

# BOROUGH OF HIGHLANDS, N. J.

INCORPORATED 1900



151 NAVESINK AVE.  
HIGHLANDS, NJ 07732  
COUNTY OF MONMOUTH

(732) 872-1224 PH  
(732) 872-0670 FX

WWW.HIGHLANDSNJ.GOV

CAROLYN BROULLON  
MAYOR

MICHAEL F MUSCILLO, MPA  
BOROUGH ADMINISTRATOR

NANCY TRAN  
MUNICIPAL CLERK

## Status Report on Efforts to Hold Referendum to Have Sea Bright Join Henry Hudson Regional

As is detailed in the attached memo, here is where things stand in connection with the fight to allow voters to be heard on the critical issue of having a referendum to add Sea Bright to Henry Hudson Regional:

- Henry Hudson Regional hired Kean University to do a independent study on regionalization. As with the studies funded by Atlantic Highlands, Highlands, and Sea Bright, the Kean University study recommended the creation of a K-12 school district for the three towns, noting in particular that the full educational and financial benefit came only with the inclusion of Sea Bright.
- When Henry Hudson Regional decided to move forward on a referendum without Sea Bright in September 2023, Superintendent of Schools Tara Beams assured the public, repeatedly and in writing, that she wanted to include Sea Bright as soon as it resolved its legal battles with Oceanport and Shore Regional. Voters in Highlands and Atlantic Highlands, relying on her assurances, voted in favor of the referendum and it passed.
- Sea Bright has prevailed in every legal battle to date. Meanwhile, for reasons it continues to conceal, Henry Hudson entered into a legal agreement with Oceanport and Shore Regional promising not to pursue its promised plan to include Sea Bright at this time.
- As a result, Sea Bright is now seeking a ruling from the Commissioner of Education that it can leave Oceanport and Shore Regional as soon as it has a K-12 district it can join – and it prefers Henry Hudson Regional, of course. Amazingly, Dr. Beams submitted a certification opposing Sea Bright's request, even though Henry Hudson Regional is not even a party to the case.
- For years, taxes collected from the voters in Highlands and Atlantic Highlands have been used by Henry Hudson Regional to prevent those same voters from considering the Sea Bright option – the very option which the consultants, funded by those same voters, recommended as the option which best serves students and taxpayers alike.

As many residents know, the Boroughs of Highlands and Sea Bright have worked together for several years to facilitate Sea Bright's entry into the Henry Hudson Regional School District. Residents of both Boroughs and Atlantic Highlands have much to gain if this effort succeeds. Three separate studies commissioned by Sea Bright, Highlands, and the Henry Hudson Regional Board of Education have concluded that the citizens of all of three municipalities will enjoy significant financial and educational benefits if Sea Bright joins the Henry Hudson Regional School District. The effort also is overwhelmingly popular with voters. Indeed, several weeks ago, voters in Sea Bright and Highlands voted overwhelmingly in favor of non-binding ballot questions asking whether residents were interested in exploring property tax relief and other tax savings resulting from Sea Bright's entry into Henry Hudson.

Given the regionalization effort's popularity with voters, we feel it is important to inform the public of where the regionalization effort stands. The Boroughs' goal remains putting a referendum before the voters to consider having Sea Bright join the Henry Hudson Regional School District and send its students to the District's schools. To do this, the Boroughs are required to follow a legal process set forth by New Jersey's school laws.

The first step in the legal process is to file a petition with the Commissioner of Education, seeking authorization for such a referendum. The Commissioner must determine whether the regionalization will serve the educational, financial, and social interests of all of the involved school districts. Sea Bright and Highlands filed a petition with the Commissioner in 2022. Sea Bright currently is part of the Oceanport School District, and sends its students to schools in the Oceanport and Shore Regional School Districts. Because both Oceanport and Shore Regional benefit financially from Sea Bright's inclusion in their districts, both sought to prevent it from joining Henry Hudson. Oceanport and Shore Regional argued that Sea Bright could not legally seek to withdraw from their districts and therefore never could submit a referendum to voters regarding Sea Bright's entry into Henry Hudson. The Commissioner of Education ultimately affirmed Sea Bright's right to seek to withdraw from Oceanport and Shore Regional. In November 2024, a state appellate court issued a decision affirming the Commissioner's determination.

Sea Bright and Highlands have succeeded at every legal juncture of the regionalization process. This past summer, Oceanport and Shore Regional also brought suit to prohibit Sea Bright and Highlands from placing non-binding questions on the November ballot asking voters whether they are interested in exploring property tax relief and other savings resulting from regionalization. Oceanport's and Shore Regional's suit did not succeed, and the reviewing court rightfully saw the case as little more than an attempt to meddle in the democratic process of two independent municipalities.

Unfortunately, the most recent attempts to thwart the regionalization process have come from the Henry Hudson Regional School Board itself. Though it nominally participated in the litigation before the Commissioner of Education and later the Appellate Division, Henry Hudson faced no legal liability from the litigation, which focused entirely on Oceanport and Shore Regional's attempt to keep Sea Bright within their districts. Sea Bright bore the costs for the litigation defense and Henry Hudson took no active role in the case. Despite that fact, Henry Hudson negotiated a settlement agreement with Oceanport and Shore Regional so that it could be dismissed from the litigation, claiming that the involved effort and expense were too high. Of course, the effort and expense of the litigation were borne

almost exclusively by Sea Bright, not Henry Hudson. In exchange for its dismissal from a case in which it faced no true legal liability, Henry Hudson promised Oceanport and Shore Regional through the settlement agreement not to take certain measures to further the regionalization effort, including joining Sea Bright in required feasibility studies and in a renewed petition to the Commissioner of Education.

Worse yet, Henry Hudson did what it could to conceal the agreement from public scrutiny. It both rushed through a resolution approving the settlement agreement before its terms were finalized, and failed properly to notify the public that it would discuss the agreement at all. At its May 2024 special meeting, Henry Hudson approved the “concept” of a settlement agreement even though its language had not been finalized and thus no settlement actually existed. Moreover, the formal meeting notice for the special meeting at which this “conceptual” settlement was approved did not notify the public that the settlement agreement would be approved or even discussed. The public thus had no opportunity to voice its concerns or displeasure with the settlement. Ultimately, Henry Hudson’s actions to approve the settlement resulted in litigation which remains ongoing at this time. Highlands Borough Council President Jo-Anne Olszewski brought suit against Henry Hudson alleging that the settlement agreement was passed in violation of the Open Public Meetings Act.

In the meantime, Sea Bright and Highlands have moved forward with their regionalization plans, and have brought a new petition before the Commissioner based on new and updated education studies examining the educational, social, and economic impact of the regionalization plan. If the Commissioner approves the petition, the matter then can eventually proceed to a public referendum -- once Henry Hudson agrees -- where the voters ultimately will decide whether Sea Bright will join the Henry Hudson Regional School District.

Despite complaining of the costs associated with the regionalization effort, and despite overwhelming public support for the regionalization effort, Henry Hudson was not content to wait on the sidelines while the Commissioner decided the petition. Instead, Henry Hudson filed papers designed to block Sea Bright’s efforts, raising false and misleading arguments! For example, Henry Hudson claimed that it was never consulted regarding the tax levy apportionment attendant to the regionalization. In fact, the Boroughs of Sea Bright, Highlands, and Atlantic Highlands offered, at Henry Hudson’s request, to mediate the matter and to pay for the costs of mediation. Despite the opportunity to mediate the tax levy issue at no cost, Henry Hudson later declined to participate after the Boroughs had secured a mediator.

More generally, Henry Hudson’s effort to obstruct the regionalization effort raises a number of questions. Why even weigh in on whether Sea Bright has the Commissioner’s approval to leave Oceanport and Shore Regional? Why spend money on legal fees that the curious settlement “deal” with Oceanport and Shore Regional was designed to save? And why try to prevent the voters from being heard on an issue Henry Hudson’s leadership once championed? The petition before the Commissioner remains pending at this time, and Sea Bright and Highlands remain committed to bringing forth a regionalization effort that is both beneficial and worthy of favorable consideration by voters.

Highlands and Sea Bright continue to fight to bring the issue of Sea Bright’s inclusion into the Henry Hudson Regional School District before the voters. Sea Bright’s entry not only

is fiscally palatable, it is educationally beneficial and has proven popular with the public. And it is the public that should decide, through a referendum, whether Sea Bright joins the Henry Hudson Regional School District.