

## **Budget**

The next topic that I would like to review with the Public is the Budget. I would ask that you to please allow me to spend a few minutes talking about our budget process. This seems especially necessary at this moment in time, as the Township Council has been attempting to assert undue influence over our budget while, at the same time, failing to collect and remit to the Board millions of dollars in tax money. I will elaborate on this specific point a little later in this statement.

School budgets, are developed, approved and implemented with a significant number of on-going checks and balances. The budget is not developed, in a silo. Oversight is provided by the following entities: the Board of Education, our community, the Executive County Superintendent, County Business Administrator and Educational Specialist, the New Jersey Department of Education and by auditors that specialize in education.

The process to develop the 2016-17 budget began this past fall by identifying and prioritizing specific needs of our district. Board committees met many times to discuss and prioritize needs for the district.

Dr. Clark, our Superintendent of Schools and Mr. Juskiewicz, our Business Administrator took that input and developed a preliminary budget. The 2016-17 preliminary budget was then presented at a public meeting on March 21, 2016. During that two and a half hour meeting, our administrators presented the preliminary budget, and answered questions posed by members of our community. The Board of Education approved the preliminary budget, and the user friendly budget was posted on the District website prior to the State deadline of April 27, 2016 – more than 30 days before we are legally obligated to do so.

The review of our budget does not stop at this point in the process. The preliminary budget was then submitted, reviewed and approved by the Executive County Superintendent of Schools, County Business Administrator and Educational Specialist. Tonight is the final step in the budget process with our final public hearing. The full Board of Education will vote to either approve or reject the proposed budget.

Additionally, the State Department of Education reviews the District's budget, the Executive County Superintendent conducts a mid-year review of the budget, and auditors that specialize in education review the budget twice per year.

Over the years the District has worked diligently to facilitate an open, honest and transparent dialogue with the members of both the Town Council and our community regarding our educational and fiscal goals and operations. On an annual basis the District extends an offer to the Town Council to present and review the approved school budget for the next year.

In only two of the last four years has the Town Council accepted the Board's offer to jointly review the approved budget. It remains unclear to this Board of Education why this offer is not accepted annually.

Once again, during this year's budget season, the Board of Education invited the members of the Town Council to meet and review the Board approved budget for the 2016-17 school year. In addition, the Board offered to have a subsequent meeting to review the District's presentation regarding the feasibility of closing a school.

In preparation for those meetings, the Board of Education requested that the Town Council provide, in advance, any questions that they may have regarding both topics. This would ensure that all of the information required to answer questions of the Town Council would be available during the meeting.

The Town Council requested that the Board meet with them, regarding the budget prior to the Board's final vote on the budget. The Town Council shared with us that it was their hope that they could provide us with their recommendations on our budget and hoped we would consider their input before our Board voted. The Town Council agreed to send their questions prior to the meeting.

Approximately six days later, on April 14, 2016, at 11:29 a.m. the Board of Education received an e-mail from the Town Council that included a list of 26 questions regarding both the budget and feasibility of closing a school. We appreciated receiving the questions that we requested from the Town Council.

However, remarkably, three minutes later, at 11:32 a.m. the Board of Education received an email from a local reporter which said, *"I was told the district received a letter today from the Township Council with concerns about the proposal to look into/pursue school consolidation."*

Again, I must reiterate, we heard from a reporter regarding the questions, only three minutes after the Board of Education received the letter from the Town Council.

Soon after the inquiry by the press, there was an article published on-line that included the full letter sent by the Town Council to us, as well as all 26 questions.

After the Town Council shared their questions with the press, members of the Clinton Township community expressed an interest in hearing the District's responses to the Town Council's questions. In the continued spirit to provide open communication and remain transparent with our community and Town Council, the Board of Education will answer those questions tonight during the Public Forum. We have nothing to hide.

What perplexes the Board of Education is the Town Council's motivation for releasing the questions to the press even before the Board was in receipt of them.

Why would the Town Council proactively raise doubts regarding the Board of Education's operations so publically and so covertly when;

- we have always operated in an open and transparent manner with the Town Council
- we have always reached out to the members of the Town Council to present our approved budget
- and we have also offered to meet with them to review the results of our presentation regarding the feasibility of closing a school.

We find these actions of the Town Council and their desire to provide input, make recommendations and manage our budget to be over-reaching, and impinge on the Board's ability as a sovereign body of elected officials to execute its fiduciary responsibilities. The Board of Education does not request to review the Town Council's budget as THE BOARD OF EDUCATION. We do not have a right to do that as a separate sovereign body. These actions by the Town Council are unprecedented.

Perhaps the answer lies within the fact that the Town Council is trying to redirect attention from their own financial issues as they have recently defaulted on not one but three payments to the Clinton Township School District.

As taxpayers you should be aware, a Municipality collects property taxes and holds them in trust for the County and Local School Districts and the Municipality is obligated by law to remit those payments according to a defined schedule.

However, the Clinton Township municipality has not been making timely payments to the Board of Education. Payments from the Town Council to our School District that were due January 15, 2016 were not paid until February 15, 2016. That schedule payment was for almost \$2.3 M. Payments for March 15th and April 15, 2016, as of today, April 25<sup>th</sup>, have also not been made by the Township. They are delinquent on over \$4.5 M dollars.

When the District inquired as to when the Township would be making the overdue payments, we were advised that they hoped to make the overdue payments by May 3<sup>rd</sup>, and May 10<sup>th</sup> respectfully, but that those dates were not dates to which any commitment could be made.

Without these (Clinton Township's) payments of the tax monies due to the district, the Board will be forced to defer payment on various critical items, such as utilities, professional fees, special education tuition payments, and the like.

Therefore, on the advice from our legal counsel and to protect the educational, operational, and financial integrity of the Clinton Township School District, I would like to move the following motion.

**Action 16-FF-215:**

**WHEREAS**, pursuant to NJSA 54:4-75, a municipality collects property taxes and holds them in trust for the county and local school districts: and

**WHEREAS**, the municipality is obligated to remit those payments according to a defined schedule: and

**WHEREAS**, in the case of Clinton Township, it has not been making timely payments to the Board of Education; and

**WHEREAS**, the payments due on March 15 and on April 15, each for \$2,291,874.20 totaling \$4,583,748.40 have not been made by Clinton Township; and

**WHEREAS**, upon inquiry made by the Board, Clinton Township advised that it hoped to be able to make the overdue payments by May 3 and May 10, respectively, but that those dates were not dates to which any commitment could be made; and

**WHEREAS**, no commitment was made as to the timely payment of the May taxes; and

**WHEREAS**, without Clinton Township's payment of the tax monies due to the Board, the Board will be forced to defer payment on various critical items, such as utilities, professional fees, special education tuition payments, and the like,

**NOW THEREFORE BE IT RESOLVED THAT**, should the March and April tax payments not be received in their entirety by May 15, the Board hereby authorizes the Board Attorneys to take any and all legal action necessary to secure the legally required payments of tax revenue from Clinton Township.