

**Horseheads Central School District  
Community Budget Workshop  
Erin Town Hall  
February 4, 2016**

Present: Boulas, Conklin, Dale, Jacobus, Johnson, Lynch, Sadler, Strollo

Also Present: Bostwick, Bracy, Buzzetti, Christiansen, Donahue, Douglas, Gill, Moyer, Patterson, Scaptura, Sechrist, Wilcox

Absent: Christiansen

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

**Board President's Remarks:**

Board President Jim Jacobus welcomed everyone to the first Budget Workshop of the year with the next one being held on March 3<sup>rd</sup> at the Big Flats Community Center. Jim 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 necessary the Board is able to make a motion to extend it. Jim further explained that School Business Administrator Katy Buzzetti will present the Preliminary 2016-2017 School Budget consisting of a, 2016-2017 Budget Overview, Facilities Services Overview, Transportation Department Overview and Technology Department Overview. 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. Jim stated the final presentation for tonight will be the Board of Education discussing the 2016-2017 Budget Development Process and Parameters followed by comments from the Public. Jim stated the guidelines for the Public Comments include stating your full name, address and to conduct yourself in a civil manner.

**Preliminary 2016-2017 School Budget Presentation**

Dr. Thomas J. Douglas, Superintendent of Schools, opened the presentation stating that tonight we will start to embark on an overview of the 2016-2017 budget and stated that this year we are videotaping all of our Budget Workshop Presentations for the record and also for those in the community to view who are unable to attend the presentations. Dr. Douglas noted the presentations will be posted on the District WebSite within 24 to 48 hours after the workshop. Dr. Douglas stated that we will develop our budget the best way possible with the initial runs of the budget from Governor Cuomo. The premise that we would take this year's budget and remain flat with no increase or decrease to the budget and use it as a starting point for the development of the budget for the 2016-2017 school year, noting that we will reserve judgment on the final budget until we know the final numbers from the State Education Department.

School Business Administrator Katy Buzzetti presented the Preliminary 2016-2017 School Budget consisting of the Governor's Aid Proposal for 2016-2017, Projected State Aid for 2016-2017, Key Points of the Tax Cap Calculation, Summary of the Total Budgeted Revenues and Expenditures, the Preliminary Gap, Facilities Services, Transportation Department and Technology Department Overviews to the Board.

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Katy stated the Projected State Aid for 2016-2017 is \$31,382,360, a total increase of \$730,234 or 2.4%. Katy reviewed the Key Points of the Tax Cap which was implemented in 2011. The Tax Cap limits property tax levy growth to 2% or rate of inflation (current inflation rate is 0.12%), whichever is less. Katy noted the current tax base growth factor is 1.0000 and the District may exceed the maximum allowable tax levy by a super majority vote. Katy reviewed the Tax Cap Calculation noting that we had an increase in anticipated budget year PILOTS (-\$1,042,475) and the Tax Levy before Exemptions is \$35,307,604 and the maximum allowable Tax Levy Limit is \$35,307,604. Katy stated the Proposed Property Tax Levy Change from the prior year is -\$16,231 or -0.05%. Katy stated the Total Revenues is \$70,074,265 noting that Other Revenues includes items such as interest, admissions, rental income, tax penalties, donations and gifts and reclassification of Stop-Loss Insurance payments. Katy stated the Total Expenditures is \$75,318,441. There will be no help from the tax cap though and this year it allows only about a tenth of a percent of an increase in property taxes. Dr. Thomas Douglas stated the Tax Cap Levy is at the lowest level it's ever been and that was not the intent when our Governor put it into place to say schools cannot fund public education and so we call upon our Governor and Legislators to return funding to schools.

Dr. Thomas J. Douglas, Superintendent of Schools and School Business Administrator Katy Buzzetti presented an Overview of the Preliminary Gap and Gap-Closing Options. Dr. Douglas stated we are looking for more State Aid to help close the Preliminary Gap of \$5.244 million. Dr. Douglas noted the gap amount does not include the use of Reserve Funds or the Fund Balance. It was noted that Options to close the Gap consists of Final Potential Tax Levy decision, Additional State Aid, Fund Balance Use, Budget Reductions, Use of Reserve Funds and Restoration of the GEA. Dr. Douglas also noted that it is not unusual for preliminary budget plans to have deficits because it does not include the use of any Reserve Funds or Fund Balances. Dr. Douglas stated that the real gap is approximately \$700,000 which is a gap that may be reachable and as the Administrative Team continues to work on the 2016-2017 budget we will be able to address this gap.

School Business Administrator Katy Buzzetti presented an Overview of the Facilities Services Proposed Budget noting the total amount budgeted for 2016-2017 is \$3,610,527, noting that the Director of Facilities Michael Coghlan is striving to maintain a flat budget. Katy reviewed the Facilities Services Considerations which total \$127,500 which includes an increase in Equipment, Personnel, Grounds and Facilities Supplies and an increase in the Energy Management Stipend.

School Business Administrator Katy Buzzetti presented an Overview of the Transportation Proposed Budget noting the total amount budgeted for 2016-2017 is \$2,615,698, Katy reviewed the Transportation Salary/Position Information totaling a budget amount of \$1,735,823. Katy noted that Transportation Aid budgeted for 2016-2017 is \$2,763,916 (72.4% ratio). Katy reviewed the Transportation Considerations which total \$70,000 consisting of an increase in Equipment and Automotive Parts. It was noted that the District has serviced Elmira Heights' buses since 2013-2014 with no increase to the Automotive Parts account for additional costs, noting the Elmira Heights District reimburses Horseheads for the full cost of parts and maintenance incurred.

School Business Administrator Katy Buzzetti presented an Overview of the Technology Department Proposed Budget noting the total amount budgeted for 2016-2017 is \$2,311,602, noting that the increases in BOCES includes the Director of Technology, Network Technicians and Instructional Support Specialists. Katy reviewed the Technology Salary/Position Information totaling a budget amount of \$690,355, noting

the amounts for the Salaries(BOCES employees in the District is \$686,330) is before BOCES aid. The 2015-2016 BOCES aid ratio is 68.3%. Katy reviewed the Technology Considerations which total \$253,234 which includes an increase in Equipment, BOCES Support and Personnel. Dr. Douglas noted that about three to four years ago all Districts were informed by the State Education Department that 5% of the budget should address technology due to on-line assessments and regulations that will be mandated by the State, believing that next year everyone must be participating with on-line assessments with the goal of 2018-2019 all assessments will be given on-line.

### **Board of Education Discussion and Questions Regarding the Presentation**

Board Member Pam Strollo thanked Dr. Douglas for going through the Preliminary 2016-2017 Budget and adding some different ways of looking at it. Pam stated that Slide 14 pertaining to the Preliminary Gap and suggestions of the Gap Closing Options is very helpful to know what is at our disposal to close the Gap as it fluctuates.

It was inquired if the Considerations that were budgeted for Facilities Services, Transportation and Technology Departments are considered a "wish list." Dr. Douglas stated when we do this we have to tell you where we are at in the budget process. The Board will receive a running flow of what is happening with the initial budget and will see a lot of reductions at the end. We have to look at what the impact of the budget will be because we have already made a lot of reductions over the past years. These Considerations are things that the Department Heads said will be very beneficial to the educational needs of the District. Board Member Doug Johnson inquired if there are any other considerations from the Instructional Side of the District that will be brought to us. Dr. Douglas stated that basically any of the other Considerations will be included in the Administration Departments, Athletics, Human Resources, and Student Services' presentations which will be the focus of the next Budget Workshop and the Instructional Needs will be presented at the end. Dr. Douglas stated we may need to have an extra one or two meetings because he usually operates with six Budget Workshops. He noted that throughout the entire process we will gather information as the Administrative Team prioritizes it for the Board.

Board Vice-President Karen Boulas inquired if the Veterans' Tax Exemption will affect anything in the budget. Dr. Douglas stated it won't impact it this year and even if we did try to do something with it at this time it would not go in until March 1, 2017. Dr. Douglas stated June or July would be the best time to address this.

Board Member Warren Conklin thanked Director of Transportation Peter Wilcox for including the history of the bus purchases and inquired regarding the increase in the cost of buses which seems to be a lot. Warren inquired if there were any safety features or enhancements to the buses or State mandates. Director of Transportation Peter Wilcox reviewed the history of bus purchases for the District, noting that we used to purchase 8 new buses on a yearly basis but then in 2012-2016, we went to purchasing 7 buses in 2012 and 6 buses in 2013, 2014, 2015 and then 6 in 2016. We are projecting the purchase of 8 buses in 2017 for a total amount of \$137,500. We are trying to get back on the ten-year rotation of bus purchases which the Department of Transportation prefers and also explained that Mandates will be needed in the area of bus safety which will increase the purchase cost of a bus. Dr. Douglas noted that these safety features will also help with our insurance rate.

Board Member Brian Lynch thanked Dr. Douglas and his administrative team for including the suggestions of the Gap Closing Options and stated it is interesting to know the numbers that are listed. Dr. Douglas stated 2% is not unusual and is what we have

been told to use. Dr. Douglas stated that we are also hoping for the Legislature to boost State Aid and restore the funding that was cut several years ago to help balance the State Budget. Dr. Douglas stated that we have \$700,000 we could use right now because we are not making any reductions and we still have not heard about State Aid. We also need to keep in mind there are a lot of venues out there that are unknown and probably will be until the last week of March.

Board Member Doug Johnson stated that the total amount of Considerations is about \$450,000 if we go with all of them. Dr. Douglas stated this is correct and we need to remember that the Gap will grow before it shrinks. We will look at the Considerations, how much we really have, how much we are really spending and then draw away from that so that we have a budget that is as healthy as possible.

Board President Jim Jacobus thanked Superintendent Dr. Thomas Douglas and School Business Administrator Katy Buzzetti for putting together a very thorough Budget Presentation.

**Questions and Comments from the Public**

There were no Questions or Comments from the Public.

**Questions and Comments from Board Members**

There were no Questions or Comments from the Board Members.

Board President Jim Jacobus thanked the Public for attending tonight's Workshop and stated the next Community Budget Workshop will be held on March 3<sup>rd</sup>, at 6:00 PM, at the Big Flats Community Center.

**Adjournment**

Moved by Strollo, seconded by Lynch.

RESOLVED, that the Horseheads Central School District Board of Education adjourned from its Budget Workshop of the Board of Education at 6:40 PM.

<u>Ayes</u>	<u>Noes</u>	<u>Abstained</u>	<u>Absent</u>
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Boulas

Christiansen

- Conklin
- Dale
- Jacobus
- Johnson
- Lynch
- Sadler
- Strollo

MOTION CARRIED

Respectfully submitted by:

*Candy L. Maine,*

Candy Maine, District Clerk