

**Horseheads Central School District
Public Hearing of the Board of Education
High School South Wing(Multi-Media Center)
May 8, 2014**

Present: Boulas, Brinthaup, Conklin, Jacobus, Johnson, Lynch, Sadler, Stollo
Also Present: Bailey, Bostwick, Marino, Moyer, Patterson, Scaptura
Absent: Apgar
Call to Order: Board 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 2014-2015 School Budget. Brian stated that Superintendent Dr. Ralph Marino will begin the meeting by presenting the proposed 2014-2015 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 2014-2015 School Budget consisting of an Overview, Review of the Property Tax Cap Calculations, Expenditures by Component, Staffing and Enrollment, Budget and Tax History and Five-Year Budget Projections.

Preliminary 2014-2015 School Budget Presentation

Superintendent Dr. Ralph Marino welcomed everyone to our Annual School Budget Hearing. Ralph stated the Hearing is required under New York State law. The Board approved the Preliminary 2014-2015 School Budget at its April 23, 2014, Board of Education Meeting with it going to the voters on May 20th. Ralph stated it is very important for the people to understand what has occurred in the District during the past seven years and that things will continue to change. Dr. Marino presented the background on how the 2014-2015 Proposed Budget was planned and developed. Ralph stated planning for the proposed budget began in September 2013 with the Board of Education Finance Committee. The Five-Year Budget Projection and Reserve Fund Report were first developed six years ago and have been updated yearly. The Board has held three Community Workshops on February 6th, March 6th and April 10th to discuss the proposed budget. Ralph stated that it should also be noted that Governor Cuomo presented his budget proposal and the Legislature passed the State Budget on time, providing \$859,209 in additional State Aid to Horseheads, a 3.09% increase.

Dr. Marino presented the 2014-2015 Proposed Budget which includes an increase in State Aid of approximately \$860,000 with the District using \$5.1 million from Reserves. This results with a Proposed Spending Increase of 0.90%, proposed tax levy increase of 1.72%, the allowable increase under the Property Tax Levy Cap. The District will continue to maintain programs and services at all levels(academics, arts and athletics). One administrative position

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was eliminated at the High School with 21 positions being replaced at lower salaries. This Budget also includes the retirement of Bus Bond Debt and the reduction of Construction Debt and Capital Appropriations.

Dr. Marino presented the 2014-2015 Budget figures. The 2014-2015 Total Proposed Budget is \$72,284,877, Spending Increase is \$644,223 which is an increase of 0.90%, Tax Levy Increase of 1.72% and an Estimated Average Tax Rate Increase of 1.72%. Dr. Marino reviewed proposed reductions for 2014-2015 which total \$1,382,065. These reductions include replacing 21 positions vacant due to retirements at lower salaries, eliminating 1 administrator position vacant due to retirement, retirement of bus bond debt, reduction in construction debt payments and reduction in capital appropriations.

Dr. Marino reviewed Staffing Changes including the Reallocation of an Elementary Teacher from Big Flats Elementary School to Gardner Road Elementary School Universal Pre-Kindergarten and also the additional positions of Resource Room Teacher(1.0 FTE), Teaching Assistant, UPK at Gardner Road(1.0FTE), BOCES – Speech Therapist (1.6 FTE), BOCES – Increase in School Business Official (0.3 FTE) and BOCES – Committee on Special Education(CSE) Chairperson(0.2 FTE). Ralph noted that the UPK positions are partially funded by State Aid.

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. 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 \$925,134 with a Total Tax Levy Limit Before Exclusions at \$34,304,940. The Total Exclusions are \$810,015 with a Total Tax Levy Limit at \$35,114,955 with a Proposed Increase at \$592,724 which equals a 1.72% increase. Ralph reviewed the Expenditures by Component which equals a 0.90% increase over the 2013-2014 budget. He also presented the Five-Year Budget Projection. Ralph stated the original deficit for fiscal year 2012-2013 was estimated at \$6 million. We now estimate it at \$1.95 million. Staffing and Enrollment History was presented with an estimated 620 staff for 2014-2015 with a Student Enrollment estimated at 4,089 in comparison to ten years ago in 2004-2005 when staffing was at 720 with student enrollment at 4,339.

Dr. Marino reviewed the Budget and Tax History since 2003-2004 noting that the District is always conservative because we don't know what the Tax Levy will be. Ralph noted that our community is still becoming wealthy which enables us to spread out the tax burden. The Budget Tax History, Estimated Average Tax Rate, Tax Impact New York State Report Card for Fiscal Accountability – 2011-2012, 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 propositions that will be on the ballot: Proposition 1: Adoption of the 2014-2015 Budget, Proposition in the amount of \$72,284,877, 2: Purchase of five(5) 65-passenger school buses and one(1) 39-passenger bus

with a wheelchair lift at a cost not to exceed \$700,000 and stated Voters will elect three members to the Board of Education who will be elected to three-year terms beginning July 1, 2014. Ralph noted there are five candidates.

Board of Education and Public Questions and Answers Regarding the Presentation

Mr. Felix of Big Flats commended Superintendent Dr. Ralph Marino and the Board for all of the hard work that they put into creating this budget. He stated that this is a very responsible budget which goes with the inflation and expenses of this area. He further stated that the Board did an excellent job in maintaining the District's expenses and keeping the taxes at a minimum.

Questions and Comments from Board Members

Board Member Mark Brinthaup stated that he also needs to commend Dr. Marino as it continues to amaze him how thorough Dr. Marino is and how he is always working in promoting the budget and the state of the economy to the community. Mark stated this is one of the best Budget presentations he has seen in years and he is most appreciative of the time and effort that Dr. Marino and the Finance Committee put into the creation of this budget and he cannot thank Dr. Marino and his Team enough for all the time that they devoted on the development of this budget.

Board Vice-President Pam Strollo stated that she also needs to commend Dr. Ralph Marino, the administrators and all the staff who put this budget together and the community members who attended the Community Budget Workshops and gave their input. Pam stated it was truly a team effort to make this budget.

Board President Brian Lynch also thanked Dr. Marino for presenting an excellent, very comprehensive and detailed budget presentation. He also thanked him for an excellent historical summary of what has happened in the last five to ten years. Brian stated it is good to see the historical information of the Budget. Brian also thanked Dr. Marino for keeping the three A's (Academics, Arts, Athletics) intact again this year. Brian stated it is amazing to see the two-year comparison as we are able to make the reductions and compare to similar schools around the State. Once again, Brian thanked Dr. Marino, the Finance Committee and the Board for putting the budget computations together, for working through the Tax Cap and for going out into the community. He stated he realizes how challenging and time consuming this Budget was as it is very important to protect Horseheads' brand. Brian stated he is very appreciative of all the work that was done in preparing this Proposed Budget. Superintendent Dr. Ralph Marino stated that there were a lot of people behind the scenes who also helped make this budget. He stated it was truly a team effort.

Board Member Doug Johnson inquired regarding the Property Tax Cap Calculations and the Allowable Growth Factor of 1.46% and what it is used for. Superintendent Dr. Ralph Marino stated that it is for the Capital Projects and is what we use to pay our portion of the Tax Cap Levy. Ralph stated that it would have been more if we did not have the growth factor. Doug also thanked Dr. Marino, Jane Bradley and the Finance Committee for their hard work on the budget.

Board Member Karen Boulas inquired if it is State law that we have to have voter approval to expend from the Capital Reserve Fund which is Proposition No. 3 on the ballot. Dr. Marino stated that "Yes" we have to have voter approval for this as

it was established by the voters on May 21, 2002. If the voters vote it down on May 20th, it will be on the ballot again next May as we are not able to take the money out without voter approval. Ralph stated without voter approval the money is stranded, money that we cannot use, therefore, any expenses that we have, we may only pay for them with money that is currently in the budget excluding money from this fund.

Board President Brian Lynch stated that he really likes this format that the Superintendent used to present the budget and stated that one of his main concerns is the \$40,000 increase for the use of the voting machines. Superintendent Dr. Ralph Marino stated that he is also concerned because there is not a lot of discussion about lobbying this expense and his concern is that we may have to continue to budget for this. Dr. Marino stated that the company we rent the machines from is all inclusive, on-site, which means they supply back-up machines and technicians and will be available on-site in case something goes wrong, however, the ballots are \$2.00 to \$3.00 a ballot which is almost \$6,000 in paper alone which is a major concern. Ralph stated that he thought maybe we could order enough based on a ten-year average of voters. Ralph stated that this is a new federal law that we must comply with so it is imperative that we do not run out of ballots. Ralph stated he also doesn't want to buy the machines because they will become obsolete and he is hoping there are enough vendors available for all the districts to rent them. Ralph stated he is going to see if it is possible to get a CoSer with BOCES since we won't receive State Aid for the rental of them.

Introduction of Board Candidates(If Present)

Board President Brian Lynch stated voters will elect three candidates to the Board of Education for three-year terms beginning on July 1, 2014. Brian stated there are five candidates running, including himself, Warren Conklin and Pam Strollo who are running as incumbents, Lisa Christiansen and Kristine Dale. Brian thanked them for putting their name on the ballot and volunteering their time to become a member of the Board of Education. Brian introduced Kristine Dale and thanked her for attending tonight's Public Hearing and for also attending last night's Board Candidate Forum.

Adjournment

Moved by Brinthead, 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 6:37 PM.

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

Boulas

Brinthead

Conklin

Jacobus

Johnson

Lynch

Sadler

Strollo

MOTION CARRIED

Respectfully Submitted By:

Candy L. Maine,

Candy L. Maine, District Clerk

