

**Horseheads Central School District
Community Budget Workshop
Big Flats Community Center
March 6, 2014**

Present: Boulas, Brinthead, Conklin, Jacobus, Johnson, Lynch, Sadler, Stollo

Also Present: Abrunzo, Bradley, Christiansen, Donahue, Hillman, Holloway, Marino, McDonough, Moyer, Scaptura, Sechrist, Williams

Absent: Apgar

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 next one will be on April 10th at 6:00 PM at Broad Street School. Brian stated that Board Member Rose Apgar is 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 Executive Jane Bradley will present an Update on the 2014-2015 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 2014-2015 School Budget Planning and Development Process

School Business Executive Jane Bradley presented a history of where we have been since 2008, a Summary of Reductions since 2009 through 2013, Reductions, State Aid Projection, State Aid Breakdown, an Explanation of the Gap Elimination Adjustment(GEA), Property Tax Levy Cap Calculations as of March 1, 2014, Revenue and Expense Projections as of March 1, 2014, Budget Breakdown, Staffing Changes, the 2014-2015 Proposed School Budget and the Five-Year Budget Projection as of March 6, 2014 to the Board.

School Business Executive Jane Bradley stated we are in our fifth year of the economic downturn in our country and state. The Horseheads District has been working for the last five years to combat the downturn while continuing to provide our children with a quality education. Jane stated the first difficult budget was the 2009-2010 school year with \$2.3 million in reductions.

School Business Executive Jane Bradley reviewed the previous reductions of May 2009–May 2013 which nearly totaled \$13 million in five years. Some of those reductions included 146 positions eliminated through retirements, resignations and layoffs, reduction of department/building budgets by 62.5%, reduced general education and foreign language instruction in Grades 7-12 and special area instruction(art, music, physical education, library) in Grades K-6, eliminated programs including Student Transition and Recovery(STAR) Program, K-12 intramurals, German instruction, BOCES GED and Alternative Education Programs, Middle/School Resource Officer Program, Freshmen Athletic Teams

2014-2015 Budget Figures

School Business Executive Jane Bradley presented the 2014-2015 Budget figures. Jane stated the State Aid Projection as of March 1st is \$27,694,137, a decrease of \$104,553 or -0.37%. Jane noted that seven years ago in the 2007-2008 school year, the District received \$28,436,680 in total State Aid which did not include UPK Funds. Jane stated that the total Revenue Projections as of March 1st are \$66,300,879, Expense Projections total \$72,452,928, an increase of \$812,274 or 1.13% whereas last year's, 2013-2014 voter-approved budget was at \$71,640,654. Jane stated that the deficit for the 2014-2015 Preliminary School Budget is a negative \$6,152,049. Jane noted that for the current school year the District used \$6,075,000 from District Reserve Funds to balance the budget.

GAP Elimination Adjustment

School Business Executive Jane Bradley presented a video of GAP Elimination and followed-up with a full review of the GAP Elimination Adjustment stating that the total 5-year reduction is \$22,218,967, the Total Tax Levy Limit Before Exclusions is \$34,304,941, PILOTS receivable FYE June 30, 2015 is \$1,025,983, the Total Exclusions are \$898,218, the Total Tax Levy Limit is \$35,203,159 with a Proposed Increase for the 2014-2015 School Year at \$680,928(1.97% percentage increase). Jane stated there was an increase in one of the PILOTS for next year.

Budget Breakdown

School Business Executive Jane Bradley reviewed the Budget Breakdown for the 2014-2015 school year. Jane stated the increase is mostly due to Liability, Electronic Voting Machines, Technology/Printing, Transportation and Benefits.

Staffing Changes

School Business Executive Jane Bradley reviewed Staffing Changes for the 2014-2015 school year. Jane stated that one Principal Position on Special Assignment and one Elementary Teacher Position were eliminated due to Retirement and the following positions have been added at a lower cost: one full-time Resource Room Teacher, Teaching Assistant, UPK at Gardner Road(Full-time), Teacher, UPK at Gardner Road(Full-time), BOCES – increase in School Business Official(0.3 FTE), BOCES – CSE Chairperson(0.2 FTE) and BOCES – Speech Therapist(1.6 FTE).

Five-Year Budget Projections

School Business Executive Jane Bradley presented the Five-Year Budget Projections consisting of the Property Tax, State Aid, Use of Fund Balance and Reserves, Other Revenue, Total Budget and the Budget Deficit. Jane stated that the original deficit for fiscal year 2013-2014 was estimated at \$6 million. We now estimate it at \$1.95 million. Jane also noted that this includes an additional \$600k in revue due from New York State since 2006-2007.

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 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 amount of time. Brian also thanked Jane for presenting the Board with a brief history of why we are where we are at

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today. Brian stated that it should be noted that if we were given the 2% State Aid every year since 2007 we would have just about \$3.3 million which would be an increase of \$5 million with the numbers we are presently at. Brian stated the video was a fantastic way to highlight and explain the GEA. Brian thanked the Administrative Team as they continue to look for ways to close the budget deficit as they continue to make staffing changes as necessary.

Questions and Comments from Board Members

There were no Questions or Comments from Board Members.

Questions and Comments from the Public

Mr. Peter Gordon, 1927 Ginnan Road, Corning, spoke as an employee of the District. Mr. Gordon stated that he is happy to be an employee of the school district; however, he would like to know how the Board plans to address the deficit and if it has any ideas how to do so quickly. Board President Brian Lynch stated that the Board has seen this coming for the last couple of years and therefore, we have been making projections of how to meet this deficit. We have several possibilities which include the potential reorganization of the school district. The original task was that we were hoping to save \$5 million a year which was not possible; therefore, we are moving forward with the Elmira Heights Merger Study that was recently approved. Brian stated this is a long process as there are a lot of computations involved and we will not know most of the details for about another twelve months. We know that as a District we are not able to sustain this level of deficit which is why we are trying to slow it down. Brian stated that there is the potential of a lot of savings if this merger with the Elmira Heights School District occurs. Superintendent Dr. Ralph Marino stated that we have offered the Retirement Incentive every year, we are trying different BOCES CoSers for purchasing, we are ordering through bulk and making cuts as necessary to try and slow it down. Ralph also stated that the other piece that Brian spoke about is that these studies are going to require voter approval as the final decision does not rest just with the Board, therefore, it is not a guaranteed solution but we still have to investigate it.

Mr. David Crowley, Pierce Hill Road, Big Flats, stated that he does not think the 2016-2017 and budgets beyond 2018 will be of much value to the District as the money isn't there. Board President Brian Lynch stated that if we don't look ahead now with the possibility of a merger with the Elmira Heights School District or the Reconfiguration of the District as ways to close the gap in the deficit then we will be in worse shape next year. Board Vice-President Pam Strollo stated that we also have shared services such as the Athletic Director with Elmira, the Facilities Director and Transportation with Elmira Heights. Pam stated that we will continue to look for additional opportunities that will help close the deficit.

Board Member Mark Brinthaup stated that there has been discussions about the possibility of bringing new businesses to New York and allowing them to be tax-free for ten years which would also cause a negative impact on our budget as it will be up to us to pay these taxes.

Board President Brian Lynch stated that we have cut 146 positions and \$13 million. We are trying to do it a little at a time because we do not want to ruin the Horseheads brand. Brian also stated that the big pieces on the table, the Merger with the Elmira Heights School District and the Reconfiguration Study require voter approval as Dr. Marino stated and that we as a Board need to make changes to our budget with or without those two items.

Superintendent Dr. Ralph Marino stated that looking at the timeline that was approved for our Study and the hiring of the consultants, we believe that we have enough time to run these two Studies with the Reserves that we have. If they were to be unsuccessful, we will be in a very bad place. Ralph stated out of 55 districts, we spend the very least amount per student. We have done the hard work and are trying to preserve our Brand. If the Governor gets his way with the property tax freeze, the next three years will be very difficult for all districts. The Governor will force school districts to reduce in size which is why we are watching this very closely. Ralph stated that at this point he is comfortable with the District's two timelines and feels that we should not jeopardize the integrity of the Consolidation Study with the Elmira Heights School District. If it is not feasible next June, we can walk away and may not go to a "Straw Vote." Ralph stated we could go to the Capital Project vote. Ralph stated the options will be narrowed down and presented to the Board at its' March 27th Board Meeting.

Mr. David Crowley, Pierce Hill Road, Big Flats, inquired regarding the figures on Slide 17 and why there is such a vast difference in them than the other figures we were given in March of last year where there was a deficit of \$6 to \$7 million and now it is \$9.9 to \$11 million. Was it a matter of true reductions or shifting monies around in the budget? Superintendent Dr. Ralph Marino stated that these are the most accurate figures as the other figures were based on assumptions as we were still unsure of State Aid and year-end expenses. School Business Executive Jane Bradley stated that these were assumptions which is why we have to look ahead as the budget continually changes as State Aid does. Jane stated that the budget has constantly come up and we are still going up. She also stated that a couple of years ago the Health Insurance had a huge increase.

Mrs. Heather Gillette, 245 Oriole Drive, Horseheads, inquired regarding the reasoning of the two eliminated positions(Principal and Elementary Teacher) and then the addition of the other positions that were mentioned on Slide 15. Superintendent Dr. Ralph Marino stated that the Principal was a position that was on Special Assignment that is no longer needed and shifts in numbers related to the elimination of the teaching position. The other positions that were added were due to a shift in numbers requiring another Resource Room Teacher. The start-up with Pre-K at Gardner Road Elementary School would mean that now all the elementary schools would offer Pre-K. Ralph stated that the UPK Program requires a Teaching Assistant and that the District will be reimbursed by the State. Ralph also stated that Jane Bradley is going full-time at Spencer and that the District has no one to partner with so this position had to increase to four days a week. Also, CSE numbers have increased so it was necessary to hire another CSE Chairperson(0.2 FTE). Ralph stated we are trying to obtain one day a week from BOCES to help offset the cost and the Speech Therapist position is to support the Early Childhood Program.

Questions and Comments from Board Members

Board President Brian Lynch thanked Superintendent Dr. Ralph Marino and School Business Executive Jane Bradley 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 third Budget Workshop that will be held at Broad Street School Cafeteria on April 10th at 6:00 PM. Brian thanked the Public for attending tonight's Workshop and the Town of Big Flats for hosting it. Superintendent Dr. Ralph Marino stated that he is hoping that there will be some restoration of the GEA by the April 10th Budget Workshop.

Adjournment

Moved by Jacobus, seconded by Sadler.

RESOLVED, that the Horseheads Central School District Board of Education adjourned from its Budget Workshop of the Board of Education at 6:37 PM.

<u>Ayes</u>	<u>Noes</u>	<u>Absent</u>
		Apgar

Boulas

Brinthaup

Conklin

Jacobus

Johnson

Lynch

Sadler

Stollo

MOTION CARRIED

Respectfully Submitted By:

Candy L. Maine,

Candy L. Maine, District Clerk

