

DRAFT

**Horseheads Central School District
Public Hearing of the Board of Education
High School South Wing(Multi-Media Center)
May 3, 2012**

Present: Brinthead, Buck, Conklin, Jacobus, Lynch, Miller, Strollo

Also Present: Marino

Absent: Holleran, Lively

Call to Order: President Brian Lynch called the Public Hearing to order at 6:00 PM.

Board President's Remarks:

Board President Brian Lynch welcomed everyone to tonight's Public Hearing of the 2012-2013 School Budget. Brian stated that Superintendent Dr. Ralph Marino will begin the meeting by presenting the proposed 2012-2013 School Budget. At the conclusion of Dr. Marino's presentation, the floor will be open to hear Questions/Comments from the Public, followed by a time period for Questions and Comments from the Board, ending with the introduction of Board Candidates. Brian explained the guidelines and format of the Workshop as per Board Policy 2370: Public Participation at Board Meetings for Board of Education Community Budget Meetings including to state your full name, address and to conduct yourself in a civil manner.

Brian further explained that the Superintendent will present the proposed 2012-2013 School Budget consisting of a Reserve Fund Report, 2008-2011 Overview, Review of the Property Tax Cap Worksheet, 2012-2013 Budget Figures including State Aid, Revenue and Expense Projections, the 2012-2013 Preliminary School Budget, 2012-2013 Proposed Budget and Five-Year Budget Projection.

Preliminary 2012-2013 School Budget Presentation

Superintendent and Acting School Business Administrator Dr. Ralph Marino welcomed everyone to our Annual Budget Hearing. Ralph stated the Hearing is required under New York State law. The Board approved the Preliminary 2012-2013 School Budget at its April 18, 2012, Board of Education Meeting with it going to the voters on May 15th. Ralph stated it is very important for the people to understand what has occurred in the District during the past four years and that things will continue to change. Ralph stated that total reductions since May 2009 equal \$9,310,476, broken down as follows: May 2009 - \$2,299,659, May 2010 - \$2,806,905 and May 2011 - \$9,310,476. Ralph stated this is the first year that the federal stimulus money has expired. The economic reality is that we are in a mode of reducing and are not able to change it.

Dr. Marino reviewed the Property Tax Levy Cap Legislation and Property Tax Cap Calculations. Ralph stated the tax cap formula is a very complex formula. The maximum allowable levy growth factor is 2%, but there are several exemptions a District must factor in to determine the maximum allowable tax levy increase. In Horseheads' case, that increase is 3.85%. This is the maximum the tax levy can increase with a simple majority vote by the taxpayers.

Dr. Marino stated that we do not control the Tax Base Growth Factor. This is a number that is given to us by the State and is specific to our school district. He also stated that the Base Year Levy plus PILOTs are numbers that fluctuate. This is an incentive for businesses to build in our school district and is payment in lieu of school taxes. As of today the PILOTs are about \$750,000. Ralph stated that the 2011-2012 tax levy was \$32,441,675 with a proposed 2012-2013 at \$33,548,942 which is an increase of \$1,107,267 or 3.41%. State Aid projection with the Governor's proposal as of today is \$27,136,361 an increase of \$1,162,112 or 4.47%, whereas, last year's was \$25,974,249. Ralph noted that in 2006-2007 the District received \$26,996,403 in total state aid. Even with this current proposed increase we are still receiving less state aid than six years ago. Also, the District's share of the New York State Lottery Revenue (approximately \$4.5 million in 2011-2012) is included in our total state aid.

Dr. Marino presented the 2012-2013 Budget figures. Dr. Marino stated the total Revenue Projections as of today are \$69,511,671, Expense Projections total \$69,511,671, an increase of \$182,491 or 0.26% whereas last year's, 2011-2012 with voter-approved budget was at \$69,329,180. Dr. Marino stated that the deficit for the 2012-2013 Preliminary School Budget is zero. Ralph noted that for the current school year the District used \$5,295,000 from District reserve funds and \$1,745,980 from the Federal Jobs Bill Grant to balance the budget which is how we made the budget work. Ralph noted that the Federal Jobs Bill expires in June which will affect many positions. Dr. Marino reviewed the Expenditures by Component, with Total Expenditures at \$69,511,671, a dollar change of \$182,490 (0.26%) increase from the 2011-2012 Budget. Dr. Marino presented a Two-Year Comparisons with a proposed two-year percentage change in Administrative at 1.86%, Programs at 3/17% and Capital at -7.96%.

Dr. Marino reviewed proposed reductions for 2012-2013 which total \$1,688,676, the proposed 2012-2013 Budget and the Five-Year Budget Projection. The Five-Year Budget Projection shows a Projected Deficit of \$0 for the years 2011-2012, \$0 for 2012-2013, \$4,481,411 – 2013-2014, \$3,945,499 – 2014-2015, \$3,391,848 – 2015-2016 and \$2,820,033 – 2016-2017. The years 2013-2017 show a 1% increase. Staffing and Enrollment History was presented with an estimated 640 staff for 2012-2013 with a Student Enrollment estimated at 4,269 in comparison to eleven years ago in 2001-2002 when staffing was at 695 with student enrollment at 4,550. The Budget Tax History, Estimated Average Tax Rate, Tax Impact New York State Report Card for Fiscal Accountability – 2009-2010, Tax Rate Comparison and History Proposed Budgets for Districts in New York State with Similar Enrollment (+/- 100 students), Statewide Budget Comparison were presented.

Dr. Marino presented the three propositions that will be on the ballot: Proposition 1: Adoption of the 2012-2013 Budget, Proposition 2: Purchase of Buses for Delivery During the 2013-2014 School Year and Proposition 3: Capital Reserve Fund Expenditure. Dr. Marino also stated that voters will elect three members to the Board of Education who will be elected to three-year terms beginning July 1, 2012. Voters may vote for one or both of the candidates or write in one, two or three names.

Board of Education and Public Questions and Answers Regarding the Presentation

George Kastenhuber, 519 John Street, inquired if the Board is looking into any other alternatives for fuel for the busses. Dr. Marino stated that the Board did have a discussion regarding this. However, the issue is obtaining the source that would be able to constantly supply us with what we need to meet our needs. Mr. Kastenhuber stated it would be beneficial for Horseheads to pool its resources with other Districts. Dr. Marino stated we need someone to establish a fueling station, a way to identify where the money would come from and who will invest in it. It would have to be a joint venture and would take a lot of researching. Dr. Marino stated this was a good question. George inquired regarding the calculation of the numbers for the tax cap and what happens if the projections are wrong, if the District is off, how this will affect next year's budget. Dr. Marino stated the auditors have confirmed that the figures are correct. The District received the letter in today's mail. Dr. Marino stated he is very comfortable with the \$32.5million. However, if we are under we can add it to next year's budget and if we are over we will give back to the taxpayers next year. George stated it seems as though the last few years the figures the State has been giving to the School Districts look like the leaders are setting the Districts up for failure. Dr. Marino stated that we did not receive the State Mandated Reliefs that we were promised.

Penny Kastenhuber, 519 John Street, stated she realizes that the District hired a consultant to look at our bus routes and inquired as to what the status of it was. How did we make out? Is it mandated we have to purchase new busses every year? Dr. Marino stated the DOT inspections are very, very vigorous. The District has a plan that we replace busses every ten years. We use to have 80 busses and eliminated 10 busses per our consultant's advice. Dr. Marino stated we are gradually bringing the number down. We now have busses that have three students per seat with some students riding at longer length of time than they did in the past. Penny stated that she is concerned when a young child has to spend 1 hour and 10 minutes riding a bus to school and then another 1 hour and 45 minutes to go home. She also inquired as to why there are three busses that go up Hillview in Millport, one right after another. Dr. Marino stated this is the first year we can use ridership and run separate bus runs for the Elementary and the Middle School. We eliminated one more bus run this year which is as far as we are able to go. Penny inquired if the District could go back to walking. Dr. Marino stated this was discussed; however, the cost savings is not really there. We did save \$67,000 by reducing bus runs this past year. Dr. Marino stated that others have voiced their concern relating to the length of time their child stays on the bus, however, we should be grateful that we have 100% bussing. Penny stated those parents who continually drop off their child(ren) at school are also at fault as they are not making full use of the bussing that is available to them. Dr. Marino stated the problem is the parents who drop off their child(ren) is not steady. At the Middle School/Intermediate School complex there are between 300-400 cars that drop off students on a daily basis. We cannot reduce the bus fleet in case there is an emergency where we have to transport all the students home. Penny inquired if the District provides bussing to charter students. Dr. Marino stated that we do not provide bussing. If it is more than fifteen miles, the parents have to transport the child.

Board President Brian Lynch thanked Mr. and Mrs. Kastenhuber for attending tonight's meeting and for asking some great questions and providing the Board with insight from their point of view.

Questions and Comments from Board Members

Board Member Ruth Miller thanked Dr. Marino for another excellent Budget presentation and for going out into the community and making himself available to the public during this budget season.

Board Member Mark Brinthaup stated this is one of the best Budget presentations he has seen in years and he is most appreciative of the time and effort Dr. Marino and the Finance Committee put into the creation of this budget. Mark stated when you look at the cuts that are being made to the south and the west of us you are able to see the high level of management that we have in Horseheads as our Superintendent seen the bleak state of the economy coming years ago and prepared Horseheads for it well in advance. Mark thanked Dr. Marino again for his expertise and looking into the future when planning the budget. Mark thanked Mr. and Mrs. Kastenhuber for attending tonight's Public Hearing and for stating their concerns and asking some very informative questions.

Board President Brian Lynch thanked Dr. Marino for presenting an excellent, very comprehensive and detailed budget presentation. Brian thanked Dr. Marino and the Finance Committee for putting the budget computations together, for working through the Tax Cap and for going out into the community. Brian stated he is in full support of the proposed 2012-2013 School Budget and is truly appreciative of everything Dr. Marino has done to create the 2012-2013 School Budget. Brian stated the Proposed Budget will go to the taxpayers on May 15th for a Budget vote.

Adjournment

Moved by Brinthaup, seconded by Jacobus.

RESOLVED, that the Horseheads Central School District Board of Education Meeting adjourned from its Public Hearing of the Board of Education at 6:41 PM.

<u>Ayes</u>	<u>Noes</u>	<u>Absent</u>
Brinthaup		
Buck		
Conklin		
Jacobus		Holleran
Lynch		Lively
Miller		
Strollo		
MOTION CARRIED		

Respectfully Submitted By:

Candy L. Maine,

Candy L. Maine,
District Clerk

