



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE

Governor

KIM GUADAGNO

Lt. Governor

KIMBERLEY HARRINGTON

Acting Commissioner

November 18, 2016

Ms. Tacia Johnson, Board President
Montague Township School District
475 Route 206
Montague, NJ 07827

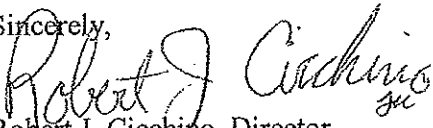
Dear Ms. Johnson:

SUBJECT: Montague Township School District – Attorney Billing Practice Review
OFAC Case #INV-033-16

The Department of Education, Office of Fiscal Accountability and Compliance has received and reviewed the corrective action plan (CAP) prepared and submitted by the Montague Township School District in response to the investigative report dated September 8, 2016. The CAP is considered complete and acceptable; therefore, the examination file is closed.

As part of the corrective action process, the Sussex County Office of Education will be provided a copy of the CAP to monitor the District's progress in implementing the plan.

Sincerely,


Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

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c: Robert Bumpus
Michael Yaple
Rosalie S. Lamonte
Thomas C. Martin
Francesco Frangella

**NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN**

SCHOOL DISTRICT NAME: Montague Township School District COUNTY Sussex

TYPE OF EXAMINATION: Attorney Billing Practice Review

DATE OF BOARD MEETING: November 1, 2016 and October 24, 2016

CONTACT PERSON: Janice Hodge, CSA

TELEPHONE NUMBER 973-293-7131, ext. 203

FAX NUMBER: 973-293-3391

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1. 18A:18A-5(a)(1)	At minimum of every three years the BOE will solicit RFP's from attorney's who may be interested in serving as legal counsel for the District	Amend BOE Policy #3327 to require RFP's at least every three years from professionals interested in providing services to the District	Tacia Johnson, BOE President	ONGOING
			INDIVIDUAL	COMPLETION

Janice Hodge
Janice Hodge, CSA 11/12/16

(presently vacant position; District in midst of search process for replacement)
Board Secretary/Business Administrator

Date

Date

**NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN**

RECOMMENDED NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	RESPONSIBLE FOR IMPLEMENTATION	DATE OF IMPLEMENTATION
2. 6A:23A-5.2(a)(3)	<p>1. Continue present practice/policy of limiting contacts with BOE legal counsel to the District CSA, BOE Pres., and District SBA/BS</p> <p>2. Continue present practice/policy for requests to BOE legal counsel to be in writing.</p> <p>3. Continue present practice of not requesting legal services for information readily available in School District Policies/Bylaws.</p> <p>4. SBA to review and track annual expense for legal services and give written notice to BOE when such expense reached 80% of SPPA so that appropriate measures may be undertaken.</p> <p>5. BOE Pres., CSA, and SBA/BS to maintain logs of contacts with legal counsel including dates and length of contacts for periodic review.</p>	<p>1. Memo to BOE members and District administration explaining the limitation.</p> <p>2. Memo to BOE President and District CSA and SBA of the necessity for written request.</p> <p>3. Memo to BOE President, CSA, and SBA that legal services should not be requested for readily available information.</p> <p>4. Memo to SBA informing him of the duty to track annual legal expense.</p> <p>5. Memo to BOE President, CSA, and SBA/BS informing of the requirement to maintain contact log.</p>	<p>1. BOE President</p> <p>2. BOE President.</p> <p>3. BOE President</p> <p>4. SBA/BS</p> <p>5. BOE President, CSA, and BA/BS</p>	<p>All Ongoing</p>

Janice Hodge
 Janice Hodge, Chief School Administrator

11/2/14

Date

Board Secretary/Business Administrator

Date

RESOLUTION

WHEREAS, the Office of Financial Accountability and Compliance (OFAC) of the New Jersey Department of Education has conducted a limited review of the Montague Township Board of Education's (BOE) attorney billing practice with a report dated September 2016; and

WHEREAS, the OFAC report found that the BOE's legal expense has exceeded the 130% of the statewide per pupil average (SPPA) for the school years 2013-2014 and 2014-2015; and

WHEREAS, the legal expense for the District during the 2013-2014 school year for services rendered by prior BOE counsel Cherie Adams, Esq. was nearly triple the baseline figure of 130% of the SPPA; and

WHEREAS, the legal expense for the District for the 2014-2015 school year was about double the baseline figure of 130% SPPA utilizing the services of present BOE counsel Gary Kraemer, Esq. and present special litigation counsel Daniel Perez, Esq., a significant reduction to the fees charged by Adams, yet still above the 130% of SPPA; and

WHEREAS, neither of the school business administrators employed by the BOE during this period (neither of whom is still employed by the BOE) alerted the BOE that the 130% threshold was being neared in either school year; and

WHEREAS, the BOE policy 3327 and bylaw 9126 address the concerns raised in the OFAC report; and

WHEREAS, the BOE appointed Gary Kraemer, Esq. as special counsel in April 2015 following public advertising for the position and interviews with interested candidates; and

WHEREAS, the BOE retained Mr. Kraemer as legal counsel at the hourly rate of \$160.00 per hour which was competitive with rates charged by the BOE's other attorney; and

WHEREAS, the BOE appointed Mr. Kraemer as interim legal counsel at the same hourly rate as previously charged on May 27, 2015 following the resignation of Cherie Adams, Esq., and

WHEREAS, the BOE intends to continue taking reasonable measures to control the District's legal expense to the greatest extent possible; and

WHEREAS, the District's legal expense of nearly triple the 130% SPPA baseline figure in 2013-2014 was charged by Cherie Adams, Esq. who is no longer retained by the District; and

WHEREAS, a large portion of the District's legal expense for the 2014-2015 school year (significantly reduced from the legal expense incurred with Cherie Adams, Esq. as BOE legal counsel) was incurred in defending new BOE members on ethics charges maliciously brought against them by members or supporters of the prior BOE voted out of office, and also in

Reviewing and correcting improper procedures (Sunshine Law and the District's send-
receive relationships in particular) that had developed under prior counsel Cherie
Adams, Esq.;

NOW THEREFORE, Be it Resolved as follows:

1. The Board bylaw 9126 is hereby ratified, and the present practice followed by
this Board since May 2015 (Cherie Adams, Esq. resignation) that contact with
Board legal counsel regarding Board and school district issues is limited to the
Board president, chief school administrator, and school business
administrator/board secretary.
2. The School Business Administrator shall review and track legal bills and shall
give written notice to the Board at any time that the annual expense for legal
services reaches 80% of the SPPA for legal services, so that appropriate
measures may be undertaken.
3. Administrative personnel shall continue the present practice requesting legal
services from Board counsel for information that is readily available to them such
as School District Policies or Bylaws.
4. The Board policy 3327 is hereby ratified and the present practice followed
since May 2015 (Cherie Adams, Esq. resignation) that requests to Board counsel
for legal advice shall be submitted in writing.
5. The Board president, chief school administrator, and school business
administrator shall maintain logs to document contacts with Board legal counsel
including dates and lengths of contacts for periodic review to determine that
requests for legal advice are necessary.

6. At least every three (3) years the Board will solicit RFP's from attorneys who may be interested in serving as legal counsel to the School District, and this will be addressed for all professionals in the District's Policy Manual.

Motion EM 2nd GP (TJ) (GA) (DC) (SK) (EM) (GP) (LS)

Date of Adoption: November 1, 2016



GARY A. KRAEMER
gkraemer@kandclaw.com

JOSEPH M. CORAZZA**
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**Member of NJ and NY Bars

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November 10, 2016

Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance
Department of Education
P.O. Box 500
Trenton, NJ 08625-0500

Re: Montague Township School District – Attorney Review Billing Practice
OFAC Case No.: #INV-033-16

Dear Director Cicchino:

I represent the Montague Township Board of Education in connection with the recent OFAC Report directed towards the District's attorney billing practices. In that regard, I have enclosed a true copy of the Board of Education's Resolution adopted at its November 1, 2016 public workshop meeting confirming that it addressed the OFAC Report during the public portion of the meeting in compliance with the Administrative Code.

Also enclosed is a copy of the Corrective Action Plan containing the measures that the Board approved to address concerns about legal fees in the District which were primarily generated by prior Board legal counsel, Cherie Adams, Esq., and in addressing the aftermath of legal problems arising from the unfinished business resulting from her abrupt resignation in May 2015, after the Board brought concerns to her attention regarding a conflict of interest arising from her concurrent appointment for the High Point Regional High School Board of Education.

The school was closed for the convention today and tomorrow, so I was not able to obtain the CSA's signature on the CAP or the voting on the Resolution before the deadline on returning the documents to you. I will forward a signed CAP plan and a Resolution showing the voting of the Board next week.

The Montague Township has been diligently working towards getting resolutions on a number of difficult issues that arose during and as a result of the prior representation of Ms. Adams.

I am hoping that in light of this background and the factual details set forth in the enclosed Resolution from the Board that you will find the measures included in the Corrective Action Plan satisfactory. If anything additional is required on this, please don't hesitate to get back to me.

Yours truly,
KRAEMER & CORAZZA

By: GARY A. KRAEMER

GAK/bb

Cc: Robert L. Bumpus, Assistant Commissioner

Cc: Rosalie S. Lamonte, Sussex County Executive Superintendent

Cc: Janice Hodge, Montague Township CSA

Cc: Tacia Johnson, BOE President



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November 14, 2016

Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance
Department of Education
P.O. Box 500
Trenton, NJ 08625-0500

Re: Montague Township School District – Attorney Review Billing Practice
OFAC Case No.: #INV-033-16

Dear Director Cicchino:

As a follow up to my letter to you dated November 10, 2016, enclosed please find the signed CAP and Resolution in connection with the above captioned matter. Thank you.

Yours truly,
KRAEMER & CORAZZA

By: GARY A. KRAEMER

GAK/bb
Cc: Robert L. Bumpus, Assistant Commissioner
Cc: Rosalie S. Lamonte, Sussex County Executive Superintendent
Cc: Janice Hodge, Montague Township CSA
Cc: Tacia Johnson, BOE President