**BOROUGH OF WOODCLIFF LAKE**

**MAYOR AND COUNCIL MINUTES**

**February 11, 2010**

**6:30 p.m.**

**CALL TO ORDER**.

This special meeting, in accordance with the Open Public Meetings Law, P. L. l975, C. 23l, has been posted, and has been published in The Record. This meeting was held with the Woodcliff Lake Board of Education at their offices at 100 Dorchester Road, Woodcliff Lake, NJ who also noticed this as a special meeting.

**ROLL CALL**.

Mayor LaPaglia called the meeting to order. Council members Camella, Glaser, Hoffman, Howley and Rosenblatt were present. Council member Bader was absent as were Attorney Madaio and Administrator Sandve. Borough Clerk Sciara was present. Special Counsel Vito Gagliardi was also present.

**PLEDGE OF ALLEGIANCE**.

All present recited the Pledge of Allegiance led by Board of Education President Bob Nathin.

**Resolution to Authorize Entering into Executive Closed Session**

 **WHEREAS,** the Open Public Meetings Act, P.L. 1975, Chapter 231 permits the exclusion of the public from a meeting in certain circumstances; and

 **WHEREAS,** the public body is of the opinion that such circumstances presently exist; and

 **WHEREAS,** the Governing Body wishes to discuss: the Pascack Valley Regional High School District School Equity Funding Issue with the Woodcliff Lake Board of Education; and

 **WHEREAS**, this session is anticipated to last approximately two hours; and

 **WHEREAS,** these Minutes will be kept and once the matter involving the confidentiality of the aforementioned no longer requires that confidentiality, then the minutes can be made public.

 **NOW, THEREFORE, BE IT RESOLVED** that the public be excluded from this portion of the meeting.

**ROLL CALL:**

Introduce: Mr. Camella

Second: Mr. Glaser

Ayes: Mr. Camella, Mr. Glaser, Mr. Hoffman, Mrs. Howley, Mr. Rosenblatt

Nays: None

Abstain: None

Absent: Mr. Bader

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Mr. Bob Nathin, Woodcliff Lake Board of Education stated that this Executive session is being held in anticipation of litigation. Mr. Peter Lisi stated that in his tenure he has never had the town council and the board together in their board room. He hopes that this will be a potentially productive meeting. He continued that the equity issue of the school funding formula was proposed to the community as a Referendum question on the last general election ballot. The residents of both Montvale and Woodcliff Lake resoundingly approved further investigation of this subject.

Mr. Lisi stated that this Board of Education does not support consolidating with Montvale Schools. Woodcliff Lake would lose the autonomy they have held since 1895. The current board members are long time, experienced members. Mr. Lisi continued that the whole notion of merging school districts with Montvale is offensive. The Woodcliff Lake School District spends $2,000 more per student than Montvale. This extra cost directly reflects in more course offerings in math and English and special courses such as Mandarin. Autonomy allows Woodcliff Lake to choose which courses will be offered to our students. The voters of Woodcliff Lake have approved our district ‘plans since 1895. This Board of Education does not want to turn over their autonomy strictly based on dollars. The Board of Education does not agree with the methodology of the consultant’s report and questions how the amount of savings ($4 million dollars) was obtained. Consolidation does have initial savings. However, Mr. Lisi and the Board question how long the savings will last. The Board of Education wants to save tax dollars as does the Woodcliff Lake Borough. The Board of Education agrees that something needs to be done at the high school level. However, consolidation is not the only way.

Mr. Lisi commented that in the opinion of the Board of Education the current tax structure, not the organization of the schools is the problem. The agreement of both the Board of Education and the Mayor and Council must to be attained before any further steps can be taken. If we were to consolidate K-12, Woodcliff Lake will be subsidizing their neighbor more than they are now.

Mayor LaPaglia stated that we began to pursue this issue clearly on a budgetary issue from his perspective. When the Regional High School was established in 1955, all four towns agreed to pay per number of students times the actual cost of educating a student since 1955. The State came along in a misguided attempt to solve another matter that relates to how schools are funded in NJ. The State then concluded that the school funding formula should be based on property values. This new formula was phased in over a period of five years. The situation now exists with two of the neighboring communities paying substantially less than Woodcliff Lake and Montvale. Mayor LaPaglia is a retired CPA and he believes the State legislature allocated the school funding formulas were allocated was fundamentally flawed. The number of students drives the number of everything else, teachers, books, etc. Ratable do not generate students, particularly in Woodcliff Lake and Montvale. The new State school funding formula used total ratables, not just residential values. This is the primary cause of distortion. Montvale took the lead in expanding their ratable base, Woodcliff Lake was next, Hillsdale did not have the opportunity to expand and River Vale discouraged development of their community.

Mr. Lisi stated that for K-8 does not charge per pupil, charges are on a pay as you go.

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Mayor LaPaglia stated that no one in Woodcliff Lake is complaining about the allocation of funds for the local school district. Over the years the number of students has changed and Hillsdale sends the majority of students while Woodcliff Lake has historically had the smallest enrollment. The question is how can Woodcliff Lake achieve greater equity. In 2004, the Mayor attended a meeting in Oradell. The two schools in Oradell are separated by sending towns. Oradell had been watching their town’s cost increase for the high school at a greater rate than local budgets. With regionalization becoming more and more the dominant theme throughout the State, Mayor LaPaglia sees this getting Woodcliff Lake ahead of the curve. The Mayor’s analysis is that it better to consolidate with Montvale than to be forced to regionalize K-12 with all four towns. Mayor LaPaglia gave out a handout based on a recent article appearing in The Record.

Mr. Camella does not know what is the right way. He wants to save money and just as importantly, wants to keep our own K-8 school district.

Mr. Lisi stated that there are other ways to address this issue. The Commissioner has changed the rules already for other communities. Why not petition the Commissioner directly?

Mr. Rosenblatt stated that the Mayor and Council have no strategy as of yet. The Mayor and Council are just exploring options right now. For us to pursue any option, we would need the Board of Education’s support.

Mr. Nathin commented that the question that we asked the town was not the right question. Instead of asking “Do you want to save “x amount of dollars” by exploring alternative options the question should have been, “Do you want to save x amount of dollars to combine K-8 with Montvale school district”. Mr. Nathin feels that if the question were asked that way, the town would have voted to keep their own school district. Mr. Rosenblatt interjected that he asked for the referendum question to include the “chances of winning is less than 5%”.

Mr. Gagliardi stated that embedded in the culture of New Jersey is the need to retain control.

He continued that while the Mayor and Council can pursue this issue on their own, they should pursue nothing without the Local Board of Education’s support. If the Mayor and Council come out against the Board of Education, the chances of success are less than the already slim chances. However, consolidation is not the only option. Woodcliff Lake and Montvale can elect to withdraw or have a sending/receiving relationship with Montvale. If this is an option in the Board of Education’s view, there will be overwhelming savings. The Board of Education will be surrendering their autonomy to Montvale. The savings, however, may not be a threshold issue for Woodcliff Lake. Montvale will not have the same priorities.

A referendum question to change the funding formula needs to pass in all four towns. Withdrawal or dissolution is a better option. He stated that a funding formula change is voting to increase your taxes in order to lower your neighbor’s taxes.

Mr. Nathin asked if any other school districts were as imbalanced as PVRHSD. Mr. Gagliardi stated that there is an imbalance in almost all regional school districts. Mr. Nathin continued that if there were for example 10 tens that have an imbalance, can’t the ten of districts ask the

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commissioner to change the school funding formula. Mr. Gagliardi stated that the 10 school districts could jointly file a brief, not a class action suit. He stated however, it would not be successful. The Supreme Court dictates that all administrative remedies must be exhausted before she will hear brief. Since all remedies have not been exhausted, this option has a 0% success rate in Mr. Gagliardi’s opinion.

Mr. Rosenblatt asked what the Board of Education is recommending. Mr. Nathin stated the board of education wants to ascertain out how to exhaust all our administrative remedies.

Mr. Fogerty stated that any option chosen00 does not have a substantial likelihood of success. The least drastic approach is raising the consciousness of Woodcliff Lake voters by going to regional high school to ask them to place on ballot for a more equitable funding formula. The alternative faced by Hillsdale and River Vale would be an attempt by Woodcliff Lake and Montvale to withdraw from the regional. Perhaps this alternative might make them think twice.

Mr. Fogerty discloses that he is the Attorney who represents the four (4) sending districts individually and the regional high school district as a whole. His firm represented River Edge and River Dell which both opposed dissolution.

Mr. Nathin stated that the majority of people who move to Woodcliff Lake did so for the wonderful education. The fact is that an extra $500.00 to keep your school intact is worth it. Your house has also increased in value. Mayor LaPaglia stated that it will cost more than $500.00 per year. Doing nothing does not get us out of this bind. Woodcliff Lake will continue to pay a greater premium. This is not about local schools. It is about the regional high school.

The State wants bigger districts. Look at the charts. The disparity is with Hillsdale and river vale, not Montvale. By saying no and perpetuating our little school, the regional k-8 system could be a reality.

Mr. Nathin asked about a possible timeline to get a response from the Regional Board of Education and get the question on the ballot. Mr. Gagliardi stated that there is not enough time to get the referendum on this April’s ballot, and he does not think the Regional School Board hold a special election. The Regional School Board will take their time. The Mayor and Council should pass a Resolution or pursue the dissolution of schools. The towns must agree or we will pursue withdrawal within 60 days. Dissolution will then be off the table very quickly.

Mr. Gagliardi stated that we would propose to either withdraw or dissolve simultaneously. The County Superintendent will ask for report which is 95% done. This would start the clock running while discussing with the Regional Board of Education. The order in which you jump through hoops is irrelevant. Mr. Gagliardi added that Woodcliff Lake could pursue withdrawal without Montvale. Montvale’s subsidy would then increase and they would be forced to join us even if the chances of winning were 5%.

Mayor LaPaglia stated that Montvale’s Council and their local school board are in favor of joining with Woodcliff Lake. The Mayor stated if we were to consolidate, Montvale would approve of a per student cost. Montvale will have one more Board of Education member as per statute due to their larger population. Montvale is not in it to gain buildings, etc.

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Mr. Lisi stated that due to the time, the Board must open their Board of Education meeting. Asking the PVRHSD to put a Referendum on the ballot would have the unanimous support of the Board of Education. If the Referendum fails, then another discussion should be held between the Board of Education and the Mayor and Council. If statewide regionalization comes into play, all agree that no one wants k-12 regionalization. All agreed the goal is to get in front of the commissioner.

There was a short recess from the Mayor and Council Executive Session due to a room change. Roll Call was taken in the Board of Education’s conference room. Council members Camella, Glaser, Hoffman, Howley and Rosenblatt were present. Mayor LaPaglia, Borough Clerk Sciara and Special Counsel Vito Gagliardi were also present.

Mr. Gagliardi stated that if he had known the attorney for all five (5) Boards of Education and were present, he would not have attended this meeting . Mr. Rosenblatt and Mr. Gagliardi agreed that there is a conflict of interest and Mr. Fogerty should have recused himself. Mr. Galiardi stated that Mr. Fogerty was his opponent in the North Haledon remedy suit. The law states that public bodies cannot waive conflicts and all bodies must receive independent advice. There could ultimately be a fight over assets. At the onset of this issue, each body needs their own counsel. The appearance of a conflict of interest clearly exists. Mr. Gagliardi stated that he does not think anyone on the Board of Education is an attorney. They believe they will have a conflict of interest only when Mr. Fogerty tells them there is a conflict of interest.

Mayor LaPaglia asked Mr. Gagliardi to draft a letter from him relaying his concerns about these conflict of interest issues. This will be done in order to put the Board of Education on notice. Mr. Gagliardi stated that he would also be contacted Mr. Fogerty to let him know he would not have attended the meeting if he had known.

Mr. Camella stated that there was really no strategy discussed. Mr. Fogerty did not learn anything he did not already know. Mr. Gagliardi respectfully disagreed. He stated that Mr. Fogerty can only represent all five (5) boards if all boards agree. We already know Montvale and Woodcliff Lake’s position is different than Hillsdale and River Vale’s.

Motion to return to public session was made by Mr. Rosenblatt, second by Mr. Camella and approved unanimously by voice call vote.

**Resolution Requesting the Pascack Valley Regional High School District Board of Education to Conduct a Referendum to Revise the Current Budget Allocation Formula**

 **RESOLVED,** that the Pascack Valley Regional High School District Board of Education should conduct a referendum, consistent with N.J.S.A. 18A:13-23.3 as soon as practicable, in order to return the tax allocation for its operating budget to that originally approved the voters, one based 100% on a per pupil formulation; and

 **BE IT FURTHER RESOLVED**, that the Borough Administrator of the Borough of Woodcliff Lake immediately convey same to each of the individual school districts and municipalities.

**ROLL CALL:**

Introduce: Mr. Rosenblatt

Second: Mr. Camella

Ayes: Mr. Camella, Mr. Glaser, Mr. Hoffman, Mrs. Howley, Mr. Rosenblatt

Nays: None

Abstain: None

Absent: Mr. Bader

**PUBLIC FORUM.**

Hearing no comment from the public, motion to close the meeting to the public was made by Mr. Camella, second by Mr. Rosenblatt and approved unanimously by voice call vote.

**ADJOURNMENT.**

Motion to adjourn made by Mr. Glaser, second by Mr. Rosenblatt. The time is 8:40 p.m.