

**MINUTES OF THE PATERSON BOARD OF EDUCATION
SPECIAL MEETING**

May 8, 2020 – 3:00 p.m.
Remote - Zoom

Presiding: Comm. Kenneth Simmons, President

Present:

Ms. Eileen F. Shafer, Superintendent of Schools
Ms. Susana Peron, Deputy Superintendent
Boris Zaydel, Esq., General Counsel

Comm. Vincent Arrington
Comm. Emanuel Capers
Comm. Oshin Castillo
Comm. Jonathan Hodges

Comm. Manuel Martinez, Vice President
Comm. Joel Ramirez
Comm. Nakima Redmon
Comm. Corey Teague

The Salute to the Flag was led by Comm. Simmons.

Comm. Simmons read the Open Public Meetings Act:

The New Jersey Open Public Meetings Act was enacted to insure the right of the public to have advance notice of, and to attend the meetings of the Paterson Public School District, as well as other public bodies at which any business affecting the interest of the public is discussed or acted upon.

In accordance with the provisions of this law, the Paterson Public School District has caused notice of this meeting:

**Special Meeting
May 8, 2020 at 3:00 p.m.
Remote - Zoom
90 Delaware Avenue
Paterson, New Jersey**

to be published by having the date, time and place posted in the office of the City Clerk of the City of Paterson, at the entrance of the Paterson Public School offices, on the district's website, and by sending notice of the meeting to the Arab Voice, El Diario, the Italian Voice, the North Jersey Herald & News, and The Record.

MOTION TO GO INTO EXECUTIVE SESSION TO DISCUSS PERSONNEL

It was moved by Comm. Teague, seconded by Comm. Capers that the Board goes into executive session to discuss personnel. On roll call all members voted in the affirmative. The motion carried.

The Board went into executive session at 3:18 p.m.

The Board reconvened the meeting at 3:45 p.m.

It was moved by Comm. Hodges, seconded by Comm. Capers that the meeting be reconvened. On roll call all members voted in the affirmative. The motion carried.

PUBLIC COMMENTS

It was moved by Comm. Capers, seconded by Comm. Teague that the Public Comments portion of the meeting be opened. On roll call all members voted in the affirmative. The motion carried.

Ms. Rosie Grant: Hello Commissioners and thank you for this opportunity. I hope that you are all staying well. I've had a chance look at your preliminary budget and I am distressed by it. I understand that we are in trying times, but I cannot figure how we are going provide a thorough and efficient education for our kids under these circumstances. I urge the community and the Commissioner to continue advocacy. We're entitled to it by the courts. I know there's going to be pushback from the state because of the extra expenditures on the state level connected to COVID. I did get some good information this morning which I shared with Ms. Shafer. I was at the Title I practitioners meeting on Zoom where they reported that New Jersey had been granted waivers to shift Title I funding categories. A lot of that reallocation can happen so that kids can have devices at home. My primary concern while we're in shutdown, and if we continue through the summer and into the fall in shutdown, is how we are educating the children. We don't know how they are because we have no way to communicate with them. The Superintendent indicated at one point that there is still a need for about 11,000 devices to be placed in homes. We know that some people are home right now with devices with no access to the internet. I do ask you to make that one of your primary concerns. Education will change as we know it. Besides the devices, I ask that you put some focus on social and emotional support for our children and our parents. I'm continuing to examine the budget and I'll have more details and hopefully PEF's budget, the version that explains in common language, ready for the final vote on the budget. Those are my concerns today. Thank you so much.

Mr. Alex Ishkanian: Thank you so much. I'm Alex Ishkanian and I am an Urban Leadership Academy resource teacher. It's been an honor to be part of the Paterson family. I want to thank the Board for all you do. I can just imagine how much work and stress it is. A group of teachers, parents, and administrators before we knew of all the budgetary other things that have come up recently in the news want to advocate on ULA's behalf. We feel like we still want to do it because it's an important thing to us and we think it could be very important to the community. We sent a letter earlier and hopefully you got it. If not, look for it when you get a chance. Ms. Williams was gracious enough to send it. I just want to read some highlights of the letter. We're advocating to keep ULA open in light of the pandemic. We've accepted the fact that it was going to close and the kids in a sense probably did too. But as time went on and as the pandemic revealed its course, we feel that staying open would actually be very wise. Just to read a little from the letter: "Today, it's quite clear that due to the new COVID-19 reality, keeping the students at least six feet apart will be necessary. Continuing to move forward with the Board's pre-COVID-19 plan would not be in the best interest of our children's health and social/emotional well-being. The decisions made concerning Paterson's children must now be predicated on the current circumstances. We strongly advocate for keeping ULA open. It will help ensure that the small and well-spaced class size that is necessary to reduce the spread of COVID-19 can be achieved and maintained, not only for ULA students but also for the schools that would be required to receive them should it close. The other aspect is the social/emotional. Through no one's fault we closed on March 16. The kids really were

deprived of the rest of March, April, May, and June for closure to say goodbye to the dear school that they love so much. Even on that basis, we would like to give them the benefit and support of seeing their teachers and peers again before the school would actually close. Thank you for all your service and for hearing us out. The letter is signed by about 39 or so teachers, administrators, and parents. Thank you so much.

Ms. Adele Lisowski: Thank you so much for giving me the opportunity to speak and share my feelings. I am also talking and asking you to consider postponing the closure of Urban Leadership Academy for one more year for the sake of the children. I understand the school is closing for budgetary reasons. However, I have no doubt that such an exceptional group as yourselves who care dearly for these children will find a way to keep the school open for another year and will fully understand the dire need for it to remain open just one more year. This pandemic has affected our children in ways we could never understand. We have developed a strong bond with our children. If you will just give us the opportunity, we will be able to help the children acquire genuine healing of the emotional and social pain many of them have endured. Since authentic healing is different for each individual, it's extremely important that the students' trust is not broken and closure is completed as my children and their parents so respectfully deserve. We're just asking one more year so that we can have closure with our children. If it weren't for this pandemic, we wouldn't even be asking this. I just want to see my kids one more time to help them go back to a positive environment. If you could please find it in your hearts to reconsider just keeping us open for one more year, I'd appreciate it. Thank you so much for all the work you do and thank you for letting me have the opportunity to speak. Thank you again. Have a great weekend and Happy Mothers' Day to all.

Ms. Ellen Peicoto: Thank you very much for the opportunity to speak to everyone. I hope you are all safe and well. My concern is with the schools being closed, as the two previous speakers talked about, and necessary teachers who would be cut from the budget. I feel that this COVID-19 experience should be the clearest indicator we've had that our most valuable commodity, if we want to get clinical, is our teachers. Parents have been devastated by the workloads and by the challenges of trying to monitor their children. They know they're not teaching them. It's not even really feasible for them to take care of all of their kids, especially those without the technology at home, which again is another factor that I would love to see in the budget. I have not been able to reach my second graders because only 11 out of 22 of them have made contact with me. I'm now calling them, which is great. We weren't supposed to do that previously. I'm really happy to be able to do it now. While I've been talking to the parents, their biggest concern is that their children are not being educated properly. What model will we be using in the future if we are cutting teachers and we are not allowing for the technology that we obviously need? Where will the money go? What is it going to be supporting? Who is it going to be supporting? How can we have equity in our district as we need it? I am hoping very much that these cuts do not happen and that in fact from some source we can have more to spend on the appropriate needs, which to me are teachers, schools staying open, and technology for those who are without. Thank you very much for this time and I look forward to hearing the results of your collective wisdom and work together. Thank you.

Ms. Renay Jones: Thank you for your time. I want to state that I am an instructional assistant at Urban Leadership Academy. I want to start by saying that I do understand that the district has financial concerns that you need to resolve. But I am asking you please that while you are making your decisions you don't forget that your primary goal must always be what's in the best interest of Paterson's children. Our kids sometimes come to us with concerns and challenges that take a great deal of patience and

empathy to unpack and help them work through. I have found that empathy is given consistently and more freely when you have a vested interest in the outcome. I can say unequivocally that the IA's and PA's, along with the teachers of Paterson, are definitely personally invested in these kids because in many cases they literally are ours. They are our sons and daughters, nieces and nephews, grandchildren, etc. If you privatize IA's and PA's, you'll be losing a vital arm in the educational frontline. It takes a village to educate our kids. IA's and PA's are pivotal to that. It takes a team. We're essential. We're not disposable. We genuinely love what we do on behalf of our children and Paterson Public Schools. I am a product of Paterson Public Schools. I left my job in New York to come back and to give back, specifically to this district, and I don't regret it. It's been the most fulfilling experience I've had professionally. The last thing I want to speak to is the closing of schools. When I think forward, Paterson's population is increasing, not shrinking. You need schools. I can't connect the dots on how you're going to deal with the population if you close them. Also, we have to consider this COVID-19 reality we are all dealing with. Social distancing is the order of the day. You need that real estate. You need that square footage. Thank you for your time.

Ms. Bridgette Arrick: Good evening everyone. I just want to say happy Teachers Appreciation Week to all of the teachers. We appreciate you and everything that you do. I also want to make an announcement for Family & Community Engagement. We'll be starting our weekly Zoom Parent University Workshop. I heard Ms. Rosie ask about what we're going to be doing with our parents. The first one would be on May 14, which is next week. You can find the information on our PPS parents Facebook page and also our districtwide PTO leadership Facebook page. Our districtwide PTO leadership will at 5:00 p.m. have their first Zoom meeting to try to regroup and also see if we can help in any way with the school district. We're looking to support the graduates by doing a video and congratulations video for them. We also want to offer the condolences to all those who are affected by the COVID-19. I want to personally thank each and every one on the Paterson Public Schools cabinet and also our Board of Education Commissioners. We know that you guys are making a critical decision regarding the budget today so I keep you guys in our prayers. Lastly, we ask to have the parents fill out the 2020 Census. Our children were so undercounted in 2010. Please be aware that the census is still out there and please fill them out. Everyone, have a blessed and safe weekend.

Ms. Nancy Lomax: Thank you very much for this opportunity to speak. I am also a member of the staff of Urban Leadership Academy. I wanted to address the Board to make them aware that in light of what we are experiencing right now with the new normal, having all of our assets and resources available going forward for our children is necessary. One of those resources would be our school buildings, in particular Urban Leadership Academy. The building is small. That is true. That would allow for the children to have a smaller class size. We also have a very dedicated staff. If you allow Urban Leadership Academy to remain open for one more year that would give everybody the opportunity to adjust to what we have to come into. My colleagues have been very good at explaining our goal and our focus. Thank you.

It was moved by Comm. Arrington, seconded by Comm. Teague that the Public Comments portion of the meeting be closed. On roll call all members voted in the affirmative. The motion carried.

Comm. Simmons: Before I hand this over to the Superintendent, I just want to remind everyone that tonight's discussion is only on the adoption of the preliminary budget. The Superintendent and Mr. Matthews will explain in their presentation how we got

here. I just want to reiterate that tonight is solely for the adoption and introduction of the preliminary budget.

Ms. Shafer: Thank you, Mr. President. We thank all of the individuals that came to this meeting and also everyone as well. Before I continue, I would ask if we could have a moment of silence for Dr. Gerald Glisson, our Principal of Operations at Eastside High School, who passed last Sunday. (Moment of Silence) Thank you. Please keep his wife and children in your prayers. As I answer the public concerns, I'm going to group together the ones about Urban Leadership Academy. I certainly appreciate you coming to speak and also your concern about closing the school. We have had conversations prior to COVID-19 with the staff and also with the principal and the parents. We gave the parents some options as far as the schools and for their children. In addition to that, I do understand that with COVID-19 many of our children as well as our staff members are experiencing social, emotional, and mental health issues. We do have some information on our website. Right now, we're offering brief counseling services. We're looking after that to move it to any type of counseling or assistance that our students, staff, or parents need. You can either do it through Google Meet or we have phone lines set up. We'll get that information sent out to you. We did talk to the principal prior to COVID-19 about having some kind of end-of-the-year gathering so that the children, the staff, and everyone could have closure. Unfortunately, right now that can't happen. It is something that once we get beyond this, and I can't tell you when, something like that could happen so that the teachers, parents, and students would be able to come together for some type of closure around the school. Unfortunately, right now you cannot have any type of celebrations or large groups together. That really has to be put on hold. I think once that is lifted, there is something that we could do to bring everyone together to ensure that we have some type of closure for the children, parents, and staff. I think that is important as well. In regards to the instructional assistants and the teachers who may be eliminated, I too am concerned about that. When we started to develop this budget, the last thing anyone wanted to do, and continues to be the last thing we would like to do, is eliminate teachers. We already have large class sizes. When we go back, we're not sure exactly what that's going to look like. Even with our current situation, we would not be able to practice social distancing. The way in which we got here was because of cost drivers that go up. That is all of our contracts, bills that come in, gas, electric, operating costs, transportation, charter schools, and PCTI. All of those bills continue to increase and the amount of funding that we receive is not enough to cover that. At this point in time, we had a gap of \$14 million. I think that concludes my response to public comment. Do you want us to go into the presentation?

Comm. Simmons: Yes.

PRESENTATION OF THE 2020-2021 SCHOOL DISTRICT BUDGET

Ms. Shafer: Before I turn it over to the business administrator, as we approach the 2020-2021 budget development, we analyzed all of our non-salary accounts because we did not want to do a reduction in force. When we looked at our non-salary accounts, we looked at all of our department manager's budgets. Before we gave them any type of budget allocations, we cut that line by \$14 million. When we went from 2019-2020 to 2020-2021, we already cut \$14 million out of the non-salary line. After we had folks put their budget together with that particular allocation, with a \$14 million shortfall, we went back to them three times and cut their budgets. During that exercise, we cut another \$7 million out of their budgets. We cut in non-salary \$21.9 million. Those are all activities, resources, and programs that we would be doing with students because that is non-salary. \$21.9 million was cut. We met with the Department of Education three times.

We went to Trenton twice and they came to us once. We went over the budget and our deficit and where we were. Each time we presented to them, we had decreased our deficit. The last time we met with them was early March when we had a \$20 million shortfall. We then discussed what we could do to get that down even more and we left that meeting with a \$14 million shortfall. Many of our Board Commissioners were at that meeting and we made it clear to everyone who was there, including the State Department, that we were now about \$14 million with a deficit that was down from \$63 million. The \$63 million we got by all those cost drivers that we had discussed earlier in different Board presentations. Just to remind everyone, those are contracts, salary increases, charter and PCTI tuition, transportation, substitutes, security, and special education. Those are the cost drivers that got us to the budget gap of \$63 million. I just told you how we got down to \$14 million. We developed a budget. We were going to vote on the budget on March 16 when the Governor had closed schools. During that day, we were notified by the Department of Education to submit our budget directly to County Superintendent. Therefore, the Board did not vote on the preliminary budget. We sent our budget directly to the county. They came back with a couple of questions. The business administrator answered those questions and the budget came back approved. The budget you have tonight is the preliminary budget. On Monday, we'll be meeting and having our budget hearing. At that time, the Board can bring up any changes that they would like to see made to the preliminary budget and then we would have between Monday and when you vote on the final budget to make those changes that the Board agrees they want us to make in the preliminary budget. That is how we got to where we are now. I'm going to turn the presentation over to our Business Administrator, Richard Matthews.

Mr. Richard Matthews: Thank you. Good evening, everybody. Good evening Board Commissioners. Good evening Paterson Public Schools. Good evening community. I hope all is well and Happy Mother's Day. There's a lot to unpack. Ms. Shafer went through a scenario in terms of how we got to where we are today. I just want to repeat a little bit more. On March 16, we were waiting to present our preliminary budget to the Board Commissioners and to the community and we were told to put it on hold and submit our budget to the County Superintendent. As Ms. Shafer said, our budget gets reviewed by the county and by the state to make sure that what we're putting into the budget meets the needs of our student population. We got that budget approved by the county and by the state on April 27. They have since given us direction to move forward with this preliminary budget presentation and to do budget adoption on Monday. With that, I just want to go through the presentation and at the end I'll take any questions you may have. It's a lot to unpack. Just let me get through it. This is the Board of Education cabinet – Comm. Simmons is President and Comm. Martinez is Vice President, Comm. Arrington, Comm. Capers, Comm. Castillo, Dr. Hodges, Comm. Ramirez, Comm. Redmon, and Comm. Teague. We appreciate all that you do for the district and helping provide the proper oversight in terms of how we run Paterson Public Schools. Here is the Superintendent's cabinet. As part of our five-year strategic plan we have come up with a mission for Paterson Public Schools. Obviously, we want to challenge our kids to be strong academically. We want to meet their social, emotional, and academic needs. We want to prepare them for a post-secondary education and career. You also want to be a leader in terms of 21st Century innovation for developing the right kind of habits of lifelong learning so our kids can excel academically and become future ready leaders. Paterson Public Schools is an SDA district. From 2008-2017 we were underfunded or flat funded. Over that period of time, our enrollment has increased and our expenses have outpaced our revenues. We have a structural deficit. I'll talk a little bit about that later on. Our expenses every year – charter schools, cost drivers, salaries, health benefits, transportation, and all our contractual services, items that we addressed in that \$21 million cut – are outpacing what our revenues are every

year. Our revenues are basically comprised of state aid and also local tax revenues. State aid for 2020-2021 came in at \$24 million. I'll go on about how we get to that number later on. We are a multicultural district. 51% of our kids are male, 41% are female. This is a breakdown in terms of ethnicities. Asians are 5%, Blacks are 21%, Hispanics are 67%, multi is .29%, pacific is .02%, and white is 5%. One of the things you want to do in a budget is be transparent to build credibility. We reached out to the community in terms of doing community forums. We wanted to cover a footprint of Paterson and do these forums to try to get feedback from the community. We went to Eastside High School, Kennedy High School, the Pakistani Recreation Community Center, and St. Luke's Baptist Church. These meetings were designed to talk about our cost drivers, the structural deficit, and what we can expect in terms of our budget for the year. We did these community forums and took feedback from the community regarding technology in the classroom, field trips, and dual enrollment. Some of those things were in the budget, but we did take feedback from the community and we went back and tried to put those things in the budget as best as we could. We went to every department this year. It says month-long meetings, but we sat down with every department, went line by line to make sure that we were doing the right thing for the kids in Paterson. There are some things that we eliminated because there were some things that we were doing in the past that were not working. We would sit down with the budget managers for each department and just make sure that these items that we're putting into the 2020-2021 needed to be in the budget. This is what we did in the past couple of years. We said going forward does this program work? This was a good six weeks that we went back and forth. We went to them three times to make sure that we scrubbed the budget and we literally went line by line over every department's budget to make sure that the budget was tight. We met with the principals. We trained them on Edumet and how to do their budget. We also included weighted averages. Two years ago, we had decreased the weighting for special education. This year we increased the weighted average for bilingual. We had promised them that over a three-year period we would provide more equity into the budget. That is in this year's budget. We had budget team meetings twice a week for about six months. We met with the finance committee once or twice a month. We did Board presentations. We had a Board budget retreat. We sat down with the Board and went through our budget strategies to make sure that we're considering all options so the budget meets the kids' needs and also that we're able to present a balanced budget. We've met with the central office. We've met with the state three times. The last time was back in early March. They brought their finance people there, looked at our numbers, said they were good, and the revenues were realistic. At the end of the day, the underpinnings of any budget are really your revenues. That's why we are where we are today. As far as the mechanics and the process of what we did in terms of communicating, getting feedback, following the right process, being transparent, and putting all the cards on the table, I think we did all that we could do to make sure that we were totally transparent in presenting our 2020-2021 assumptions and budget. Chapter 57 is an amendment to the School Funding Reform Act from 2008. It's a seven-year plan where they're going to fully fund the district. Obviously, this is going to change with what's happening with COVID-19. All of this was done pre-COVID. Considerations for social distancing, sanitizing and safety are all different from when we did this. This plan was to make sure that we were fully funded over a seven-year period. We're in year 3 of this right now. Our first year we got \$20 million, then \$13 million, and this year we got \$24 million. If you go to the fourth bullet point, it says fiscal year 2020 Paterson state aid differential was \$101 million. It means we were getting \$101 million less than we should have been getting under the SFRA. They use that number to figure out how they're going to pay us going forward. For 2020-2121, that number was \$104 million. They take 23% of \$104 million and that's how they got to the \$24 million. To step back a little bit, one of the things that I said to the state was if you know what this number is going to be going forward,

instead of us putting out these big gaps of \$60 million or \$70 million it would be nice to know ahead of time what that revenue projection is going to be. We're putting out a lot of bad news really early not knowing what our revenue is going to be. For 2020-2021, it's \$24 million and it comes off the \$104 million that we're un-refunded. That's just part of the underfunding. This is a bar chart of our revenues over the past couple of years. You see in 2020-2021 that we're getting \$463 million of state aid between equalization, special education, security, and transportation. You see the revenue growth over the last couple of years. Transportation is the same. Security is the same. They've increased equalization. We picked up \$463 million this year in state aid. What is our bill as a City of Paterson to contribute to the kids' education? For 2020-2021, our local fair share is \$107,193,055. That says that we're able to levy \$58 million over 2%. In 2019-2020, the tax levy was \$47 million. They're saying the tax levy in Paterson should be \$107 million. I understand the microeconomics of the City of Paterson, but those calculations haven't been updated for a number of years and we need to revisit that. In terms of how they look at what we should contribute to our kids' education, they're saying we should give \$107 million. Our number last year was \$47 million. In 2020-2021 we're proposing a \$54 million tax levy, which is 14.89% increase. That's what local tax levy means. Even beyond that, there are monies that we accrue based on our enrollment and health adjustments. If we don't use those monies over a period of time, we will lose it. I'll talk more about how we got to our tax levy number. These are repeats of what we already know that we've been underfunded by the state and by our local taxes. The combined underfunding of Paterson Public Schools for 20-21 is \$165 million. That means if we were fully taxed at the local level, if we were fully funded by the formula, we would be getting \$165 million and we would have no gap. As I said to you earlier, our revenues don't increase as fast as our expenses. State aid this year was \$24 million. \$12 million was an increase to the charter schools. Now it's \$12 million. Salaries and benefits are big cost drivers and also PCTI is a big part of that number. When I do this preliminary budget in the October and November timeframe, I say what the gap is because we have this structural deficit. Our cost drivers – transportation, special education, security, salaries, health benefits, and legal – all increase much faster or at a higher rate than what our revenues do. That's why when we get additional money people ask what's going on. It's real simple. We have baked in increases that outpace the increase we get in revenues. That's why we have to protect our revenues going forward where we can. For many years we were flat-funded by the state. I did this presentation many times in the community and we've raised taxes three times in 30 years. When you don't raise taxes you lose the compounding effect and that hurts our kids. We went over a 20-year period of not raising taxes and that money could have been used for today. We have to start thinking not just about today. We have to think about 2025 and 2030. It's going to be here and we have to protect our revenues. This chart here just speaks to our exposure regarding our charter school costs. For 2020-2021 the increase of enrollment went up 517. Our charter payment for 2021 is \$75 million. That's up \$12 million from fiscal year 2019-2020. This chart here goes back to 2008. You can see here that we've raised taxes in 2009, 2017, and 2020. There was a 20-year period, from 1997 to 2008, where there was no tax increase whatsoever. Had we been raising taxes 2% every year over those years, we would have picked up an additional \$37 million and we would not be having the shortfalls we have today. These are big bites in terms of projections. I'll explain why it is what it is. There are \$4 million coming off the books this year that if we don't use that money, we will lose it. In that \$7 million there are \$4 million of bank cap that falls off the books this year. It's money from 2018-2019 that if we don't put into this budget this year it's gone forever. It's something that we haven't been doing in the past because nobody wants to raise taxes, but we want these things for our kids. The state looks at this. If we don't use this money and then ask for more money from the state, they'll say we had \$4 million that we didn't use. The exact number is \$4,226,117. In terms of how they

look at us and local control, it's our responsibility to use those revenues that are available to us realizing that a deficit is going to impact our community. At the time that we did this the taxable value increase in Paterson went from \$5.8 million to \$6.2 million. We thought that this was a good year to raise that number to what it is right now because the impact on the taxpayer is \$20 a month. 14% seems like a big number, but it's \$20 a month in a year that our valuation went up from \$5.8 million to \$6.2 million. The impact to the homeowner was going to be \$20 a month. We looked at this and discussed this in finance committee meetings. It's a lot of consideration being that we're a low wealth district that this is going to be an impact to the taxpayer. This is a comparison between 2019-2020 and 2020-2021. Our tax levy recommendation proposal is that we raise taxes 14.8%. The additional revenue was \$7 million. The state number is \$467 million. There's an additional \$24 million. Federal is \$4 million. We picked up \$21 million in additional revenues. Revenue for local sources is \$548 million for the year, almost 4%. This is a pie chart of the previous data. You see here that we highly leverage against the state. Approximately 85% of our revenues come from the state. Typically our tax levy is 9% and then we have other sources of revenue in reserves. Salary and benefits this year are up \$7 million. Charter schools are up \$12 million. School-based budgets are up a little bit. Central office is really down .29%. When we had originally looked at central office, we were around \$165 million. As Ms. Shafer said, we got that down \$21 million. We knew what we were facing. When we did our initial projection right off the bat, we knocked \$14 million off. We gave everybody at central office their budget. We sat down with every department. It was a cooperative effort. The budget team was Ms. Shafer, Ms. Peron, and each department manager with their people. We went through every line in their budget to make sure that we're capturing all the right costs and eliminating anything we felt was wasteful spending. We did find things there that we said we could do better at and that's how we got to the \$21 million. That increase from year to year is \$426,000. It's not a lot of increase and it's a lot of things that were cut that definitely impact the kids. This is a pie chart of the previous slide that we just discussed. I said to you earlier about the tax increase. It's double-digit. On an annual basis, it's \$241. On a monthly basis, it's \$20. We really gave this a lot of thought. We know we have to increase and protect our revenues. But we felt that \$20 a month was a good number based on the valuations we've been getting for Paterson. The city raised taxes and people got a tax increase. The county is raising taxes. We also did comparisons between the county, city, and school district over the last 20 years. We have averaged less than 1% increase in taxes. We have to change that course of action. We realize we're a low wealth district and there's a lot of poverty. When we were going through this and having these conversations there was no COVID at the time. This was all based on understanding the market that we're in and seeing there's an increase in the valuation. We thought this was a fair number based on the revenues that we need to provide the kids the education that they deserve. State aid was \$24 million. Tax levy is \$7 million. \$21.9 million was reduced out of the non-salary category. In terms of reductions, we're looking at vacancies of \$6.1 million. We went into the budget last year with a lot of vacancies and for whatever reason some did not get filled. We didn't want to repeat that. We had \$6.1 million in vacancies. We've scrubbed everything that's available to scrub. This is how we balance the budget through these main categories right here – getting additional revenue, raising the taxes, and using the bank cap which is money that if we don't use, we don't get it again. Obviously, the reduction is very painful. Vacancies are \$6.1 million. This chart talks about some of the things we're trying to do to drive student attendance. You see over the past couple of years we've been hovering around 93%. Student attendance is very high. We feel kids love coming to school. We feel teachers are doing a real good job at engaging the kids. We're feeding 19 schools. We're doing a lot of things to try to get kids to school so they can learn. For the last couple of years, the graduation rate has been going up. The 2018 number does

not include some of our special education kids. The number is a little bit impacted by the super seniors. There's been a change in how they calculate that number. That's why that number dipped below 80%. AP students more than doubled from 2018-2019. With all the budget constraints that we have, we're trying to max out all our AP students. We're trying to serve all the kids. From year to year that is a tremendous increase. In biology we had one kid with above scores. In terms of year to year that's a huge improvement and congratulations to the people that work with our kids. Dual enrollment is growing. At Harp, BTMF, SET, STEM, Rosa Parks, and International High School that number has doubled over the past two years and it's also a testament to what we're doing in the classroom. With all the constraints, struggles, and problems there are a lot of good things that are happening in the Paterson Public Schools. The Energy Savings Improvement Program is a big thing that we're doing. We have a meeting with the local finance board next Wednesday for Phase II. That's a \$15 million savings. If we don't do these changes, we will be incurring additional expenses in terms of cost drivers. That number would continue to rise. Over the last couple of years 200 staff members were trained in crisis prevention. 11 staff members have been trained and certified as CPI. We're trying to increase the volume of staff trained throughout the district. A new Halal menu has been rolled out to 41 schools. That has happened at lightning speed. We did five schools late last year and we have now added an additional 36 that have that menu. We are also looking at what the kids do online through Google Guardian. We're monitoring behavior online to make sure that they're maximizing their time and distance learning. There's a push there to promote a positive school culture through Restorative Justice Techniques. We rolled out the one-to-one program two years ago. It's not enough. COVID is forcing us to make sure we get all our kids one-to-one devices before September 1. There are monies out there that we're going to take advantage of to make that a reality. There's a lot of community involvement. There's hands-on with the kids with interactive learning. Kids are seeing and hearing positive news about Paterson Public Schools. We're addressing IEPs at a young age and intervention is in place through CIS. Students are very proud to be part of the Paterson Public Schools. PD training for kids is ongoing. If you want to grow your staff, you have to invest money in professional development. There's the student and family community engagement. There are sports teams in every school. There are clubs. Transportation is provided as needed as much as we can do. There are shared programs with colleges. There are internships and visitations. We have comfortable, updated and inviting classrooms. Facilities is doing a good job in terms of keeping the place up to speed and clean, making renovations, corrections, more preventative maintenance, and eliminating repairs to schools by keeping things up and running ahead of time. With that, I'll entertain any questions regarding this preliminary budget.

Comm. Capers: Good afternoon everyone. Mr. Matthews, thank you for that. I do have a couple of questions and concerns around this presentation. On the revenue page you said there was about \$21 million including the 14% tax hike. How much of that is coming back into the district?

Mr. Matthews: That \$21 million is additional from the 2019-2020 budget to the 2020-2021 budget. Last year was \$522 million. This year it's \$544 million. It's not a savings going to the district. It's just revenue used to pay for ongoing operations in terms of the 2020-2021 budget. It's not a savings.

Comm. Capers: I know it's not a savings. How much of that is coming to the district? How is that cut up? You said that the charter school money went up. It looks like the \$14 million that we're going to get from the taxes is just going to pay for the charter schools.

Mr. Matthews: The tax increase was \$7 million. The charter school number went up \$12 million.

Comm. Capers: Do you understand what I'm saying?

Mr. Matthews: It's just revenue that goes into one bucket and then you just allocate all your expenditures to match what your revenues are for the year. You get \$7 million in taxes. It's monies that we get every month over the course of the budget.

Comm. Capers: On the taxes, I know you said that the school taxes are based on \$20. You have to understand the city sewer tax went up. The city taxes went up. The actual taxes per month are going up tremendously in the city. That's a heavy burden during this time. I know you said pre-COVID, but we are in COVID times and that's a heavy burden to carry. That's the major concern. The only thing that went up was school taxes. That's a big concern of mine. You mentioned the energy was \$15 million savings. Has that already been allocated into this budget year?

Mr. Matthews: We put it into your bank account for expenditures. Because we use LED lighting, our energy bills are less. We're more efficient in terms of our operations in cooling and heating. If we had kept the old equipment, our costs would have been higher. It's a reduction of operating costs. It's money that stays in the budget. We're reducing energy costs over a 25-year period.

Comm. Capers: \$15 million was a savings from last year to this year.

Mr. Matthews: It's not a savings.

Comm. Capers: It was a reduction.

Mr. Matthews: It allows us to reduce the energy lines in facilities and maybe add to preventative maintenance and repairs that have to happen. The only savings we get at the end of the year is what we take in fund balance.

Comm. Capers: In the preliminary budget, what are the cuts to the classroom in terms of staffing?

Mr. Matthews: We have a reduction in force of 250 people. That's where the cuts are going to come from in non-tenured staff.

Comm. Capers: How many staff per school?

Mr. Matthews: When you do non-tenured you can't smooth it out by school because School No. 15 might have 7, School No. 16 might have 8, and School No. 2 might have 1. When we did this budget, we were told to submit the budget with the \$14 million gap. We cut non-tenured staff out of the district as a whole. You don't just do it two or three per school. It will hit some schools more than others and later on if this budget were to be approved we would have to do a massive reorganization.

Comm. Capers: On that point, now we're living in COVID times. How is this budget taking that into consideration?

Mr. Matthews: It's not. It was done pre-COVID.

Comm. Simmons: You can't because the budget was before that. The budget was done prior to COVID happening.

Comm. Capers: I clearly understand that, but this budget is for this upcoming school year, correct?

Comm. Simmons: The budget was still done for the upcoming school year prior to COVID happening. You can't take that into consideration. It's not just Paterson. It's the entire state has to deal with that when we get to it. There are going to be things that districts have to figure out. I don't want people to confuse the two. Unfortunately, you can't because it was done already.

Comm. Capers: I kind of disagree. Reality is we're living in COVID times. This budget doesn't represent a COVID solution moving forward with the state CDC guidelines. Even if we weren't in COVID times, this budget doesn't fit a quality education for each of our students. I have a problem with that tax burden. Maybe if we have more discussions I can change my mind on things. It's just not making sense to me right now.

Comm. Simmons: If I might add, he explained what the tax levy should be. We have a responsibility too. For a long time, the district has put the municipality before kids. We make decisions based on what the municipality isn't doing. It's not my job as a Board member to go out and find ratables and make sure business is coming into the city. I'm doing my job as a Board member. We can't continue to make decisions based on what's not happening in the city. The city still has a responsibility. As residents we have a responsibility to education. When the city administration or city council are giving 30 and 40-year tax abatements on the development, that affects education because that's tax money that is not coming to education. I really want people to understand that \$20 a month works out to about where we are now. We're collecting about 20 cents for every dollar that is collected for taxes. This 14% increase we're only asking to increase it 3 cents. Every other town in Passaic County spends 60 cents per dollar collected for taxes on education.

Comm. Martinez: If I can just dovetail on that, that's exactly spot on. The city's contribution towards education has been extremely low as was demonstrated. Taking into consideration the times that we're living in and all the other increases that we're facing, we all feel that. On the one hand, we always talk about how we have to do better for our students and we have to give them more opportunities. When we talk about actually reaching in our pocket and putting in a little bit more as it pertains to education, everyone wants to be hands off. I get it. It's very delicate, especially now. If we want better, we have to do better. When you look at the actual number, it seems daunting. But when you look at what that translates into in actual dollars and cents, it's a small price to pay that goes a long way to improve the educational quality for our students, which is what we want. The percentage seems daunting, but the actual number isn't as bad.

Comm. Teague: The state has illegally underfunded us for years. I get the whole percentage thing, but we're telling Paterson residents that the state illegally underfunded us so now we have to pick up the slack for what the state failed to do legally. If we don't, they can continue to control our city. Something about that doesn't seem right to me. It seems like a game is being played.

Comm. Simmons: We have actually contributed to being underfunded. When we don't raise taxes in 30 years or three times in 30 years, we contributed to that underfunding.

Comm. Hodges: Mr. President, recall that we were under state control and the state didn't raise the taxes. It was not until we got better control of the district when they began to raise taxes.

Comm. Teague: Exactly.

Comm. Hodges: They waited until we were in control and when the budgets were under our authority. That's when they began to raise the taxes. Plus, we had \$280 million that we were shorted under the new administration. They have put us behind the eight-ball. We are now laying off people that we can't afford to lay off.

Comm. Simmons: All points well taken. All of that considered. I like to look forward. I can't focus on money that I know we're not going to get. I know we've been underfunded, but we still have to do our part.

Comm. Hodges: I want to know are there any savings from having the buildings closed and being out of session in the classroom. Are there any residual savings from that experience from March until June?

Mr. Matthews: Nothing that comes out of the 2019-2020 budget can be used for the 2020-2021 budget. Those savings that we incur based on this happening right now will fall to fund balance. Nothing that may come out of the 2019-2020 year can be used for the 2020-2021 budget.

Comm. Hodges: If in fact we project into next year's budget where there's not an opening of classrooms and we are under this virtual learning – and we have to look at that as being a real possibility – is it less expensive to operate that way than it is to operate normally?

Mr. Matthews: Obviously, we're looking at next year with the COVID virus. We're looking at opportunities to change how we do business, not just in the schools but central office. We're in that world right now. When you are looking at our world if this were to remain in September, we're looking at transportation, substitutes, digital learning, staffing, and remote workers. We're looking at all those things right now. Even if COVID were to go away, there are a lot of things we have to look at and how we do business in terms of our properties and real estate. We need to look at all that and we are. How are we going to reopen schools? How are we going to close schools? How are we going to do business in the next 5-10 years? We are having those conversations.

Comm. Hodges: One of the considerations is since we're being forced into a computer-based model we need to do something about going a little bit further than just Google Classroom.

Mr. Matthews: To piggyback on what you're saying, we have to be more digital going forward. We have a lot of internal processes that we have to change. We are looking at the future in terms of what we're doing right now as being part of how we do business going forward.

Comm. Hodges: My concern is this budget does not reflect those changes because of COVID. What we're going to have to do with our children is going to be substantially different next school year based on what's going on with the COVID situation. I do not think it is going to be mitigated without a vaccine or increased treatment regimens, which are not currently on the horizon.

Comm. Ramirez: I have to echo the sentiments of my colleagues in terms of worrying for the taxpayers of the city. I also understand from a business standpoint that not taxing for so long has snowballed into part of why we're in this situation. Then again, as Dr. Hodges said, we were under state control and that was their decision. What other cost saving measures were considered that did not make the cut? We've gone through a high school restructuring plan that was presented to us that allegedly was going to save us \$1.7 million. Nothing happened and that's a concern. Has the district looked into other ideas that other neighboring districts have put into play like merging of schools or school leadership? If two schools are in close proximity, why do both schools have a principal if we're a cash-strapped district? Outsourcing of other things like our technology department, how many millions would we save from that? Other institutions and school districts do that.

Comm. Simmons: Outsourcing of technology never works. It's always more expensive.

Comm. Ramirez: You work in that field, so you're conflicted from giving an opinion. I don't speak much, but when I do, I'm not afraid to say the things that I say. It's concerning that we're back at this. Last year I had to make a very difficult decision in voting for a budget that I did not totally agree with. We're back at this situation and I really don't see that the administration has made significant bold changes to be able to put us in a better financial situation.

Comm. Simmons: I want people to keep in mind that initially this gap was \$62 million and the administration has worked hard at getting this down to \$14 million. I don't want to discount the work that they have done. Are there strategies that we can put in place to increase revenue and reduce expenditures?

Mr. Matthews: We have implemented some strategies in the current budget that I can speak to like we did with the substitutes. That was a big move. We feel very confident that the strategy that we put in place is going to save us more than \$3 million. That's just an internal process that we vetted very well and is baked into this budget right here. We've looked at outsourcing payroll and getting numbers just trying to get a feel for the market. But when you get the information back in proposals, they just don't seem like they're going to be able to work in our world. I haven't looked at outsourcing technology, but we've talked about accounting services and we have looked at transportation in terms of being able to take on our own fleet. We did an analysis on the cost and it was not a positive to the district. We had to scratch that. We put together 24 different budget strategies that we went through in the budget retreat. As a matter of fact, one of the strategies we looked at was virtual learning. Now we have to revisit that because that's the world that we're going to live in. That was on the table back then. It just wasn't enough bang for the buck to go ahead and do it, but we're revisiting it so that we can save money. We're looking at this property here and going to 33-35 Church Street. One of the things that we got pushback on, which I think now we're moving forward with, is we couldn't put this population in that building. We have to stop thinking about putting these people one-for-one into that building. We have to start looking at remote workers. We were talking about remote workers before COVID even hit. We have to change our culture and our mindset to a remote workforce. My team in business is working remotely and they are very efficient and productive in what they're doing. There's not a lot that's not happening that was happening before COVID. That's the whole mindset change that we have to do this in flight. We're all looking at how to move in that direction.

Comm. Arrington: Thank you and I appreciate the presentation. I know you've worked very hard. I agree with my colleagues. I understand we've only made three tax increases over the past 30 years. My concern is trying to play catch-up on the backs on taxpayers. I do agree with the Vice President. We do have to pay something. I'm just concerned with the percentage amount. I wish for something a little bit lower. It's \$20 a month, but the percentage is hard to carry. I understand we have to do make-up. I just don't want to make it up in two years. 14% last year, 14% this year, and maybe another 14% next year. I'd just rather see us make it up in smaller increments consistently. That's just my concern with the budget.

Mr. Matthews: Any reduction over that \$7 million is going to be a reduction in some other appropriations as well. There are \$2 million we have to cut out of the existing budget. I hear you, Mr. Arrington. We did not do this thing lightly. We gave it a lot of thought. We talked about this double-digit increase in back-to-back years. We know it's a big jump, but with the valuation going up we thought that the percent increase was something that we could handle in a low wealth district as Paterson is.

Comm. Simmons: I just want to clarify so people understand going from \$5.6 million to \$6.2 million. That's the city's tax assessment. I also want to add we're not leaving until this passes. We're going to be like your counterparts over there at Market Street.

Comm. Arrington: I understand. You and I sit on both sides, being a Board member and a homeowner. It's the optics of two 14% increases. It's not put out there as a \$20 per month increase. It's a 14% increase. The public perception is we're putting back-to-back 14% increases. That's a challenge.

Comm. Simmons: I completely get it. It's incumbent upon us who understand it to help deliver that message of what it actually is and begin to explain to people why we're in this situation. I get the difference in state control and all that. I understand it. To move forward, I can't focus on the past. I can look back so that I can understand why things were done the way they were done, but it cannot be my focus if I want to move this district forward.

Comm. Teague: Mr. Matthews, I can agree that every year you have deep conversations and extensive meetings about the budget. Why is it every year that the teachers are on the chopping block? Why can't we go to these administrators and top paid supervisors and start from the top and work our way down? It's always the teachers that get cut and non-tenured staff. What is that all about?

Mr. Matthews: When we make decisions to make cuts, we cut across the board. We did central office, not just teachers. It was shared pain. Every department had to give up a body. People think of the cuts as only teachers, but it's not just for teachers. It is definitely shared pain. We are looking for \$14 million. We have already scrubbed non-salary \$21 million. There are contracts that you're obligated to pay. You have tuition contracts, charter school costs, Passaic County Tech costs, and obligations on lease financing and deals that were made prior. Money is in salaries and benefits. We cut non-salary \$21 million. People came from \$14 million. We exhausted everything that was out there to cut. The pain was not just in the classroom. It was also in the central office staff.

Comm. Teague: I'm wondering where everybody is at. I know that Comm. Redmon is running for the First Ward. I'd like to hear her position on this publicly.

Comm. Redmon: I can answer for myself. I'm here. I was waiting for my turn. This is nothing new to any of the Board members sitting here, including myself. We started this budgetary process in October of last year. I asked Mr. Matthews and the finance committee can we have a flat budget. Am I right, Mr. Matthews?

Mr. Matthews: Yes.

Comm. Redmon: When I asked for the flat budget, I asked for what we specifically needed to have. Last year when we did the budget, we expected \$20 million from the state? Am I right, Mr. Matthews?

Mr. Matthews: Yes.

Comm. Redmon: I said we cannot assume that the state is going to give us \$20 million. Let's go ask if we have a flat budget where we're not getting any money from the state. The numbers being presented in front of you are in case we didn't get money from the state. Am I right, Mr. Matthews?

Mr. Matthews: Yes. That was the budget we did back in October.

Comm. Redmon: Moving forward with the 14% interest, if you go back to history, it stated that in the last 10 years the Board of Education did not raise their taxes. The state came back to us and asked us for the tax levy cap at 2.5% during my first year sitting there. We actually voted that budget down and they put it back in that budget regardless. Last year the option was for us to do the 14%. Each year moving forward we're going to have to do the 14% in order for the City of Paterson to catch up with the other municipalities. If you take Newark, they are at 97% of their tax levy going to the school district. Can someone please tell us what the Paterson number is? I think ours is at 42%.

Mr. Matthews: We should be at \$108 million and we're at \$57 million right now.

Comm. Redmon: My running for office has nothing to do with my obligation here. As a Commissioner sitting here on this Board of Education, we're not paying our fair share at this moment.

Comm. Teague: Despite what's going on, do you really think people are going to buy that? I'm out here every day and they're not.

Comm. Redmon: You asked me for my answer. I'm only answering you because you asked the question. I'm not going to say the people will not get it. They might not understand it, but I'm answering the question that you asked me. I'm not running from the question that you asked me. I'm answering. At this particular time, am I in agreement with it? No, but I understand where it came from. Your Board President told you in the beginning you have to know the history. We do know the history. The 14% was on the table all the time. That's not something new. It has been on the table since the Superintendent started doing her budget hearings.

Comm. Simmons: It's always been there.

Comm. Redmon: It was there since October. The tax increase has never changed.

Comm. Teague: I didn't show up until January.

Comm. Redmon: The rest of your Board members...

Comm. Simmons: It's never changed. It's been there.

Comm. Capers: That's not the argument.

Comm. Redmon: I was asked the question and I answered it.

Comm. Capers: The 14% is not the argument.

Comm. Simmons: Hold on.

Comm. Martinez: I just want us to be very mindful. It seems like this is going to the left a little bit right now. This is not a debate forum about people running. I think it's in a little bit of poor taste to put someone on the spot about something like this. If you genuinely have concerns about that, you can ask that question offline to any member up here without having to try to put somebody on the spot. Let's be mindful we're here in the position as Board members to discuss our budget, not someone's perception. This is not a debate. Let's not turn it into a debate and start asking personal questions about people's positions. We're all one functioning body. It's unfair to single somebody out in that light.

Comm. Teague: You're not going to tell me what questions to ask. Don't even try it. We can move on to the next subject. You're not going to tell me what to ask.

Comm. Martinez: I'm not telling you that, don't take it that way.

Comm. Redmon: I don't have a problem with anybody asking me anything. That's not what I'm about. One thing I will say is I'm still here as a Board member. I have not missed any of my meetings as I was running this campaign and I'm still involved. If that's what Comm. Teague wanted to know, I'm here logged on. Most people are not logged on. I'm still here. My obligation right now is as a Board member of the Paterson Board of Education.

Comm. Hodges: Can I return us to the conversation about the budget?

Comm. Capers: What is the full charter school expense? Is it \$80 million that goes to them out of our budget?

Mr. Matthews: It's \$75 million.

Comm. Capers: How many charter schools are there in Paterson?

Mr. Matthews: It's based on students, 517 students.

Comm. Capers: And \$75 million goes to charter schools for that number?

Comm. Hodges: We're going to reduce the number of teachers we have in the classroom which means we're going to further increase class size?

Ms. Shafer: That's correct.

Comm. Hodges: In an environment which is not COVID-free? It is unlike to be done in September.

Mr. Matthews: When we got to this preliminary budget we told the state where we were in terms of the budget gap. We were about \$14 million short. At that time, even before we got to that number, there were talks about getting us additional revenues. On March 16 they said don't do your budget presentation. They didn't want that information out right now. Balance out your budget and we will talk more about the additional revenue.

Comm. Hodges: I was at that meeting and I wanted to know what...

Mr. Matthews: COVID hit and now the state is trying to say the revenues have been dismantled with the litigation during the Coronavirus. A couple of things that we didn't mention, there is federal stimulus money for education that are coming down the pike to address some of the stuff that we're going to deal with, with COVID-19. I'm not sure it's going to be enough money. Does it address this budget? Those are federal monies that we can probably use to address some of the things that are happening with the Coronavirus.

Comm. Hodges: Doesn't that address this budget, meaning the 2020-2021 school budget?

Mr. Matthews: Again, this was done pre-COVID.

Ms. Shafer: That money is coming in for the next two years. This is all preliminary. We haven't received the guidance or the allocation. I did read about a week ago what I had so far. Is it good for two years?

Mr. Matthews: Yes, until September 2022.

Ms. Shafer: Whatever the allocation is that comes in can be used to offset a cost as it relates to COVID-19. They specifically talk about certain areas like technology, social/emotional mental health, any way in which children had a learning loss, and special education. There is a possibility that we would be able to look at that funding to offset some of our costs.

Mr. Matthews: That money that comes in cannot be used as part of your 2020-2021 budget. In 2019-2020 we applied for the \$24 million in emergency aid and we got \$5.1 million. It will be treated like that. We can't use it as part of our budget in 2020-2021. That money is not here yet.

Comm. Hodges: You can't make it part of your budget proposal, but it can be spent in the 2020-2021 school year.

Mr. Matthews: Yes.

Ms. Shafer: Let me give you a few examples of some of the specific areas they're talking about. Let's talk about technology. They said you could use it for software and devices. We're looking now at some of the contracts that we have for our software for our entire technology operation. It's in the budget, but we're going to need it even more so because of COVID-19. Those are some of the things that we're looking at that would be able to offset some of the costs. Even though it cannot be part of the 2020-2021 budget, the costs can be offset by this money.

Comm. Capers: Does the stimulus money have a maximum or minimum that we can apply for?

Ms. Shafer: No. It's a direct allocation based on Title funds that we already receive. It's only for people that get Title money. It's an allocation that the state and the feds have already come up with. We're just waiting to hear what it is and when we're going to receive it.

Comm. Capers: We don't even know their measure on it.

Ms. Shafer: Exactly.

Comm. Capers: It could be \$1 million or \$10 million.

Ms. Shafer: That's correct.

Comm. Hodges: We've had a substantial increase in our health costs. Part of that has impacted our budget. Has it not?

Mr. Matthews: The health care costs have gone up 27% year to year. We did a comparison between self-insured versus the state plan as well. The problem with the state plan is that it goes from January to December and people are projecting that the increase in January through 2021 is upwards of 18%. We have that data. The comparison between the two is very manageable right now. What's not factored in is the 2020-2021 numbers from the state.

Comm. Hodges: Is there a reflection of this increase in the 2020-2021 school budget?

Mr. Matthews: Yes.

Comm. Hodges: How much?

Mr. Matthews: It's a 27% increase.

Comm. Hodges: Can any of the funding that we're looking at be used to address that?

Mr. Matthews: All the revenues that we receive from the local, federal, and state sources will be used to pay for all budgetary items in the 2020-2021 budget. We've budgeted about \$98 million for health benefits. That money that we have in this budget will be used to pay salaries, health benefits, cost drivers, and charter schools. It's all part of a big pie. Revenues are a big pie. We have expenditures of \$534 million. It covers health benefits, salaries, transportation, security, workers compensation, FICA, cleaning, and everything else that's in the budget.

Comm. Hodges: I guess my real question is about the monies that might be coming our way...

Mr. Matthews: The original guidance that we got from the federal government regarding that stimulus money was specific to spending it on sanitizing the buildings, technology, and staff.

Comm. Hodges: That's what I'm trying to get at. What are the parameters? What are the possible ways that we can maneuver that?

Comm. Capers: You said the cost driver on the health benefits was \$94 million. A lot of districts are switching back to the state health benefits plan. Did we look at what would be the cost savings if we go in that direction?

Mr. Matthews: We did that. Earlier I mentioned that we had a comparison between self-insured and the state plan. The problem with the state plan is right now the costs are pretty equal. The wild card is with the state plan in January of next year they're projecting an 18% to 20% increase. With that unknown variable based on the cost that we got for both plans, the county shares our sentiment that we should stay where we are.

Comm. Ramirez: What is the cost per student in Paterson Public Schools? What is the cost to educate one child?

Mr. Matthews: It's about \$17,000.

Comm. Ramirez: How much do we get in aid per student?

Mr. Matthews: Our number is \$17,178.

Comm. Ramirez: How much state aid are we getting per student versus what it costs us to educate?

Mr. Matthews: We're getting about \$15,000 per kid from the state. They're almost \$16,000 per kid.

Comm. Ramirez: Do you know off the top of your head how much we're paying the charter schools per kid?

Mr. Matthews: Take that \$75 million and divide it by 517. That's your number.

Comm. Ramirez: We only have 517 kids in charter schools?

Mr. Matthews: Yes. No, it's 5,000.

Comm. Simmons: I was wondering where you got the 517 from.

Mr. Matthews: That was the increase in students. It's \$14,600 per kid.

Comm. Ramirez: That's what we give the charter schools?

Mr. Matthews: Yes.

Comm. Ramirez: I know the legislature recently approved that school districts can bundle together to go out to market for health insurance. Have we looked into having a conversation with the city in terms of possibly bundling with them for a potential cost savings?

Mr. Matthews: We were having those conversations in January and February and we just haven't picked them up since then. Not just health benefits, but some other things.

Comm. Ramirez: There are a lot of shared services that we should be doing. I'm sure that would help us tremendously.

Mr. Matthews: We were having those conversations, but we haven't met since February.

Comm. Ramirez: What is the cost per student at Passaic County Tech?

Mr. Matthews: I have to double check my numbers, but I do have it.

Comm. Ramirez: Off the top of your head, do you think it's something close to \$10,000 or \$11,000 per student?

Mr. Matthews: It's around \$12,000. It's a lower number.

Comm. Ramirez: It's costing us way more than PCTI to educate a kid.

Mr. Matthews: I'll get it to you tonight.

Comm. Arrington: Does this 260 account for teacher retirements?

Mr. Matthews: We normally get retirements during this time of the year. We're not getting any retirements or resignations right now, which is not helping us make some decisions on what we're looking at reducing. Nothing is happening right now because nobody is retiring or resigning. We're getting little action with that right now.

Comm. Arrington: Retirements would offset the 260, correct?

Mr. Matthews: Yes.

Comm. Arrington: How many teachers retire on average per year?

Ms. Shafer: About 200.

Comm. Arrington: That number of teachers losing their jobs should be a lot less. Kenny and I talked about the optics with the public. Maybe we can have a PR campaign to stress that it's a 14% increase but really it's \$20 a month. We want to get the narrative out to the public that we have to do this. I don't agree with the catch-up, but if we have to do it, we have to put a positive face to it.

Comm. Simmons: That's why I said earlier that it's incumbent upon us who understand it to teach the public. Whenever I see people talk about 14%, I take that as an opportunity to have the discussion to really break down exactly what that cost is. When we were recently giving out the Chromebooks people were comparing us to Wayne and Fairlawn. Fairlawn collects \$100 million in taxes just for education.

Comm. Martinez: There's a little bit of lag in your microphone, but the point that your making is well-taken.

Comm. Arrington: The public is just looking at two 14% increases. We have to inform the public that it's a \$20 a month increase per house. I have my own personal opinion on that.

Comm. Hodges: I appreciate the concern about the tax increase, but the real concern is the educational product that we're going to be producing with this budget. I do not see a thorough and efficient education being produced, particularly with the virtual learning, which we're not fully prepared for. Even if we were fully prepared to produce

the virtual learning, it's not going to be as good as the system we had prior to the COVID. That's where we're cutting our throats educationally. I'm not discounting the effort that the administration has put into this. I do appreciate that. However, I'm really concerned about the impact of this budget educationally. The taxes are one thing, but the educational attainment of our students is a major concern for me. I do not see this producing a thorough and efficient education irrespective of what the taxes are.

Comm. Simmons: I think most of us are on the same page when it comes to that. We don't know what September is going to look like. I know the administration is working on that. We don't know what the guidelines are going to be when it comes to social distancing and schools. Unfortunately, because that remains to be seen, it's going to be difficult. We will be stuck doing unfortunately what we have learned in the past, to try to do more with less because of the new normal.

Comm. Martinez: To Vincent's point, getting the correct information out to the public is important. I don't think we can count on the media to get the word out. This is where we as individuals and as a collective unit can get that word out. For all the social media warriors out there, help spreads the narrative. We can all make the sacrifice of \$20 a month to better the education of our scholars. If we paint it that way, I think it would be taken a lot better. I think Comm. Teague had some comments.

Comm. Teague: Even down to the issue of the \$20 per household, we all live in Paterson and we know there are a lot of folks who can't even scrape that up after they're done paying everything. It seems like a little bit of money, but you'd be surprised. I know we all get phone calls from parents who are struggling. We can try to push that. You all know my position has always been the same. I'm just throwing that little piece in there.

Mr. Matthews: Passaic County Tech is \$11,614 per kid. For special education, it's \$18,829 per kid.

Comm. Hodges: It's important to understand that they screen their students coming in. The cost would be substantially lower for us if we screened our kids too. We can't do that. It's not like they're able to somehow do this magically. What they are able to do is have a different type of student, which they restrict through their admission process. We can't do that. When those kids don't pan out, they come back to us and their cost goes up.

Comm. Castillo: And we don't get the money right away when they return back to us either.

Comm. Hodges: No, we don't. It is important to say this so the people who are listening can understand what we're up against here.

Comm. Castillo: I completely agree with Dr. Hodges. If there is a way that the administration can create some type of information that will make it an easy guide for parents to understand why we are where we are and what the next steps are in bullet points. I think it would be useful to educate the parents on not only what the 14% is but why.

Comm. Hodges: I think we're all going to have to participate in that.

Comm. Castillo: Absolutely.

Comm. Hodges: I know that we had meetings that suggested to the contrary, but I do think it's one of our responsibilities as elected officials to communicate with the public and help them understand what's going on. I know we had a retreat which said we shouldn't be doing that, but I disagreed then and I disagree now. Particularly in cases like these circumstances, we're going to have to speak to this community to help them understand what's happening and why as they try to adjust to the financial realities. People have been laid off work, suddenly they're going to have an increase in taxes at the same time, and they're not seeing an appreciative increase in the quality of the education of their children. All of those things need to be spoken to and addressed. I'm very concerned about all of it. I agree that this conversation has to be substantial. I'm hoping that we can find some ways to get that message out to the community.

Comm. Arrington: I know this is only my second budget cycle. I know many of the Commissioners have a lot more experience than I do. It seems like around this time of year we talk about cost saving strategies and shared service agreements. I'd like to see this dialogue happen more throughout the year. We can have these conversations earlier versus right now. It seems like we're having them reactively. Let's have a quarterly report on cost saving strategies we're looking at to help us not be in this position next year. It's just a thought.

Mr. Matthews: We've been having these meetings more than a year. We had seven points of attack regarding shared services. For various different reasons they fell off track. We've been meeting regarding shared services for paper, gasoline, health benefits, and recreation. We actually have a document now that includes some of those items. I have to find out where it is, but we've had documents with their legal people regarding shared services. These are a little bit down the road more so than just having preliminary conversations for shared services.

Comm. Arrington: I understand. I just think we should discuss this more throughout the year and not be so reactive around the budget cycle.

Mr. Matthews: Understood.

Comm. Hodges: Has the state said there will not be any money coming forward? I'm mindful of the early March meeting that was held here with the Commissioner. I know that because of the COVID-19 situation the state's budget has been disrupted severely. Has the official word come back to us that there will not be any additional funding?

Ms. Shafer: That has not come back. They are waiting to get additional aid from the federal government. No decision has been made on that.

Comm. Hodges: Thank you.

Comm. Capers: Do we have a number of kids that are tossed out of Tech and charter schools that come back to our district? Do we have those numbers?

Mr. Matthews: We have kids that get returned every year and it gets reconciled a year in arrears. We get the money back on a pro rata basis from Passaic County Tech.

Comm. Capers: How about charter schools?

Mr. Matthews: We get money in arrears.

Comm. Capers: How many students is that? What's that number that comes back?

Mr. Matthews: I would have to get back to you on that number.

Comm. Hodges: When they return, we are forced to pay additional dollars. Is that correct?

Ms. Shafer: Yes.

Comm. Simmons: If there aren't any other questions, it is time to vote on this budget.

RESOLUTIONS FOR A VOTE:

Comm. Simmons: Mr. Matthews, I looked at the action form and it says 'budget' as opposed to 'preliminary.' I'm going to need a motion to amend the action to include 'preliminary budget.'

It was moved by Comm. Martinez, seconded by Comm. Capers that the language of the resolution be amended to include the wording 'preliminary budget.'

Comm. Teague: If I vote yes to amend it, does that mean I have to vote yes to the preliminary budget?

Comm. Simmons: We're voting only on the amendment, two different votes.

Comm. Castillo: I missed what we were voting on.

Comm. Simmons: There was a motion to amend the language on the action form. It says 'budget' but not 'preliminary.' The motion was to amend the action form to include that language.

Comm. Arrington: Can you explain to the public the consequences of not adopting this budget?

Comm. Simmons: I can.

Comm. Castillo: We also have the highly skilled professionals on here.

Comm. Simmons: Comm. Arrington, I want to get through this motion on the floor with the amendment and then I'll come back and answer your question before we vote on the resolution.

On roll call all members voted in the affirmative. The motion carried.

Comm. Simmons: Before we move to the motion, Comm. Arrington asked a question. There are several things at stake. Number one, it is our fiduciary responsibility to pass a balanced budget. It is one of our primary responsibilities, along with creating policy to guide the district. We are in transition to local control. By not passing this budget, it demonstrates that we do not have the capacity to handle the fiscal responsibility of the district. As such, it would mean that local control is on the table. It would be taken immediately. The county would then take this budget and pass it how they see fit. Any additional cuts that they want to make, they will make. If they want to increase the taxes, they will do so. We will no longer have a say. Additionally, local control this time around is a lot different. The last time we had a Board that functioned a little differently than most boards in districts where the state had control. Paterson was one of those

places or was a city that basically had more input. We had more input than Newark and Jersey City. The district had been fortunate to have superintendents who would work with the Board in that capacity. That will not be the case. The Board will be disbanded and the state will appoint a board. The Superintendent and probably her cabinet will be replaced. That's the nuts and bolts of it. We have a responsibility. There will be another opportunity to make changes to the budget and that will be on Monday when we introduce the final budget. After Monday's hearing, there is an opportunity for the Board to suggest changes that can be made, additional cuts, and try to make suggestions so that we don't have to cut as much. But that can't happen until Monday.

Comm. Hodges: That will be 10% or less.

Comm. Simmons: Correct. You can't change it now anyway. That opportunity doesn't happen until Monday. Those are the consequences and the nuts and bolts of what needs to be done.

Comm. Arrington: Thank you, Mr. President. I thought that was important for the public to hear.

Resolution No. 1

WHEREAS, the Superintendent of Schools forwarded Paterson Public Schools' preliminary 2020-21 budget to the Commissioner of Education and the Passaic County Executive County Superintendent of Schools for review and approval on March 18, 2020; and

WHEREAS, the 2020-2021 budget for the Paterson Public School District was prepared consistent with the New Jersey Quality Single Accountability Continuum (NJQSAC) focusing on quality performance indicators in all five areas of school district effectiveness: Operations Management, Instruction and Program, Fiscal Management, Personnel and Governance; and

WHEREAS, the 2020-2021 budget was prepared consistent with the district's revised Fiscal Policy 6220 addressing budget preparation, with primary consideration given to educational priorities identified by the Board and Ms. Eileen Shafer, Superintendent of Schools, and;

NOW THEREFORE BE IT RESOLVED, that the Board of Education adopt the 2020-2021, budget submitted by Ms. Eileen Shafer, Superintendent of Schools, which budget reflects an increase in the local tax levy and use of banked capital adjustments available for 2020-2021 to support the general fund as reflect herein;

	<u>Budgeted</u>	<u>Local Tax Levy included</u>
General Fund Revenue		
Local Sources	\$59,513,753	\$54,495,247
State Sources	\$448,251,959	\$0
Federal Sources	\$1,319,815	\$0
Withdrawal Emergency Reserve	\$1,000,000	
Budgeted Fund Balance	\$3,027,271	
Excess Surplus	<u>\$8,462,454</u>	<u>\$0</u>
Total General Fund	<u>\$534,615,482</u>	<u>\$54,495,247</u>

Special Revenue Fund (net of operating budget transfers)	<u>Local Tax Levy included</u>
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State Sources	\$54,067,322	\$0
Federal Aid	\$26,301,281	\$0
Transfer from Operation Fund:		
Pre-K Special Education	<u>\$2,741,443</u>	<u>\$0</u>
Total Special Revenue Fund	<u>\$83,110,046</u>	<u>\$0</u>
Grand Total Revenues	<u>\$617,725,528</u>	<u>\$54,495,247</u>

AND BE IT FURTHER RESOLVED, that the Superintendent of Schools hereby fixes and determines that the amount of money necessary to be appropriated for the use of the public schools for the 2020-2021, School Year is \$17,725,528 of which \$54,495,247 is the General Fund local tax levy; and

BE IT FURTHER RESOLVED, that the Superintendent of Schools will authorize the reallocations and modifications needed to present a balanced 2020-2021 budget with an adequate amount of funds to provide for a thorough and efficient education, and

BE IT FURTHER RESOLVED, that the Superintendent of Schools shall hereby forward to the Commissioner of Education of the State of New Jersey the budget statement, budget statement certification, form A4F (Certification and Report of School Taxes, 2020-2021 School Year) and supporting documentation as required by statute and code; and

BE IT FURTHER RESOLVED, that this resolution shall take effect upon its adoption.

It was moved by Comm. Martinez, seconded by Comm. Castillo that Resolution No. 1 be adopted. On roll call all members voted as follows:

Comm. Arrington: Yes.

Comm. Capers: We have a tough decision here. I understand we have a transition plan that we did agree to and I voted on to make sure that every budget cycle we pass a balanced budget. I also have an elected position to make sure our kids are receiving a thorough and efficient education pre and post-COVID. I'm just not satisfied. This budget is not sitting well with me in terms of educating our kids. I do understand the state is backing us into a wall that we have to accept anything. I just don't buy it. We're supposed to have a friend in Trenton. If this was the last administration, I think they would come in and take control. We can work with this administration that's in and just tell them this is not enough. We are struggling here.

Comm. Simmons: Sir, can you give your vote?

Comm. Capers: I'm about to vote.

Comm. Simmons: We had an opportunity for comments.

Comm. Capers: I can take time. I can take as much time as I need.

Comm. Simmons: No sir, you cannot. We are in roll call.

Comm. Capers: My vote is no.

Comm. Castillo: Yes.

Comm. Hodges: No.

Comm. Martinez: Yes.

Comm. Ramirez: No.

Comm. Redmon: The preliminary budget is already passed anyway because the county has already approved it. My vote is yes because I already know that this budget is passed.

Comm. Teague: No.

Comm. Simmons: Yes.

The motion carried.

Paterson Board of Education Standing Abstentions

Comm. Arrington

- Self
- Family

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Insight
- Jersey Kids

Comm. Castillo

- Self
- City of Paterson
- Transportation
- Downtown Special Improvement District
- Celebrate Paterson

Comm. Hodges

- Self
- City of Paterson

Comm. Martinez

- Self

Comm. Ramirez

- Self
- Berkeley College
- City of Paterson

Comm. Redmon

- Self
- Historic Preservation of the City of Paterson
- County of Passaic

- Comm. Simmons
- Self
 - Family

- Comm. Teague
- Self
 - YMCA

Resolution No. 2

WHEREAS, the tentative budget submitted by the Superintendent of Schools, be affirmed and approved by the Board of Education for the 2020-2021 school year using the 2020-21 State Aid allocations; and the School Business Administrator be authorized to submit the tentative budget reflecting the following revenues to the Executive County Superintendent of Schools for approval in accordance with the statutory deadline:

#Increase/ General Fund	2019-20	2020-21	(Decrease)	Local
Tax Levy	\$ 47,445,757	\$ 54,495,247	\$ 7,049,490	
Tuition	\$ 500,000	\$ 500,000	\$ -	
Miscellaneous Income	\$ 3,670,510	\$ 3,670,510	\$ -	
Worker's Comp/Rx Rebates	\$ 6,000,000	\$ -	\$ (6,000,000)	
Extraordinary Aid	\$ 3,000,000	\$ 4,500,000	\$ 1,500,000	
Adult Education Testing Center Fees	\$ 18,205	\$ 18,205	\$ -	
State Aid	\$ 439,251,959	\$ 463,287,019	\$ 24,035,060	
Federal Aid-Medicare Reimbursement	\$1,319,815	\$ 1,709,175	\$ 389,360	
Withdrawal from Emergency Reserve	\$ -	\$1,000,000	\$ 1,000,000	
Withdrawal from Capital Reserves	\$1,879,263	\$ -	\$ (1,879,263)	
Pre-School Carryover	\$ 2,000,000	\$ -	\$ (2,000,000)	
Excess Surplus	\$ 8,462,454	\$ 1,712,308	\$ (6,750,146)	
Appropriated Fund Balance	\$ 3,027,271	\$ 3,723,018	\$ 695,747	
Total General Fund	\$ 516,575,234	\$ 534,615,482	\$ 18,040,248	

WHEREAS, the District will advertise said tentative budget in the Herald News in accordance with the form suggested by the State Department of Education and according to law; and

WHEREAS, a travel expenditures maximum resolution was approved on January 2, 2020, with an annual maximum amount per employee of \$1,500 for regular business travel pursuant to the provisions of N.J.A.C 6A:23A-7.3(b) with a maximum travel expenditure amount of \$321,669 for the 2020-2021 school year; and

BE IT RESOLVED, that a public hearing be held at the Board of Education Administration Building, 90 Delaware Avenue, Paterson, New Jersey on May, 2020 for the purpose of conducting a public hearing on the budget for the 2020-21 school year; and

BE IT FURTHER RESOLVED, that this resolution shall take effect upon its adoption.

It was moved by Comm. Martinez, seconded by Comm. Castillo that Resolution No. 2 be adopted. On roll call all members voted in the affirmative. The motion carried.

**Paterson Board of Education
Standing Abstentions**

Comm. Arrington

- Self
- Family

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Insight
- Jersey Kids

Comm. Castillo

- Self
- City of Paterson
- Transportation
- Downtown Special Improvement District
- Celebrate Paterson

Comm. Hodges

- Self
- City of Paterson

Comm. Martinez

- Self

Comm. Ramirez

- Self
- Berkeley College
- City of Paterson

Comm. Redmon

- Self
- Historic Preservation of the City of Paterson
- County of Passaic

Comm. Simmons

- Self
- Family

Comm. Teague

- Self
- YMCA

Resolution No. 3

WHEREAS, in accordance with N.J.A.C. 6A:23A-10.3(b)1, a district can request use of banked cap only after it has fully exhausted all eligible statutory spending authority in the budget year; and all 2020-21 CAP adjustments have been utilized;

WHEREAS, the amount of \$6,100,575 requested reflects a portion of the SDA District Local Share CAP adjustment that exceeds 2%, to offset the increased cost of the health

benefits to be included in the base budget; which will be completed by the end of the budget year and cannot be deferred or incrementally completed over a longer period

BE IT RESOLVED, that the Paterson Board of Education approve use of the SDA District Local Share in the amount of \$6,100,575; to support health benefits cost increase, and has fully exhausted all eligible statutory spending authority for the 2020-21 budget year,

BE IT FURTHER RESOLVED, that this resolution shall take effect upon its adoption.

It was moved by Comm. Martinez, seconded by Comm. Castillo that Resolution No. 3 be adopted.

Comm. Hodges: Can you explain that a little bit further, please?

Mr. Matthews: We can tax \$58 million above 2%. That \$60 million is part of the \$4.2 million that we're able to go above 2%. We got to 14.8% on the valuation of \$6.2 million. That's part of that bank of money. Do you want me to say it again? We have the ability to tax \$61 million above what we're going at right now. We use part of the \$61 million, which is the \$4.2 million that's falling off, another \$1 million and change which got us to 14.8%. It's part of that big pot of \$61 million that we have available to us.

On roll call all members voted in the affirmative. The motion carried.

Paterson Board of Education Standing Abstentions

Comm. Arrington

- Self
- Family

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Insight
- Jersey Kids

Comm. Castillo

- Self
- City of Paterson
- Transportation
- Downtown Special Improvement District
- Celebrate Paterson

Comm. Hodges

- Self
- City of Paterson

Comm. Martinez

- Self

Comm. Ramirez

- Self
- Berkeley College
- City of Paterson

Comm. Redmon

- Self
- Historic Preservation of the City of Paterson
- County of Passaic

Comm. Simmons

- Self
- Family

Comm. Teague

- Self
- YMCA

Resolution No. 4

WHEREAS, included in the budget line 660, Budgeted Withdrawal from Current Expense Emergency Reserve is \$1,000,000; the withdrawal is necessary to meet an increase in our overall total health care costs greater than four percent. The total increase in health care costs is approximately 23%.

BE IT RESOLVED, that the Paterson Board of Education approve the Budgeted Withdrawal from Current Expense Emergency Reserve for \$1,000,000; to meet the need of an increase in our total health care costs greater than four percent.

BE IT FURTHER RESOLVED, that this resolution shall take effect upon its adoption.

It was moved by Comm. Redmon, seconded by Comm. Martinez that Resolution No. 4 be adopted.

Comm. Capers: Can you go into more detail than that?

Mr. Matthews: That is emergency reserve money. If your health benefits go above 4%, you can tap into that money to use it as part of your budget. That has been there for the last 10 years. We've never touched it. It's part of trying to get as much revenue as possible. We used that emergency reserve money to go into the 2020-2021 budget.

Comm. Capers: That's strictly for health benefits?

Mr. Matthews: The health benefits increase allows us to use the revenue towards the budget.

Comm. Capers: Towards the budget, not health benefits.

Mr. Matthews: Because health benefits went up more than that percent, we got that money.

Comm. Capers: Thank you.

On roll call all members voted in the affirmative. The motion carried.

Paterson Board of Education Standing Abstentions

Comm. Arrington

- Self
- Family

Comm. Capers

- Self
- 4th and Inches
- Westside Park Group
- Insight
- Jersey Kids

Comm. Castillo

- Self
- City of Paterson
- Transportation
- Downtown Special Improvement District
- Celebrate Paterson

Comm. Hodges

- Self
- City of Paterson

Comm. Martinez

- Self

Comm. Ramirez

- Self
- Berkeley College
- City of Paterson

Comm. Redmon

- Self
- Historic Preservation of the City of Paterson
- County of Passaic

Comm. Simmons

- Self
- Family

Comm. Teague

- Self
- YMCA

OTHER BUSINESS

Comm. Simmons: Before we adjourn for the evening, I just want to remind Board members that you have received the simplified copy of the budget as well as the full budget. Just go through them and if there are any suggestions, please come prepared to discuss them on Monday after the hearing. Once we have the hearing, we can go into those discussions. The vote was originally scheduled for Monday and then we moved it to Wednesday. We're actually going to do the vote on Thursday. If there are

any changes, it gives the administration the time to put those changes in. Thursday is the absolute last day we can adopt the budget. When we have our meeting on Thursday we are not leaving. We will take on the personality of the City Council. Be prepared to stay for a while.

ADJOURNMENT

It was moved by Comm. Martinez, seconded by Comm. Redmon that the meeting be adjourned. On roll call all members voted in the affirmative. The motion carried.

The meeting was adjourned at 6:25 p.m.