

**EXCERPT FROM THE MINUTES OF THE REGULAR PUBLIC MEETING OF THE
BOARD OF EDUCATION OF RIDGEWOOD
BERGEN COUNTY, N.J. AS RECORDED IN THE
OFFICIAL MINUTE BOOK**

The Board of Education of Ridgewood, in the County of Bergen, New Jersey, convened in public session on Monday, November 1, 2010 at 7:30 p.m. in the Education Center, 49 Cottage Place, Ridgewood, New Jersey.

The following members of the Ridgewood Board of Education were present:

Ms. Sheila Brogan; Ms. Laurie Goodman; Mr. Charles Reilly; Mr. Robert Hutton, Vice-President; Ms. Michele Lenhard, Board President

The following members were absent: None

E. FINANCE

ii. **Approval: Resolution for Improvement of PERS Pension Budgeting Information**

Whereas, New Jersey school districts were notified as to their 2011 PERS accrued liability pension, noncontributory group life insurance (NCGI), and early retirement incentive costs; and

Whereas we are sure that you are aware that the charges due in April 2011 came as a great surprise to Boards of Education and other local units of government; and

Whereas, school districts have had to estimate these costs for budget purposes as the Division of Pensions refuses to provide any guidance as to a district's projected liability; and

Whereas, school districts must adopt their budget three months in advance of the budget year; and

Whereas, pension appropriations are a significant cost and to find out after a budget has been adopted that there is a great difference between budgeted costs and actual costs can produce significant hardship for a school district; and

Whereas, the Ridgewood Board of Education has a shortfall of \$78,498 (\$750,000 Budget vs. \$828,498 liability) and must now reallocate funds by that amount which will impact other district programs and services; therefore

The Ridgewood Board of Education requests that the Division of Pensions adopt a policy of providing guidance to NJ school districts on or about January of every year as to a district's pension liability due in April of the subsequent budget year;

and

Furthermore, we recommend that the estimate be fixed for budget purposes and that adjustments (plus or minus) for the budget year are reflected in the subsequent year's payment. (For example: If the Division of Pensions notifies a district of a pension liability of \$300,000 for a budget year, the district will budget and pay that amount in the budget year. If the actual costs for that district are \$317,000, the district will pay the adjustment of \$17,000 in the subsequent budget year along with the projected liability for that subsequent budget year.) This practice will allow for accurate budgeting regarding these pension costs; and

Finally, as New Jersey school districts face limits on spending with the implementation of a 2% tax levy hard cap next year, we are hopeful that the Division of Pensions will consider our recommendations to provide the guidance we suggest to prevent problems districts have encountered with pension costs that substantially exceed their budgetary estimates; and

Upon passage of this resolution, the Ridgewood Board of Education hereby directs the Board Secretary to forward a copy of this resolution to Governor Christie, State Senator O'Toole, Assemblymen Rumana and Russo, Mayor Killian, New Jersey Association of School Administrators, New Jersey School Boards Association, New Jersey Association of School Business Officials, Bergen County Association of School Administrators, and the Bergen County Association of School Business Officials.

Mr. Reilly moved approval of Consent Item E – Finance.

Ms. Brogan seconded the motion.

AYES: Ms. Brogan, Ms. Goodman, Mr. Reilly, Mr. Hutton, Ms. Lenhard

NAYS: None

I certify that this is a true and correct excerpt from the Ridgewood Board of Education minutes.

Date

Jennifer Daviet
Assistant Board Secretary