrine of necessity for resolution number R-177-11 entitled Superintendent Successor Contract due to an insufficient number of board members able to vote to pass the resolution. In such circumstances, the board may invoke the doctrine of necessity in order to obtain a sufficient number of required votes.

Roll Call Vote: 8 – Yes. Motion carried.

R-177-11 **Superintendent Successor Contract**

Motion by Mr. Drake, second by Mr. Edinger,

Be it, RESOLVED, that the Board of Education, as recommended by the education committee, hereby notifies Mrs. Vicki J. Pede of its intent to offer a successor contract following the expiration of the current contract in June of 2012. Terms and conditions of the contract will be determined and approved at a later date.

Roll Call Vote: 8 – Yes. Motion carried.

PUBLIC COMMENT

Theresa Duaime – Will there be polling locations within the schools for the School Election. Mrs. Pede answered that the polling location have all been moved outside of the school buildings for all elections.

Jenn Larsen – Is it possible to have a list of what the cuts are before the election and what the possible cuts would be after the election? The board will take this into consideration.

Mary Duaime – Can you put anything on the sample ballot that would include budget information or explanations? No, sample ballots are prepared and sent by the Warren County

Election Board and can only contain information that is on the ballot.

ADJOURNMENT

Hearing no further business, the board adjourned at 8:19 pm on a motion by Mr. Gallant, second by Mr. Drake. Motion carried on unanimous voice vote.

Respectfully submitted,

Teresa E. Barna, RSBO
Business Administrator/
Board Secretary

William J. Taggart, III
Board President