

HAWTHORNE BOARD OF EDUCATION
Hawthorne, New Jersey
Tuesday, July 29, 2025
Budget Meeting – 5:30 P.M.
Work Session/Superintendent Transition – 6:00 P.M.
Hawthorne High School

MEETING CALLED TO ORDER:

Time: 5:35 p.m.

PUBLIC PORTION OF MEETING BEGINS:

The New Jersey Open Public Meeting Law was enacted to ensure the rights of the public to have advance notice of and to attend the meetings of public bodies at which any business affecting their interest is discussed or acted upon.

In accordance with the provisions of this act, the Business Administrator/Board Secretary has caused notice of this meeting to be published by having the date, time, and place thereof posted at the municipal building, communicated to The Herald News, The Record, and filed with the Clerk of the Borough of Hawthorne.

(Ask for Roll Call)

ROLL CALL:	PRESENT	ABSENT	Time of arrival after meeting has been called to order.
Joseph Carr	X		
Alex Clavijo	X		
Michael Doyle	X		
Jennifer Ehrentraut	X		
Abigail Goff		X	
Erica Mulkey-Koltzan	X		
Anthony Puluse	X		
Gisselle Vega	X		
Marco Totaro	X		

Also Present: Matthew Mignanelli, Superintendent of Schools
Patricia Ratcliffe-Lee, Interim Business Administrator/Board Secretary
And 1 member of the public and 4 via You Tube.

FLAG SALUTE:

MEETING REGULATIONS:

During each regular meeting, two opportunities are provided for citizens to ask questions and to make comments. During the first opportunity, early on the agenda, the meeting is open to the public for the purpose of addressing items listed for approval on this agenda only. The second opportunity occurs just prior to adjournment, when citizens may address any subject matter that is pertinent to and/or directly related to the operation of the school district.

Persons wishing to speak must upon being recognized, rise, state their name, address and subject matter. Comments and questions shall be addressed to the Board President or the presiding officer and shall be limited to five minutes per person. The Board may (or may not) respond to issues raised by members of the public at the time they are raised, but will provide a response if and when appropriate.

The Board asks that members of the public be courteous and mindful of the rights of other individuals when speaking. Please note that the Board will not respond to comments regarding students or board

employees in light of the privacy rights held by those individuals. Moreover, the Board discourages comments about such individuals, and will not be responsible for such comments. Members of the public who choose to speak during this public session should carefully consider their comments, since they could be held personally liable for any statements they make.

Finally, please note that in accordance with District Policy the Board will not officially comment or respond to any matter mentioned unless it can confirm that the matter has first been brought to the attention of the appropriate school personnel in an attempt to resolve the issue.

PUBLIC BE HEARD - AGENDA ITEMS ONLY: None

FINANCE AND ADMINISTRATION:

Alex Clavijo, Chairperson

ACTION ITEMS:

Pursuant to the recommendation of the Superintendent of Schools, the Committee on Finance and Administration recommends the following resolutions:

- F-1. Adoption of the FINAL BUDGET, with modifications to the Previous Final Budget approved on April 29, 2025

WHEREAS, the Hawthorne Board of Education adopted a TENTATIVE budget on March 18, 2025, and submitted it to the Executive County Superintendent of Schools for approval, and

WHEREAS, the TENTATIVE budget was approved by the Executive County Superintendent of Schools on April 16, 2025, and

WHEREAS, the TENTATIVE budget was advertised in the legal section of The Record and The Herald News on April 24, 2025, and

WHEREAS, in the proposed FY2026 State Budget, certain districts had the opportunity to apply to the Commission of Education to increase expenditures, including an allocation of Tax Levy Incentive Aid, in order to satisfy the thoroughness and efficiency standards established pursuant to N.J.S.A. 18A:7F-46.

WHEREAS, Hawthorne Board of Education is below local fair share and spending below adequacy to be eligible to participate in this program.

Whereas, Hawthorne Board of Education was eligible to increase expenditures by \$326,557 and qualify for Tax Levy Incentive Aid in the amount of \$15,550 and such amounts were included in the Final Budget approved on April 29, 2025.

Whereas, Hawthorne Board of Education is now eligible to increase expenditures by an additional \$408,000 and qualify for additional Tax Levy Incentive Aid in the amount of \$19,429 for a total expenditure increase of \$734,557 and a total Tax Levy Incentive Aid amount of \$34,979.

WHEREAS, the Hawthorne Board of Education is expected to be granted approval to increase expenditures based on the following reasons: The expenditures will support expected increases in employee health benefit expense and salaries for paraprofessional employees required by student IEPs. These expenditures will ensure that the District can maintain staffing levels for the delivery of the thorough and efficient education to which all students are entitled, as defined by the New Jersey Student Learning Standards (N.J.C. 6A:26-1.1).

WHEREAS, the previous FINAL BUDGET including the increase in accordance with the tax levy incentive aid was presented to the public during a public hearing held in the Hawthorne High School, Hawthorne, NJ, on Tuesday, April 29, 2025 and this FINAL BUDGET was presented to the public during a public hearing held in the Hawthorne High School, Hawthorne, NJ, on Tuesday, July 29, 2025

WHEREAS, the Board of Education has now determined to make modifications to the Previous Final Budget as follows:

Increase in Revenues:

Revenue Budget Line	Description	Previous Final Budget	Final Budget	Change	Explanation
10-1210-000	Tax Levy	\$45,385,346.00	\$45,773,917.00	\$388,571.00	Tax Levy Incentive Program
10-3190-000	Other State Aid	\$15,550.00	\$34,979.00	\$19,429.00	Tax Levy Incentive Aid
TOTAL		\$45,400,896.00	\$45,808,896.00	\$408,000.00	

Change in Appropriations:

Budget Appropriation Line	Description	Previous Final Budget	Final Budget	Change	Explanation
11-000-291-270	Health Benefits	\$8,005,397.00	\$8,647,897.00	\$642,500.00	Expected premium increase
11-209-100-101	Salaries	\$157,975.00	\$250,032.00	\$92,057.00	IEP required staffing
11-000-261-420	Cleaning, Repair & Maintenance Services	\$652,707.00	\$326,150.00	(\$326,557.00)	Reallocated to Health Benefits
TOTAL		\$8,816,079.00	\$9,224,079.00	\$408,000.00	

NOW, THEREFORE, BE IT RESOLVED that in consideration of the above, the Hawthorne Board of Education hereby adopts the following FINAL Budget for the 2025-2026 school year pending approval by the Commissioner of the New Jersey Department of Education:

Expenditures

Total General Fund Expenses	\$54,182,129
Special Revenue Fund	\$ 2,009,952
Repayment of Debt	<u>\$ 1,949,922</u>

Total Expenditures	\$58,142,003
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Revenue

Budgeted Fund Balance – operating	\$ 2,149,034
Budgeted Fund Balance – debt service	\$ 69,766
Local Tax Levy	
Current	\$45,773,917
Debt Service	\$ 1,381,683
Tuition	\$ 121,494

Misc. Revenue	\$ 156,250
Medicaid Reimbursement	\$ 16,430
State Aid	
Current (includes extraordinary aid)	\$ 4,435,004
Debt Service	\$ 498,473
Special Revenue Fund	\$ 2,009,952
Withdrawal from Capital Reserve	\$ 630,000
Withdrawal from Maintenance Reserve	<u>\$ 900,000</u>

Total Revenue \$58,142,003

Be it further resolved, that the District's general tax requirements to support the 2025-2026 budget, as stipulated by the Hawthorne Board of Education Finance Committee and Hawthorne Borough Municipal Officials, as follows:

General Fund:	\$45,773,917
Debt Service:	\$ 1,381,683
Total:	\$47,155,600

Be it resolved that the Hawthorne Board of Education includes in the final budget a Health Care Costs adjustment as calculated in the budget software and pursuant to N.J.S.A. 18A:7F-38 subsection (b)2 and N.J.A.C. 6A:23-11.2 subsection(b), above 2% in the amount of \$601,266.00. The district intends to utilize this adjustment for increased health care and salary costs.

Be it resolved that the Hawthorne Board of Education includes in the final budget the adjustment for banked cap in accordance with N.J.A.C. 6A:23A-110.1(b). The district has fully exhausted all eligible statutory spending authority and must increase the base budget in the amount of \$19,223 for the purpose of supporting the increase in health care and salary costs. The district intends to complete said purposes by June 2026. Total Banked Cap available for future budget years is \$0.

F-2. APPROVAL OF STATEMENT OF PURPOSE AND WITHDRAWAL FROM CAPITAL RESERVE

Be It Further Resolved, that included in the general fund appropriations, budget line 620, a Withdrawal from Capital Reserve - Excess Costs & Other Capital Projects in the amount of \$630,000 for excess costs of capital projects of \$170,000 for building and grounds improvements at the Roosevelt Elementary School including paving, fencing, stairs and gymnasium flooring, costs of \$160,000 for grounds improvements at the Jefferson Elementary School including paving, costs of \$250,000 for masonry repairs at Hawthorne High School, Roosevelt Elementary School and Washington Elementary School, and costs of \$50,000 for vape detector installation at Hawthorne High School and Lincoln Middle School which represent expenditures for construction elements in addition to the facilities efficiency standards determined by the Commissioner as necessary to achieve the New Jersey Student Learning Standards.

F-3. APPROVAL OF WITHDRAWAL FROM MAINTENANCE RESERVE

Be It Further Resolved that, as per N.J.A.C. 6A:23A-14.2(d), the general fund appropriations, budget line 630, include a \$900,000 withdrawal from the Maintenance

Reserve for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C.:6A:26-20.5.. These required maintenance activities include:

- \$273,000 General plumbing repairs including the replacement of bathroom fixtures and partitions and the addition of bottle fillers to additional water fountains
- \$ 82,000 General electrical repairs including new circuits in the High School boys' locker room.
- \$ 27,000 Wall repairs including locker removals.
- \$115,000 HVAC repairs including boiler repairs and roof top unit repairs.
- \$158,000 Exterior building repairs including door hardware/lock replacement, repointing and lintel repair/replacement.
- \$245,000 Interior building repairs including replacement of classroom and cafeteria floors and stair treads.

- F-4. BE IT RESOLVED, that the Board approves the tax payment schedule to receive the current expense tax levy and the debt service tax levy for the 2025-2026 school year as indicated below.

SCHOOL LEVY 2025-2026

2025-2026 LEVY DETAILS

Local	Tax
Levy	\$45,773,917.00
Debt Service	1,381,683.00
Total Levy	<u>\$47,155,600.00</u>

Payments 7/1/25-6/30/26

Jul-25	\$5,163,795.17	*	Jan-26	\$3,817,436.80
Aug-25	\$3,817,436.80		Feb-26	\$3,817,436.80
Sep-25	\$3,817,436.80		Mar-26	\$3,817,436.80
Oct-25	\$3,817,436.80		Apr-26	\$3,817,436.80
Nov-25	\$3,817,436.80		May-26	\$3,817,436.80
Dec-25	<u>\$3,817,436.80</u>		Jun-26	<u>\$3,817,436.83</u>
	<u>\$24,250,979.17</u>			<u>\$22,904,620.83</u>

* INCLUDES ANNUAL DEBT SERVICE AMOUNT

Board of Education Roll Call Vote on Resolutions F-1 – F-4

Moved by Mr. Clavijo, seconded by Mr. Puluse

Board Comments: Board members commented on the budget increase, emphasizing that the increase was previously approved by the Board.

	Mr. <u>Carr</u>	Mr. <u>Clavijo</u>	Mr. <u>Doyle</u>	Ms. <u>Ehrentraut</u>	Mrs. <u>Goff</u>	Ms. <u>Mulkey- Koltzan</u>	Mr. <u>Puluse</u>	Dr. <u>Vega</u>	Mr. <u>Totaro</u>
Motion		1					2		
Aye	X	X	X	X		X	X	X	X
Nay									
Abstain									
Absent					X				

PUBLIC BE HEARD: None

At this time, members of the public may ask questions or make comments on educational issues or school matters.

MOTION TO GO INTO WORK SESSION AND ADJOURN BUDGET MEETING Time: 5:50 p.m.

Board of Education Roll Call Vote

	Mr. <u>Doyle</u>	Ms. <u>Ehrentraut</u>	Mrs. <u>Goff</u>	Ms. <u>Mulkey- Koltzan</u>	Mr. <u>Puluse</u>	Dr. <u>Vega</u>	Mr. <u>Carr</u>	Mr. <u>Clavijo</u>	Mr. <u>Totaro</u>
Motion				1		2			
Aye	X	X		X	X	X	X	X	X
Nay									
Abstain									
Absent			X						

Respectfully submitted,



Patricia Ratcliffe-Lee

Interim Business Administrator