



Highlands Borough Mayor & Council Meeting Minutes
May 18, 2023– Special Joint Meeting Minutes

SPECIAL MEETING: 7:00PM

The Borough of Atlantic Highlands read the public meetings statement.

This Special Joint Meeting, of the Mayors and Councils of the Borough of Atlantic Highlands, the Borough of Highlands, and the Borough of Sea Bright is being held at the Hesse Parish Center at 55 South Avenue, Atlantic Highlands and is called pursuant to the provisions of the Open Public Meetings Law. Notice has been transmitted to the Asbury Park Press and the Two River Times on May 15, 2023, posted in each Borough Hall on a bulletin board reserved for such announcements, and each Borough website. This agenda is complete to the extent known and formal action may be taken.

SILENT PRAYER & PLEDGE OF ALLEGIANCE

ROLL CALL

Councilmember Chelak, Councilmember Melnyk, Councilmember Olszewski and Mayor Broullon were Present. Councilmember Cervantes was absent.

Also in attendance were special counsel Vito Gagliardi, Jr., Esq., and Kerri Wright, Esq., Borough Administrator Michael Muscillo, and Municipal Clerk Nancy Tran.

WELCOME & HOUSEKEEPING: Borough of Atlantic Highlands Administrator welcomed everyone and introduced individuals on the dais. He noted the procedure for the Special Joint meeting regarding Regionalization of Highlands, Atlantic Highlands, and Sea Bright in a K-12 school district.

REGIONALIZATION UPDATE: Bob Benecke, financial expert for Atlantic Highlands, explained the resolutions to be voted on. Then each town voted on their respective resolutions.

RESOLUTION:

RESOLUTION 23-135

APPROVING TAX ALLOCATION METHODS TO BE PRESENTED TO VOTERS ON REFERENDUM

WHEREAS, the Borough of Highlands ("Highlands") has filed a petition with the Commissioner of Education, jointly with the Boroughs of Atlantic Highlands and Sea Bright and the Boards of Education of the Henry Hudson Regional School District, Atlantic Highlands School District, and Highlands School District (hereinafter "Petitioners"), seeking authorization from the Commissioner of Education to place a referendum before the voters in its community to enlarge the Henry Hudson Regional School District into a PK-12 Regional School District and to expand Henry Hudson Regional to add the Borough of Sea Bright as a constituent member; and

WHEREAS, the joint petition included proposed referendum questions to be presented to the voters in each of the three communities; and

WHEREAS, the proposed referendum questions did not include the tax allocation methods to be presented to the voters, as the Petitioners had not agreed yet on the tax allocation methods to be presented to the voters; and

WHEREAS, the municipal governing officials from Sea Bright, Highlands and Atlantic Highlands have engaged in negotiations and have agreed upon tax allocation methods to be presented to the voters in the three communities, which they have determined to be fair to all three communities and which would provide all three communities with significant annual savings compared to the status quo; and

WHEREAS, the Boards of Education of Highlands, Atlantic Highlands and Henry Hudson Regional were invited to engage in these negotiations and subsequently advised that they believed the tax allocation method should be resolved by the municipal governing officials; and

WHEREAS, the municipal governing officials agreed upon the following tax allocation methods to be presented for approval to the Commissioner of Education:

(1) the following shall be the permanent allocation beginning in the sixth year of the PK-12 Regional District with Sea Bright: 15% on each municipality's equalized valuation (as provided by state law), and 85% on the proportional number of pupils enrolled from each municipality on the 15th day of October of the prebudget year; and

(2) the following shall be a transitional allocation for the first five years of the PK-12 Regional District with Sea Bright: the tax levy will be allocated 45.80% to Highlands and 54.20% to Atlantic Highlands with Sea Bright's contribution to this District divided in half and deducted from the tax levy as allocated to Highlands and Atlantic Highlands (such that each will receive an equal share of Sea Bright's financial contribution to the District); Sea Bright's tax levy contribution will be calculated based 15% on its regional equalized valuation (as determined by state law) based on a proportional share of its students attending the new regional, and 85% on the proportional number of Sea Bright pupils enrolled on the 15th day of October of the prebudget year (in each year of the transition period, Sea Bright's enrollment shall be based on the number of Sea Bright students enrolled in the newly expanded PK-12 regional (as of the 15th of October of the prebudget year) and Sea Bright students enrolled in Oceanport and Shore Regional (as of the 15th of October of the prebudget year) in the grade levels expected to be transitioned to the new PK-12 regional in the applicable budget year.

WHEREAS, the municipal governing officials agreed upon the following proposed referendum questions with the referendum explanatory statement to describe further the above-noted five-year transitional allocation:

Referendum question to be presented to the voters in Highlands and Atlantic Highlands:

Shall the Boards of Education of the Highlands School District, Atlantic Highlands School District, and Henry Hudson Regional School District join together to convert Henry Hudson Regional into an all-purpose PK-12 regional school district and, if authorized by the Commissioner and voters in Sea Bright, to add Sea Bright as a constituent member of the newly expanded PK-12 regional school district, with the annual and special appropriations for a three-town district to be apportioned on the following basis:

In the event Sea Bright does join the regional, following a five-year period with the transitional allocation approved by the Commissioner of Education and beginning in the sixth year of Sea Bright's joinder, 15% on each municipality's equalized valuation (as provided by state law), and 85% on the proportional number of pupils enrolled from each municipality on the 15th day of October of the prebudget year?

Referendum question to be presented to the voters in Sea Bright:

Upon approval by the voters of Atlantic Highlands and Highlands to convert the Henry Hudson Regional School District to a PK-12 regional school district, shall Sea Bright join the Henry Hudson PK-12 Regional School District, with the annual and special appropriations for the newly expanded three-constituent PK-12 regional school district to be apportioned upon the following basis:

Following a five-year period with the transitional allocation approved by the Commissioner of Education and beginning in the sixth year of Sea Bright's joinder, 15% on each municipality's equalized valuation (as provided by state law), and 85% on the proportional number of pupils enrolled from each municipality on the 15th day of October of the prebudget year?

NOW THEREFORE BE IT RESOLVED that, after due consideration, Highlands has determined that the above tax allocation method(s), including the five-year transitional allocation method are fair and

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reasonable to the taxpayers of Highlands; and

BE IT FURTHER RESOLVED that Highlands seeks to have a referendum placed on the November 2023 ballot, or as soon thereafter as may be authorized by the Commissioner of Education, with regard to the enlargement of Henry Hudson into a PK-12 Regional School District and the expansion of the district to include Sea Bright as a constituent member, and authorizes its designated special counsel to submit this agreed upon tax levy allocation and revised referendum questions to the Commissioner of Education for consideration and approval; and

BE IT FURTHER RESOLVED that Highlands authorizes its designated special counsel to take any and all appropriate action to obtain the aforementioned authorization from the Commissioner of Education and to effectuate submission of same to the voters of Atlantic Highlands, Highlands, and Sea Bright.

Motion: Olszewski

Second: Chelak

Ayes: Chelak, Melnyk, Olszewski, Mayor Broullon

Abstain: None

Absent: Cervantes

With no further comment from the dais, public portion was opened.

PUBLIC COMMENT:

Allison D, Sea Bright, expressed her objection to regionalization and thought it was too premature to vote without knowing more specifics. Mr. Gagliardi addressed Allison's concerns.

Muriel Smith, Atlantic Highlands, congratulated all for getting the resolutions passed and welcomed Sea Bright to regionalization. She asked Mr. Benecke to explain his decision on the funding formula and Mr. Benecke answered. Ms. Smith then asked what were the next steps for the referendum process. Matt Giacobbe, Atlantic Highlands Special Counsel, and Mr. Gagliardi answered. Mr. Gagliardi stated that he hopes to have an answer from the Education Commissioner by August for the November ballot.

Claire Kozic, Atlantic Highlands, asked about Sea Bright's current status with Oceanport. Mr. Gagliardi explained the process and consideration given for regionalization. Mr. Giacobbe added to Mr. Gagliardi's answer.

Tracey Mulvaney, Highlands, asked about the appeal and wanted more clarity as she's on the Henry Hudson Regional Board of Education. Mr. Giacobbe and Ms. Wright answered.

Bob Hespe, Atlantic Highlands, asked what would happen if each town has differing referendum results. Mr. Gagliardi answered and stated that regardless of the different scenarios, Atlantic Highlands and Highlands need to vote yes in order for regionalization to move forward.

Robert Burton, Highlands, asked how the new Board of Education would be formed and what happens with the teachers' contracts. Ms. Wright explained how the contracts would work. Mr. Giacobbe explained further. Ms. Wright then explained the new Board format and Mr. Gagliardi added that the terms would be staggered.

Corey ?, Atlantic Highlands, asked Mr. Benecke to explain his funding formula and Mr. Benecke answered. Corey asked about the LEAP studies results and Sea Bright's parents' decisions for where to send their children to school. Mayor Broullon noted that the LEAP study is the same as the Kean study that Mr. Benecke referenced. Mr. Benecke clarified his method further, noting the ratio used and the projected number of students. Mr. Gagliardi and Ms. Wright explained the 5-year transition plan.

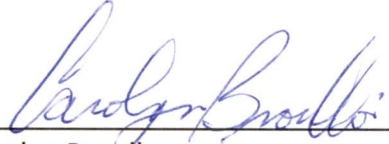
Ms. Mulvaney, Highlands, asked for clarification if Sea Bright were to vote no on the referendum. Mr. Gagliardi explained the funding formula for Atlantic Highlands and Highlands and added how the two towns would split the savings if Sea Bright joins the regionalization.

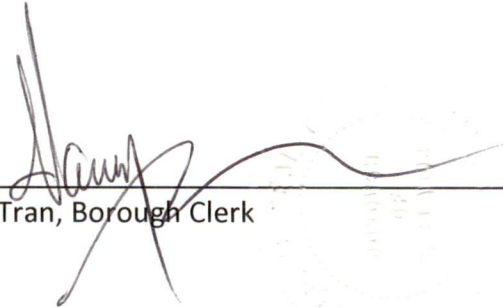
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With no further comments from the public, Public Comments was closed.

ADJOURN:

Upon motion by Council President Olszewski, seconded by Councilmember Chelak, and all were in favor, meeting was adjourned at 8:01PM.

Approve: 
Mayor Carolyn Brouillon

Attest: 
Nancy Tran, Borough Clerk