

**Horseheads Central School District
Community Budget Workshop
Broad Street School Cafeteria
April 7, 2016**

Present: Boulas, Christiansen, Conklin, Dale, Johnson, Sadler, Strollo
Also Present: Bracy, Buzzetti, Christiansen, Coghlan, Donahue, Douglas,
Gill, Holloway, McCawley, McDonough, Moyer, Patterson, Saptura,
Sechrist, Sotero, Williams
Absent: Jacobus, Lynch
Call to Order: Board Vice-President Karen Boulas called the Community Budget
Workshop to order at 6:02 PM.

Board President's Remarks:

Board Vice-President Karen Boulas welcomed everyone to the final Budget Workshop of the year and stated that Board President Jim Jacobus and Board Member Brian Lynch were unable to attend tonight's meeting. Karen 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, noting that the Public Session should not exceed 30 minutes, giving individuals at least 3 minutes to speak and if need be the Board is able to make a motion to extend it. Karen further explained that School Business Administrator Katy Buzzetti will present a Re-Cap of the Previous Budget Presentations, State Aid Update, Tax Cap Calculation, the Updated 2016-2017 Budget Development, Future Dates and Budget Vote Information. 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.

Preliminary 2016-2017 School Budget Presentation

Re-Cap of the March 31st School Budget Presentation

Dr. Thomas J. Douglas, Superintendent of Schools, thanked the public for coming out to hear an overview of the 2016-2017 Budget and stated it will begin with School Business Administrator Katy Buzzetti presenting a Re-Cap of the Previous Budget Presentations so that we are able to continue with tonight's presentation. Dr. Douglas stated we feel that we are able to answer the questions and concerns that the Board expressed at the March 31st Board Meeting.

School Business Administrator Katy Buzzetti presented a Re-Cap of the March 31st Budget Presentation. Katy stated the Total Revenue is \$73,737,117; the Total Expenditures is \$73,737,117 with a Gap of -\$7,281,822. Katy stated this Gap amount does not include the use of Reserve Funds or the Fund Balance. Restoration of the GEA, Budget Reductions, Use of Fund Balance/Reserves and the Final Potential Tax Levy Decision. Katy reviewed the Facilities Services Budget - an increase of \$3,610,527(0.69%), the Transportation Budget - a decrease of -\$2,615,698(-3.79%), the Bus Replacement Proposition seeking six 65-passenger buses and two wheelchair-accessible buses at a cost not to exceed \$1,100,000, the Technology Budget - an increase of \$2,311,602 (2.87%), the Human Resources Budget - an increase of \$386,360(5.04%), the Athletics Budget an increase of \$621,691(2.05%), the Special Education Budget an increase of \$8,121,630(5.50%) and the Instructional Budget an increase of \$26,319,140(3.38%). Katy stated as of March 31, 2106, the adjusted Baseline

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Budget for Expenditures is \$77,372,313, Revenues is \$70,090,496 with a Gap of -\$7,281,822. Katy stated as of March 31, 2016, Funding Sources include the Possible Revenues - Tax Levy -\$16,231, Potential State Aid - GEA - \$0 - \$648,306 and Additional State Aid and the use of Fund Balance/Reserves are unknown at this time. Katy stated the Tax Levy Limit calculation of -0.05% for 2016-2017 and additional State Aid are pending final State Budget approval.

State Aid Update

Dr. Thomas J. Douglas, Superintendent of Schools, presented an update on the State Aid, stating that he was hoping that we would get somewhere around \$770,000 but did not receive all of that expected Aid. Dr. Douglas stated the GEA was eliminated and that \$648,306 will be given to the District in 2016-2017 which is a positive moving forward. He stated he would like to see more from Foundation Aid.

Tax Cap Calculation

Dr. Thomas J. Douglas, Superintendent of Schools, presented an Overview of the Tax Cap Calculation stating it is based off from 1.0012, the Allowable Tax Growth Factor, which is the only number that we are allowed to grow our Levy by, not the 2% as is assumed. Dr. Douglas stated that for the first time in a very long time we had a "0" growth in the Tax Base with the potential of a -0.05% Tax Levy. Dr. Douglas noted that we can only estimate now because we do not know what the Tax Rates are yet; however, there is virtually no increase and little give back, which is a positive for this year as we move forward. It is good news for the students as we are going to be able to return a lot of strength to programs that were cut back such as intramurals, full-time librarians and art teachers at the Elementary Level.

Updated 2016-2017 Budget Development

School Business Administrator Katy Buzzetti presented an overview of an update of the 2016-2017 Budget Development Process consisting of the Additions in Revenue, Budget Reductions, Adjustments to Considerations, Considerations that were removed, an Update of Prioritized Considerations, Considerations that were reinstated prior to Reductions, the Gap and a Budget to Budget Comparison of the 2015-2016 Budget and the 2016-2017 Budget. Overall, Katy stated this Budget is within the Tax Cap with a Tax Levy of -0.05%, reinstates previous reductions and adds additional positions and programs, reduces annual reliance on the Fund Balance from approximately \$4.5 million to \$2.5 million and begins utilizing Reserves. Dr. Douglas stated a lot of those numbers that you see are numbers that are not new but reinstatements to cuts that the Board had to make in the past, noting that the Budget has been adjusted with expenditures and that the Gap Amount does not include any use of our Reserves or Fund Balance in the District. He stated we want to be a little cautious moving forward without causing a problem for next year's budget. Dr. Douglas stated that we are projecting that we may come in with a Budget this year where we may not have to use the Reserves and Fund Balance. We will cautiously go into next year and watch our Budget, our time and use of funds in order to strengthen the Educational Program.

Future Meeting Dates and Budget Vote/Board of Education Election Reminder

Dr. Thomas J. Douglas, Superintendent of Schools, presented the future Meeting Dates, noting the April Board of Education Meeting will be held on April 20th, which is a Wednesday, at Gardner Road Elementary School at 6:00 PM,

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Monday, May 2nd, there will be a Budget Question and Answer Session at the Big Flats Community Center at 7:00 PM, Thursday, May 8th, the Public Hearing on the Budget will be held at the Multi-Media Center at 6:00 PM, Monday, May 9th, a Candidate's Forum will be held at the Multi-Media Center at 7:00 PM and the Budget Vote and Board of Election will be held on Tuesday, May 17th, from 7:00 AM - 9:00 PM. Dr. Douglas noted the time has changed from 8:00 PM - 9:00 PM. and the residents will also be voting on Three Board of Education seats(for three-year terms) and the Bus Purchase Proposition(six 65-passenger buses and two wheelchair-accessible buses at a cost not to exceed \$1,100,000).

Board of Education Discussion and Questions Regarding the Presentation

Board Vice-President Karen Boulas inquired as to why the Attendance Teacher was removed as a Consideration. Also, regarding Instructional Supplies, Karen stated she would really like to see this number increase and not discourage any donations from the PTOs. Dr. Douglas stated this is something we have to build to. We need to remember the PTO is here to enhance programs and education, not to fund them, therefore, if we support it, then we should also fund it. Dr. Douglas stated the STEM Academy would have come higher but it came after we had already started the List of Priorities. It is an educational component and we do not want to cut it out.

Board Member Warren Conklin thanked Dr. Douglas, Katy Buzzetti and anyone else who contributed to the development of this Budget and acknowledged their hard work and effort. He stated that he could support it and it is great to see the reinstatement of many things we lost over the years. He stated he would like more information on the STEM Academy regarding the cost of it per student. noting if the cost is \$15,000-\$19,000 per student then for 10 students it would be \$150,000. Dr. Douglas explained that we only have a limited number of spots available, and the goal is for 40 - 60 students for the first class and to proportion the allocation per District(noting the cost would go down with more students) and would take about five to six years before you would have a full graduating academy. Dr. Douglas noted the student would graduate with both a High School Diploma and an Associate's Degree and noted that the first year would mostly be reserved for the 8th grade students going into 9th grade or those who failed 9th grade.

Board Member Lisa Christiansen thanked Dr. Douglas, Katy Buzzetti and the Financial Team for all the time they put into the preparation of this Budget and noted all the work involved. She stated she is very excited to see some of the Programs coming back, such as full-time Art Teachers and the Physical Education 4th Grade Swim Program which is a life-skill they will use forever.

Board Member David Sadler congratulated Dr. Douglas and Katy Buzzetti and all the staff involved in the development of this Budget. He noted that by going through this line by line it sounds like the Administration is trying to go to "O Base Budgeting" in the future. Dr. Douglas stated one of the things that you have seen is that we have looked at the historical trend of past Budgets to move forward and now looking at a trend analysis of what we need. We are looking at justified expenses of what we save and spend and will take this year's Budget, refine it next year as our Budget picture becomes a little tighter and tighter so that we are able to present the Budget a little better next year. David stated that he appreciates the balance approach that is being taking; however, it concerns him that we may be adding too much back too soon considering not knowing the future status of the State and the economy. Dr. Douglas stated he cannot

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guarantee it's sustainable in the future, but it is for this next year. This Budget is the start of setting our Financial Plan as we move forward and look out the next five years, realizing that next year State Aid will have to address the funding problem and have to balance operations and education together.

Board Member Pam Strollo noted that one concern Board Member Brian Lynch had was Field Trips and he will be happy to know that they have been included in the Budget. Pam thanked Dr. Douglas, Katy Buzzetti and their team for all of their hard work and stated it is fantastic to see Programs come back and the fact that we are not using our Reserves as we start to stabilize the Budget is wonderful.

Board Members Thoughts Regarding the Proposed 2016-2017 Budget

Dr. Douglas stated this Budget matches the Plan we told the auditors we would have in place to the Board and pulls us in the right direction after a very difficult recession.

Board Member Pam Strollo inquired regarding the sale of Broad Street School and if it the closing is expected to occur during the 2016-2017 school year; if so; how does this affect the use of Reserves? Dr. Douglas stated the last hurdle has been cleared by Pathways and the Town and should be able to have a closing date very soon; however, we cannot put it in the Budget. We must take whatever is owed on the building and put it in a Reserve and pay off what is owed over time. We need to wait and see as we cannot predict what the bank will do.

Board Member Doug Johnson thanked Dr. Douglas and Katy Buzzetti for all of the hard work that went into this Budget, noting that they really took the time to look deep into it and he truly appreciates it. Doug stated the STEM Academy is a great opportunity for our region and for Horseheads students; however, he would be more comfortable if there was an allocated number. Dr. Douglas stated that he understands Doug's concern and unfortunately BOCES was just notified close to approval time. The hard part for the District is we were told it was coming but have no idea of cost until the actual budget is put together. We are here to support the kids and Katy Buzzetti has assured us that we have funding in the Budget to participate. We have to make sure to look at what is best for the students and also get the best from our Budget. Dr. Douglas stated the number may go up in the Final Budget that will be presented to the Board; however, we have the funds to support it. Doug noted that Katy spent a lot of time going through Line Items comparing what we have used in the past. In the past we have allotted \$4.5 to \$6 million out of the Reserves for the Budget and the actual deficit has only been 20% to 40% of what we allotted. The gap of \$2.9 million is our actual projected deficit that much closer percent use to the amount of funds appropriated towards it. Katy stated this is correct. By making the Budget Adjustments we may be able to reduce our Budget and still have some flexibility within it. Dr. Douglas stated by looking at the \$2.9 we want to be cautious and next year reallocate and trim a bit more. We will need three to four years to go in the right direction and make improvements.

Board Member Kristine Dale inquired regarding the 4.0 FTE Reading Teachers and the Department Chairs. Would it be possible to put in one now and then look at it again later? Dr. Douglas stated we are proposing this now because the numbers are up and we are looking at the dynamics of leadership and stated this is the District living up to the Contract in good faith. Also, could it be possible to add only one Librarian? Dr. Douglas stated if we did this right now, we have two

and a half-time in each Elementary Building. We need to bring it back to full time at each building as reading is fundamental to what we are doing.

Board Vice-President Karen Boulas thanked Superintendent Dr. Thomas J. Douglas and School Business Administrator Katy Buzzetti for putting together a very thorough Budget Presentation.

Questions and Comments from the Public

Center Street Elementary School Physical Education Teacher Jen Bryant, 1483 N. Hoffman Road, Elmira, stated the kids in her building are going to gain so much more due to having a full-time Art Teacher and Librarian which is the best you could do in an Elementary Building. She thanked Dr. Douglas, Katy Buzzetti and the Board for reinstating these positions back into the 2016-2017 School Budget.

Final Questions and Comments from Board Members

Dr. Douglas and Katy Buzzetti presented the Board with information regarding Bond Refunding. They explained the need to inform our Financial Advisors regarding our decision by mid-April if we want to refinance our current debt right now and see the possibility of an additional \$132,000 due to the rates being low. Dr. Douglas explained that we may see a greater increase but the hard part is that we have to balance that throughout and spend that money, we may have less money for the future; however, one way or another there will be a savings. Katy Buzzetti presented options and figures that we may see if we refinance the current bond and stated that we need to start the process in April so that we will see these savings in the next school year. Dr. Douglas asked the Board to think about what has been discussed and bring any questions or comments to the April Board Meeting so that a decision can be made in the near future.

Dr. Douglas informed the Board that the April meeting will be a longer one due to HUNT Engineers presenting information regarding the current Consolidation Study, reviewing the concepts, reference of potential changes and costs, Dr. Douglas asked the Board to review the disk and documents that have been distributed in preparation for the April Board Meeting.

Adjournment

Moved by Strollo, seconded by Christiansen.

RESOLVED, that the Horseheads Central School District Board of Education adjourn from its Regular Meeting of the Board of Education at 7:15 PM.

<u>Ayes</u>	<u>Noes</u>	<u>Abstained</u>	<u>Absent</u>
Boulas			
Christiansen			
Conklin			
Dale			
Johnson			Jacobus
Sadler			Lynch
Strollo			
MOTION CARRIED			

Respectfully Submitted By:

Candy L. Maine,

Candy L. Maine, District Clerk

