

**Horseheads Central School District
Community Budget Workshop
Big Flats Community Center
March 7, 2013**

Present: Apgar, Conklin, Jacobus, Johnson, Lynch, Miller, Strollo

Also Present: Abrunzo, Austin, Bailey, Bradley, Christiansen, Donahue, Holloway, Marino, McDonough, Moyer, Patterson, Scaptura, Sechrist, Williams, Woodworth

Absent: Brinthead, Buck, Clark

Call to Order: Board President Brian Lynch called the Community Budget Workshop to order at 6:00 PM

Board President's Remarks:

Board President Brian Lynch welcomed everyone to the second Budget Workshop of the year. Brian stated the third and final Budget Workshop is scheduled for April 11th, at 6:00 PM, at Broad Street School. 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 Executive Jane Bradley will present an Update on the the Preliminary 2013-2014 School Budget consisting of a Reserve Fund Report, 2008-2012 Overview, Review of the Property Tax Cap Worksheet, 2013-2014 Budget Figures and Five-Year Budget Projections first. 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. Brian stated the final presentation for tonight will be the Board of Education discussing the 2013-2014 Budget Development Process and Parameters. Brian explained the guidelines for the Public Comments include stating your full name, address, conduct yourself in a civil manner and limit the time to thirty minutes. However, if more time is needed, the Board is able to extend the Public Comments by vote.

Board President Brian Lynch stated that Board Members Dr. Michael Buck and Mark Brinthead were unable to attend tonight's workshop.

Preliminary 2013-2014 School Budget Presentation

School Business Executive Jane Bradley presented the Preliminary 2013-2014 School Budget consisting of a Reserve Fund Report, 2008-2012 Overview, Review of the Property Tax Cap Worksheet, 2013-2014 Budget Figures and Five-Year Budget Projections to the Board.

Reserve Fund Report

School Business Executive Jane Bradley gave an update on the 2013-2014 Budget Preparations. Overall, Jane stated the total District budget has been reduced by nearly \$11 million in four years. Jane shared new budget figures that include savings garnered from the Retirement/Resignation Incentives(\$499,960) and with a total use of Fund Balance/Reserves totaling \$5,075,000 the final BOCES figures at \$10,198,988 which is a 14% increase from the 2012-2013 budget, along with an adjustment to the Health Insurance Costs, as well as the funds being used from the Reserves, we are still at a Remaining Deficit of

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\$2,023,024. Jane reviewed the proposed Safety/Security Project which will occur during the Summer of 2014 upon receiving voter approval. The cost of the Total Project is \$1,279,278 with 100% of the project being eligible for State Aid which results in the District Local Share of Cost at \$218,757. Jane stated an additional \$500,000 was added to the Capital Expenditures which results in a total of \$1,300,000. Jane reviewed the Two Property Tax Cap Scenarios, the Five-Year Budget Projection and Recommendations from the Finance Committee.

Board of Education and Public Questions and Answers Regarding the Presentation

Board President Brian Lynch thanked School Business Executive Jane Bradley for putting together a very thorough Budget Presentation and for sharing the history of the budget with the Board. He also thanked Superintendent Dr. Ralph Marino and the Finance Committee for meeting recently when they held an Emergency Meeting to look at the budget in more detail so that they could report back to the Board tonight with their recommendations. Brian stated as you look at the numbers for earlier years we have had a substantial amount of money in reductions, however; it is not sustaining us for the same type of programs as we had in the past. Brian thanked Superintendent Dr. Ralph Marino and his staff for helping us to reach the \$7million deficit and stated it could be a higher number. Brian stated we need to continue to increase our contributions on a yearly basis. The State is giving us \$400,000 which is an unfair way to fund the school. The tax cap calculation is very complicated and is not the 2% as sometimes the media wants you to believe. Most of the surrounding schools are at the 3.4% range. Brian stated he is comfortable taking \$4.5 million from Reserves as was discussed at the Erin Budget Workshop. Brian stated this is one of the starting points for tonight's Budget Workshop and opened it up for Board input regarding the Finance Committee Recommendations.

Board Vice-President Pam Strollo thanked the Finance Committee for putting together their list of recommendations which is very helpful to the Board. This list gives us something to work from and a starting point. The 3.47% is a much better rate to go. Pam stated that she appreciates the extra work the District did to get us here. She stated that if she understands the data correctly leaving open the opportunity to appropriate additional money from Reserves is a good option and it will be interesting to see what the appropriate step is to take. It is outstanding that we do not have to close any schools this year and allow time for the data to be collected so that we have the most sound data to work with. Pam stated this is very positive and supports the recommendations of the Finance Committee.

Board Member Ruth Miller thanked Superintendent Dr. Ralph Marino, his team and the Finance Committee for the information that was presented tonight. Ruth stated she is also in agreement with the 3.47% tax levy and the recommendations of the Finance Committee. She also stated she is happy that we don't have to close any schools this year.

Board President Brian Lynch stated that he is also in agreement with Board Vice-President Pam Strollo and Board Member Ruth Miller. Brian stated one thing that is encouraging is to think we will need \$5million from Reserves and now it looks like we will need less. Brian stated that we are smart at this point to hold off on school closings as it would not be wise of us to rush ahead and make a decision before the Study is completed. Also, once the dollar amount comes

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through from the State, Superintendent Dr. Ralph Marino will be able to see if there will be any targeted layoffs and how they will impact closing of schools if necessary.

Board Member Warren Conklin stated this addresses one concern that he had, the future holds that there will be school closings at some point. We asked last fall to hire a firm to see what their recommendation would be. At the last forum it was approved to close schools but if we did so before the firm completes their Study the possibility of moving students within three years will not go over well with the voters. Warren stated he is in favor of remaining status quo for this year. However, next year we will be faced with making harder decisions but we will be able to give the parents more time to adjust to the fact that a school may need to close.

Board Member Rose Apgar stated she is also in agreement with the 3.47% and the recommendations of the Finance Committee. Rose thanked Superintendent Dr. Ralph Marino and the Board for not making any hasty decisions or deciding to close a school too early. Rose stated she agrees that we need to wait to see what happens at the State level and go from there.

Board Member Jim Jacobus stated whether or not we could actually get a budget passed looking at 6.74% the Committee felt that would be a big hurdle to try and obtain. Under the Seversky-Hunt Study we felt that moving students two years in a row or possibly three was not really the best way to look at it. We talked about taking more out of Reserves to do as much as we could to keep everything basically the same for the upcoming school year, raise the property tax levy 3.47% and wait for the Study to be completed before any school closings were decided upon.

Board Member Doug Johnson stated looking at the \$33.5million and going down to \$33.2million is amazing. Board Member Johnson thanked Superintendent Dr. Ralph Marino and the Finance Committee for what they are doing with the Tax Cap. If it was not a big jump in our Teacher Retirement System, we would not even have to put out a simple vote. Doug stated the recommendations are about as responsible as we make at this moment in the short term to get us to the Study so that we can make a more rational decision.

Questions and Comments from the Public

Chad Snowburg, 17 Sunnydale Circle, stated it seems like two years in a row the Board has been taking money out of our General Fund and only used half of what was pulled out. Is this a possibility that it could happen again in next year's budget? Superintendent Dr. Ralph Marino stated last year we had a lot less health insurance claims and an incredibly mild winter. We have four months to go and have instituted a spending freeze at the end of December. There is concern about having a large number left at the end of the year. We will need about \$2.5million of the \$5million with four months to go. As the budget was set last year, we were able to lock in electric and gas at a really low price. Board President Brian Lynch stated that Mr. Snowburg brought up a very good point. Brian stated that when the bills come in for the Health Insurance it can be better or worse than the previous year. It is a very hard number to project.

Rudy Kuriawan, 28 Carson Drive, Elmira, inquired regarding the deficit of \$2million and which programs have been identified to be reduced. He inquired if you think you have a good outcome for the benefit of our students. He stated on

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the District's Main WebSite it says that the District provides Pre-K – Grade 12. Is Pre-K an extra expense? If so are we able to make reductions in this Program? Superintendent Dr. Ralph Marino stated that the Pre-K Program is only 78 kids in comparison to 100's of students in the rest of the grade levels. Ralph stated that half of our Pre-K Program is funded through New York State. The District has three classrooms offered by outside providers. Sue Ungvarsky's Program is a half-day program. The YWCA offers a full-day program. The Board could look at dropping back down to a half-day program and just use the State money and not have a local share. However, we do have a waiting list. This Program also ties in very nicely with student readiness for when the kids enter Kindergarten. As a District we believe that it is very important to offer Pre-K to the community. This is part of what we are struggling with and the Finance Committee has taken leadership in exploring to see if we are able to obtain more monies from Albany. It is still too early to know what we will receive, however, we should have a better financial standing at the March 28th Board Meeting.

Heather Gillette, 245 Oriole Drive, inquired regarding the \$500,000 for the additional safety for the door locks. She asked, "Why are we going ahead with this when we are waiting for the Servosky-Hunt Study to be completed. Heather also inquired as to where are the doorknobs going to be placed. She stated this is a lot of money to spend on doorknobs that presently work. Superintendent Dr. Ralph Marino stated that we need to have voter approval before we are able to proceed with the upgrade of the buildings' security. Due to the fact that this resolution would need to be on the May ballot, the upgrade would not even begin until the Summer of 2014. We will not know what the Study will look like before May and do not know what direction the Board will want to go in once the Study is completed; therefore, we need to move ahead with this project now. We did not want to wait three, four or five years to get the new vestibules for the classrooms. Ralph stated that this is work that can be modified to the buildings if a school were to close since the work would not start until the summer of 2014. Ralph stated that this project is 100% State Aidable(82.9% Building Aid which equals \$1,060,521 with a District Local Share of Cost equaling \$218,757.

Questions and Comments from Board Members

There were no Questions or Comments from Board Members.

Adjournment

Moved by Strollo, seconded by Jacobus.

RESOLVED, that the Horseheads Central School District Board of Education adjourned from its Budget Workshop of the Board of Education at 6:42 PM.

<u>Ayes</u>	<u>Noes</u>	<u>Absent</u>
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Apgar		
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Conklin		
Jacobus		
Johnson		
Lynch		
Miller		
Strollo		

MOTION CARRIED

Respectfully Submitted By:

Candy L. Maine, Candy L. Maine, District Clerk

