

**Horseheads Central School District
Community Budget Workshop
Big Flats Community Center
March 5, 2014**

Present: Apgar, Boulas, Conklin, Jacobus, Johnson, Lynch, Sadler

Also Present: Christiansen, Donahue, Holloway, Marino, McDonough, Moyer, Scaptura, Williams

Absent: Brinthead and Stollo

Call to Order: Board President Brian Lynch called the Community Budget Workshop to order at 6:02 PM

Board President's Remarks:

Board President Brian Lynch welcomed everyone to the second Budget Workshop and stated that the final one will be on April 9th at 6:00 PM at Broad Street School. Brian stated that Board Vice-President Pam Stollo and Board Member Mark Brinthead were unable to attend tonight's Workshop. 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. He further explained that School Business Administrator Katy Buzzetti will present an Update on the 2015-2016 School Budget Planning and Development Process first, then there will be an opportunity for the Board to ask questions at the end of the presentation and then the floor will be open to the Public for comments/questions at the conclusion of the presentation.

Update on the 2015-2016 School Budget Planning and Development Process

School Business Administrator Katy Buzzetti presented a history of where we have been since 2008, a Summary of Reductions since 2009 through 2014, Reductions, State Aid Projection, State Aid Breakdown, an Explanation of the Gap Elimination Adjustment(GEA), Property Tax Levy Cap Calculations, Property Tax Freeze, Revenue and Expense Projections as of March 5, 2015, Budget Breakdown, Budget Additions and Considerations, 2015-2016 Preliminary School Budget, Preliminary List of Propositions on the May 19th Ballot and the Five-Year Budget Projection as of March 5, 2015, to the Board.

School Business Administrator Katy Buzzetti stated we are in our seventh year of the economic downturn in our country and state. The Horseheads District has been working for the last seven years to combat the downturn while continuing to provide our children with a quality education.

School Business Administrator Katy Buzzetti reviewed the previous reductions of May 2009–May 2013 which nearly totaled \$14 million in six years. Some of those reductions included 147 positions eliminated through retirements, resignations and layoffs, reduction of department/building budgets by 62.5%. Katy stated at this time the State has said there will not be a release of School Aid until an agreement is reached, most likely around the start of the fiscal year, April 1st. Katy stated if the Legislature does not adopt the reforms presented by Governor Cuomo, State Aid will remain flat at 2014-2015 levels except for Categorical Aid(BOCES, Building and Transportation) amounting to \$377 million on 1.7%. Katy reviewed the State Aid Breakdown, the Gap Elimination Adjustment(GEA) and noted the total 5-Year reduction is \$23,604,028. Cont'd

Katy stated the Preliminary maximum tax increase under the Tax Cap for 2015-2016 is 2.07%. Katy noted it could change due to the Softball Field Project, State Aid Runs and PILOT Agreements. Katy reviewed the Property Tax Freeze, the Property Tax Credit and the Revenue Projections. Katy noted as of March 5, 2015, the Total Revenue is just shy of \$67 million and noted for the current school year, the District assigned \$5,000,000 from the District Fund Balance.

2015-2016 Budget Additions

School Business Administrator Katy Buzzetti reviewed the Budget Additions of 1 English as a Second Language Teaching Position, 1 Autism Spectrum Disorder(ASD) Consultant Teacher at the Middle/Intermediate and High Schools, 1 12:1:1 Position at the Intermediate School, Increase BOCES Occupational Therapy Services by 0.4 FTE. Katy stated these additions are necessities which will bring the District into compliance with Education Law.

School Business Administrator Katy Buzzetti reviewed the Budget Considerations and Budget Increase per Additions/Considerations to the Budget, noting that with the inclusion of only the four Additions which would bring the District in compliance with Education Law would bring the 2015-2016 Budget to \$73,470,016, an increase of \$1,194,139 a 1.65% increase with a resulting deficit of \$6,493,436. Katy noted the seven buses are also included in the budget at a cost of \$875,000. Katy stated the total cost for all Budget Considerations would be \$132,304 for the 2015-2016 budget amount offset by \$68,250 currently in the 2014-2015 budget for shared services with the Elmira City School District. Katy noted the increase in the deficit is offset by an increase in tax levy(the Softball Field increases Tax Cap Calculations) resulting in a zero change to the deficit.

School Business Administrator Katy Buzzetti reviewed the Preliminary Expense Projections as of March 5, 2015, totaling \$73,479, an increase of \$1.2 million over the 2014-2015 Budget a percentage increase of 1.65%. Katy presented the Proposed School 2015-2016 Budget figures as of March 5, 2015, including all of the Compliance-Related Budget Additions and the Bus Purchase. Katy stated the Total Revenue Projections is \$66,985,580, Preliminary Expense Projections total \$73,479,016, an increase of \$1,194,139 or 1.65%, whereas, last year's, 2014-2015 voter-approved budget was at \$72,284,877. Katy stated that the deficit for the 2015-2016 Preliminary School Budget is a negative \$6,493,436. Katy noted that for the current school year the District used \$5,000,000 from District Reserve Funds to balance the budget.

Five-Year Budget Projections and History

School Business Administrator Katy Buzzetti presented the Five-Year Budget Projections and History consisting of the Property Tax Levy, State Aid, Use of Fund Balance and Reserves, Other Revenue, Total Budget and the Actual/Projected Budget Deficit. Katy stated that the deficit for fiscal year 2015-2016 is estimated at \$6 million and noted there is approximately an estimated \$4 million deficit for the next four years.

Board of Education and Public Questions and Answers Regarding the Presentation

Board President Brian Lynch thanked School Business Administrator Katy Buzzetti for putting together a very thorough Budget Presentation and stated that he appreciates the updates. Brian stated that even though the Board saw much of this information about a month ago, it is interesting to have a review of it and

see changes that have occurred in such a short period of time. Brian also thanked Katy for presenting the Board with a brief history of why we are where we are at today and thanked the Finance Committee for gathering the information from the last Budget Workshop and prioritizing the Considerations based on what was heard from the Board at that Workshop. Brian stated it looks like everything is there, the Propositions are the same as what we discussed, and Proposition 2 has now been combined to include both the Technology Capital Project Phase II and Relocation of the Softball Field for State Aid reimbursement. Brian stated this is a very challenging budget year, the Board needs to stay the course and we need to give some guidance on the Propositions because we need to approve them at March 26th Board Meeting so that they are on the May 19th Ballot.

Board Member Karen Boulas inquired regarding how the cost of the Softball Field will impact the Property Tax. Business Administrator Katy Buzzetti stated that this is a Capital Exclusion that may help to exceed the \$500,000 that would be added to the Tax Cap.

Board Member Doug Johnson inquired if the \$6.5 million figure is without the Softball Field. Katy stated yes, the deficit only includes the compliance issues and the buses. If we include it with the Technology Project, we could bond one large bond at the IS/MS Complex which would cost nothing at this point.

Board Member Warren Conklin inquired how much does the District have in Reserves based on if there is a deficit. Superintendent Dr. Ralph Marino that at the February Budget Presentation, we were presented that there is \$2 million set aside for Retirement, \$5.9 million for Transportation and Technology Upgrade, \$2.8 million offset for the GEA and we could spend our remaining 4%(\$2.8 million) and the it is all gone(\$13.4 million total). This is money that the Board could move around to offset any deficit this year. It is the Board's decision how they choose to spend it. Once we use it up, it is gone. The Board will have to make a decision if the Voters approve the Capital Reserve Fund and the amount chosen to be put in there. Ralph noted the amount chosen will reduce the money we have left in the budget. Board President Brian Lynch stated that \$6.5 million is just what we have now and if we were given a 4.8% roughly another \$1.4 million would be the best case scenario. It would put it down to a 5.1% deficit, which is not a good number but it is a perspective.

Board Member Rose Apgar inquired for clarification regarding the addition of 1 STEM Teacher. Superintendent Dr. Marino stated it would be to meet demand and student interest in STEM related courses at the High School. Ralph noted the High School has not been able to run any advanced engineering courses in the last two years due to lack of staffing.

Board Member Jim Jacobus inquired if there was an idea how much money we would receive from the State if the GEA is completely gone. Business Administrator Katy Buzzetti stated \$2.9 million.

Board President Brian Lynch stated that personally this is the right time to add the Tax Collector Position to the budget because the cost of the service would be offset by \$9,950 which is currently budgeted for in-district tax collection, an estimated aid of \$11,805 if we transfer the tax collection service to BOCES. Brian stated that he has no issues with the Preliminary List of Propositions on the May 19th Ballot and stated that he supports the combination of the Technology

Cont'd

Capital Project Phase II and the Relocation of the Softball Field as Proposition 2. Brian also stated he supports the Proposed 2015-2016 Budget which includes the purchase of the seven buses and also supports the Establishment of a Capital Reserve Fund even though the amount that will be put in it in June is unknown at this time.

Board Member Jim Jacobus stated that he is also in support of the Preliminary List of Propositions on the May 19th Ballot and inquired if we had the buses as part of our budget would we get the full amount of the \$875,000 back next year. School Business Administrator Katy Buzzetti stated yes we would and further stated when there is no other source of payment we can then put it in the Tax Cap. Katy stated with the interest rate unknown if we choose to borrow on the \$3 million payment, \$640,000-\$650,000 in debt service payment for the five years, our fiscal advisor said he will work with us for the payment so that our aid is flowing at the same time.

Board Member Jim Jacobus sought the Board's input regarding the list of priorities that was presented from the Finance Committee and what items would they like to have considered in the final budget.

Board Member Doug Johnson stated that he is fine with the add-ons which require the District to be in compliance with State Education Law, however, he is concerned with the deficit getting out of control, \$6.5 million is a large amount. He stated he is hoping that State Aid will come in and remarked two years ago the Board had a difficult time accepting \$6 million and now we are even higher. He stated he has some discomfort with \$6.5 million and hopes that State Aid will come in and stated he is in support of the other two Propositions, however, he stated that he has mixed feelings regarding the Director of Athletics and Physical Education. He realizes that we have to have one but isn't sure where to list it on the list of priorities.

Board President Brian Lynch stated that everything on the list is valid and needed, there are a lot of great ideas and he would like to see the restoration of State Aid, however, the Board needs to give the Superintendent and the Finance Committee direction for the final Preliminary 2015-2016 Budget in preparation for the April 9th final budget workshop.

Board Member David Sadler inquired regarding how long has the Director of Athletic and Physical Education been a part-time position and is the position successful at this status? Superintendent Dr. Ralph Marino stated it has been four years; there have been some concerns which could have been alleviated if the position was full-time. Ralph noted that the issue really is a recruitment one as it is hard to fill it as solely a part-time position. Board President Brian Lynch stated we have been fortunate it was a neighboring District(Elmira City School District) we could share the cost with, however, the outcome hasn't been the success we were hoping for.

Board Member Karen Boulas stated that all the Additions and Considerations are valid and thanked the Finance Committee for prioritizing them. However, she stated she is nervous about seeing the Reserves depleted and, therefore, is leaning towards supporting all the additions that will bring us in compliance with the Education Law and maintaining the Director of Athletics and Physical Education as a part-time position until we know more about State Aid in April before considering a change in the status.

Board Member Rose Apgar stated she is in agreement with Board Member Karen Boulas.

Board Member Warren Conklin stated that he is in support of the Additions and would still like to see the STEM Teacher considered. Warren stated he understands the importance of the Pre-K Program in all the elementary schools; however, it is such a huge monetary figure in comparison to the STEM Teacher which is the only reason he would support the STEM Teacher over the Pre-K. Superintendent Dr. Ralph Marino stated the District is receiving a grant of \$130,000 charged back against the State which will put us in the \$230,000 range for Pre-K.

Board Member Jim Jacobus stated we have \$13.4 million and if we take \$6 million we need to consider about future years. The nice thing is if we were to use it and the State Budget came through and the State GEA is taken away we could look at adding some of the items in another year that need to be taken care of. Jim stated that he also has concerns going above \$6 million in the negative and would be more comfortable keeping it at \$6 million.

In Summary, Board President Brian Lynch stated all seven Board members are in favor of supporting the Preliminary List of Propositions on the May 19th Ballot as presented with Board action to occur at the March 26th Board Meeting. The Board is also in favor of supporting all the Additions to the Preliminary 2015-2016 Budget as presented which will bring the District into compliance with Wducation Law. The Board is also in support of transferring the Tax Collection Service to BOCES due to the resignation of the District Tax Collector which results with the cost of service to be offset by \$9,950 currently budgeted for in-district tax collection, with estimated aid at \$11,805. Board Members Warren Conklin, Karen Boulas and Rose Apgar are in support of moving the "Addition of One High School STEM Teacher," up higher on the List. Board Member Jim Jacobus stated that he cannot agree to move it ahead of Pre-K and stated that STEM is referring to an ACE course and not all kids take ACE courses, whereas, Pre-K is open to all kids throughout the District. Board President Brian Lynch stated he would like to see STEM moved to No. 2 on the List of Budget Considerations. Board President Brian Lynch and Board Members Warren Conklin and Doug Johnson are in support of the Director of Athletics and Physical Education. Warren stated it was not as successful as we would like it to have been four years ago when we made the position part-time. There have been some flaws and unfortunately there could have had a negative impact on the District. Warren stated that he would place Pre-K first before this Position. School Board Administrator Katy Buzzetti stated this next year you are only filling the position at \$64,054 and reminded the Board after that there will always be an additional \$64,000 in the budget if it is approved as a full-time position. Board Member Rose Apgar stated she supports the position at No. 3 on the List of Considerations. Board Member Jim Jacobus stated that this position is a compliance issue and could be moved up and possibly include it with the other Compliances. Board President Brian Lynch stated that we are lacking two Board members tonight and we really need their input, therefore, we will table this until a future Board meeting and maybe by then we will know what our State Aid amount is.

Questions and Comments from the Public

Mr. David Crowley, 54 Stonecraft Drive, stated the Director of Athletics and Physical Education is an important position of the District and if it were full-time it

Cont'd

would enhance the Program even more than what it is now. He stated he is in favor of the position being moved higher on the List as this Program is seen by people throughout the area and brings people to our community.

Mrs. Karen Donahue, 142 Nottingham Way, Elmira, spoke as the High School Principal and wanted to clarify that it is not just STEM, the Advanced Engineering Courses that have not been able to run the last two years. In addition there have been courses students have wanted to take, but have been unable to due to lack of staffing and could not offer courses that were needed. Karen stated that it is a much broader number than 23 students. She stated as Principal she has had to move teachers around to teach in other areas that are not their main course so that other courses could still be an option for students.

Ralph stated the List of Additions and Considerations will be narrowed down and presented to the Board at its' March 26th Board Meeting.

Questions and Comments from Board Members

Board President Brian Lynch thanked Superintendent Dr. Ralph Marino and School Business Administrator Katy Buzzetti for presenting the Board with a very thorough presentation. Brian stated that we are hoping to narrow down some variables that still exist for the final Budget Workshop that will be held at Broad Street School Cafeteria on April 9th at 6:00 PM. Brian thanked the Public for attending tonight's Workshop and the Town of Big Flats for hosting it.

Adjournment

Moved by Apgar, seconded by Sadler.

RESOLVED, that the Horseheads Central School District Board of Education adjourned from its Community Budget Workshop of the Board of Education at 6:58 PM.

<u>Ayes</u>	<u>Noes</u>	<u>Absent</u>
Apgar		
Boulas		Brinthaupt
Conklin		
Jacobus		
Johnson		
Lynch		
Sadler		
		Strollo

MOTION CARRIED

Respectfully Submitted By:

Candy L. Maine,

Candy L. Maine, District Clerk

