

**Horseheads Central School District  
Community Budget Workshop  
Erin Town Hall  
March 9, 2017**

- Present:** Boulas, Christmas, Christiansen, Conklin, Johnson, Lynch, Minor, Sadler, Strollo
- Absent:** Dale
- Guests:** Buzzetti, Conklin, Donahue, Douglas, Gill, Moyer, Patterson, Scaptura, Williams
- Call to Order:** Board President Pam Strollo called the Community Budget Workshop to order at 6:02 PM

**Board President's Remarks:**

Board President Pam Strollo welcomed everyone tonight's Budget Workshop and 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.

**Preliminary 2017-2018 School Budget Presentation  
2017-2018 Budget Overview**

School Business Administrator Katy Buzzetti presented an overview of the 2017-2018 Budget Development and presented a Recap of the Human Resources Budget which totals \$407,225, a change of 5.23%, the Facilities Services Budget which totals \$3,615,888, a change of 1.62% and the Technology Budget which totals \$2,522,972, a change of 2.24%.

**Special Education Department Overview**

Director of Student Services Kim Williams provided the Board with an overview of the Special Education Department Proposed Budget for 2017-2018 stating the Projected Budget Total is \$10,442,993, an increase of 10.90%. Kim stated the Student Services/Special Education Salary/Position Information totals \$5,727,181 and that she is also asking for the addition of a 1.0 FTE Special Education Teacher which is \$77,376, which would meet a compliance requirement for projected increase in Special Education needs. Superintendent of Schools Dr. Thomas J. Douglas asked for clarification regarding the significant number of Teaching Assistants(52.2 positions) in comparison to the number of Instructional Staff, Special Education Teachers(38.0 positions) and how are they dispersed. Kim stated that the majority of the Teaching Assistants are mainly 12:1:1s who are hired based on a child's IEP or medical needs. Kim noted there are also some Teaching Assistants who work in the Resource Room and the 15:1 classrooms. Kim will provide the Board with a breakdown of 1:1 Teaching Assistants and their location at a later date. Kim also noted that there are no Teacher Aide Positions, strictly Teaching Assistant Positions.

**Athletic Department Overview**

Director of Physical Education/Athletics Bert Conklin provided the Board with an overview of the Athletic Department Proposed Budget for 2017-2018 stating the Projected Budget Total is \$648,989, an increase of 0.79%, the Athletics Salary/Position

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Information totals \$511,399. Bert thanked Dr. Douglas and Katy Buzzetti for their assistance over the past years, especially last year in helping him to get the Budget in working order with supplies and contractually in-line. Bert stated that over the last few years he has been able to purchase all the uniforms for the Varsity Teams and also thanked Mike Coghlan for his generosity with the purchase of some large items for athletics such as the scoreboard for the Athletic Field and the fence around the Baseball Field. Bert stated with the assistance of Katy Buzzetti he has been able to keep a lot of the codes flat which took a lot of work reallocating money where he needs to spend it and stated he will continue to fine tune it with Katy's assistance to get it to where it should be. He also noted that he has taken some burden from the Booster Club by paying for supplies that the Teams need which is a District expense not theirs.

### **Benefits Overview**

School Business Administrator Katy Buzzetti provided the Board with an overview of the Benefits Proposed Budget for 2017-2018 stating that Benefits is a significant portion of the Budget and that the Employees' Retirement and Teachers' Retirement are two of the biggest items. Katy stated the Projected Budget Total is \$21,038,155, a decrease of -\$883,953, -4.03%. The Board thoroughly discussed the history of the ERS and TRS, Health Care Claims, Administration Fees and the Stop/Loss. Katy stated that the District has 22 different Health Plans administered between the active and retirees and we expect to see an increase in the premium costs. She stated we are also seeing an increase in Health Contributions this year which will be a positive impact for us. We will see a decrease in the Affordable Care Act Fees due to one of the fees no longer being required because we met the three-year obligation to the District in 2016-2017. Katy noted that we are a little ahead of last year where we had \$13 million in Health Claims(2015-2016) and will receive numbers next week, however, it will not include the Stop/Loss. Overall, we are seeing a decrease of \$883,953 primarily due to the adjustments to the ERS and TRS and the increase in Health Contributions. Katy stated we will see how the Affordable Care Act is reformed, replaced or what changes may be and what obligations will be placed on the District for tracking and monitoring before we are able to make any changes. Dr. Douglas noted that we have to be very cautious because of the instability of it and will also have to seek Legal Counsel as we learn the potential outcomes.

Katy reviewed the 20-year history of the TRS and the ERS and noted that the 20-year average for the TRS is 7.57% and for the ERS is 10.46%. Dr. Douglas stated we are trying to hold the TRS to 13% even though we are at 9%. The problem is we don't know what is going to happen and we really have to bring it down to what the State is recommending which is why we need the 20-year analysis to see what the actual trend is and never go below it. Katy stated the ERS is a pretty healthy Reserve and if we did see a significant increase in the rates and needed a little assistance within our Budget we could utilize that Reserve.

Overall, Katy stated the Adjusted Baseline Budget for Expenditures is \$76,301,408, Revenues is \$71,063,018 with a Gap of -\$5,238,390. Katy stated that due to the sale of Broad Street we were able to add \$62,000 to the Revenue side which we will allocate over the next three years and will also offset the loss in Building Aid from selling the building. She stated that the updated Budget also includes the request for one more full-time Special Education Teacher.

Katy presented the Adoption of the Legal Notice which will include the Budget Vote/Board of Education Election – Tuesday, May 16<sup>th</sup>, Bus Purchase Proposition, Three Board of Education Seats(three-year terms). Katy stated this will be presented to the Board at its March 23<sup>rd</sup> meeting for Board action so that it can meet legal requirements.

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The Board also discussed the potential of increasing the current Capital Reserve from \$10 million to \$15 million which will give the District the opportunity to put any funds left over 4% at the end of June in the Capital Reserve and save that money for the 2030 Project. Dr. Douglas explained the process and why it had to be brought up now and why the Board is obligated to approve it at the next Board Meeting so that it can be included in the Legal Notice as a separate proposition. He noted that the Board has discussed this in the past but never came to a formal decision. However, if we are going to do something in time for the 2030 Project Referendum (if the Board gets there for October), we will have to already have it in place before that Referendum so that we have access to the money. This will give us the tools that are needed; however, it does not mean that we have to fund it. It could stay at the \$10 million, but it allows us the opportunity to put funds in it that are a surplus or savings from the current year to carry forward only after all Operating Expenses have been paid in June. Dr. Douglas stated in June there would be a discussion with the Board on how to end our books and he would seek Board of Education authorization to place a certain amount in the Reserves. Dr. Douglas stated it is so we can carry money forward but never use it to offset or cut programs. Katy Buzzetti also noted that if we have a surplus we don't necessarily have to put it in the Capital Reserves. We can put it in other Reserves we have, however, it still leads to the same issue: If we come up with a short the following year unless you budget to use those Reserves when you adopt the Budget that year, you won't be able to access that money. If there is a deficit, we can only use the 4% unless the Board budgets to specifically use these Reserves.

Overall Dr. Douglas stated we are trying to make sure we have options because our options are starting to run out and we also want to be in compliance with the Office of the Comptroller's expectations in our Audits as we are trying to get close to the 4% so that we meet those avenues and provide avenues where we can place money to use. The Board was in agreement for Dr. Douglas to present this at the March Board meeting for Board action.

**Superintendent's Report**

Superintendent of Schools Dr. Thomas J. Douglas stated that tomorrow is Superintendents' Conference Day, from 8:00 AM – 3:00 PM and wished everyone a wonderful day in their various trainings. He also stated that every school, along with the Band, will be participating in the St. Patrick's Day Parade which will be held this Saturday, March 11<sup>th</sup> and on March 16<sup>th</sup> there will be a meeting with HUNT where the Board will go into Executive Session and then give an update during the Community Session of the meeting and again at the next Board Meeting.

**Retirement Incentive Resolution**

Moved by Boulas, seconded by Christiansen.  
 RESOLVED, that the Horseheads Central School District Board of Education accepts the annual aggregate salary savings in excess of \$200,000 that was realized as a result of a retirement incentive that was recently offered to qualified district employees. These aggregate salary savings will begin with the 2017-2018 school year and beyond.

BE IT FURTHER RESOLVED, that the Board of Education approves the payment of the retirement incentive to qualified district employees from the Retirement Incentive Committed Fund Balance.

Ayes	Noes	Abstained	Absent
Boulas			
Christiansen			
Christmas			

Conklin

Dale

Johnson

Lynch

Sadler

Strollo

**MOTION CARRIED**

Superintendent of Schools Dr. Thomas J. Douglas brought the approval of the Retirement Incentive Resolution to the Board for Board action. Dr. Douglas stated that Director of Human Resources Judy Christiansen used exactly the same Incentive Parameters as in the past and to date we have exceed the goal of \$200,000 with twenty more employees taking the Incentive Retirement which gives the District an extra \$400,000. Dr. Douglas stated we are up and beyond \$600,000 in savings moving forward from year to year because of this one-time expense and noted that we will fill these retirements with entry-level positions as best as we can. Katy Buzzetti stated at the next Budget Workshop we will see the impact of the Retirement Incentive.

**Resolution Awarding Field House Project Bid**

Moved by Boulas, seconded by Christiansen.

RESOLVED, that the Horseheads Central School District Board of Education awards the contracts identified under Section A of the attachment, awards the bid alternates identified under Section B of the attachment; and accepts the Unit Prices #5 & #6 identified in Section B of the attachment for the Horseheads Central School District Field House Project, HUNT Project #1923-023.

<u>Ayes</u>	<u>Noes</u>	<u>Abstained</u>	<u>Absent</u>
Boulas			
Christiansen			
Christmas			
Conklin			

Dale

Johnson

Lynch

Sadler

Strollo

**MOTION CARRIED**

Superintendent of Schools Dr. Thomas J. Douglas brought the approval of the Resolution Awarding the Field House Project Bid to the Board for Board action. Board Member David Sadler commented it was recommended that we not approve some of the General Trades, so what happens if we need them on the course of the Project? Dr. Douglas stated that we would go out to bid if they were not accepted and we needed them.

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

There were no Questions from the Board.

**Questions and Comments from the Public**

There were no Questions or Comments from the public.

**Questions and Comments from Board Members**

Board President Pam Strollo thanked the Public for attending tonight's Workshop and stated the next Community Budget Workshop will be held on April 6<sup>th</sup>, at 6:00 PM, at the Multi-Media Center.

**Adjournment**

Moved by Christmas, seconded by Johnson.

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

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

Christiansen

Christmas

Conklin

Dale

Johnson

Lynch

Sadler

Strollo

MOTION CARRIED

Respectfully submitted by:

*Candy L. Maine,*

Candy Maine, District Clerk