

A special meeting of the Board of Education of South Huntington Union Free School District, scheduled as a budget work session on the proposed 2012-2013 school budget, was held on Wednesday, March 7, 2012, in the Performing Arts Center of Walt Whitman High School, 301 West Hills Road, Huntington Station, New York.

Present: **Board Members:**

President
Vice President

Mr. Kaden
Mr. Teresky
Mrs. Brieff
Mr. Lupinacci
Mr. Nitkewicz

Staff:

Superintendent of Schools
Asst. Supt. for Business
Asst. Supt. for Student Services
Asst. Supt. for Instruction & Curriculum
Asst. Supt. for Personnel & District Services
District Clerk

Dr. Shea
Mrs. Occhiogrosso
Ms. Harris
Dr. Eagen
Dr. Centamore
Mrs. Hammond

Absent: Board Member
 Board Member

Mr. Ciappetta
Mrs. LaCara

Call to Order: Mr. Kaden opened the meeting at 7:40 p.m. and led the audience in the Pledge of Allegiance.

Budget Work Session: Dr. Shea began his presentation by reviewing the tax levy calculations from last week’s presentation. Dr. Shea noted that the tax cap applies to the levy, not the rate or the homeowner’s payment. South Huntington’s tax cap increase equals 4.22%. Dr. Shea reviewed the budget reductions:

Tax Cap Increase	\$4,234,144
“Non-Discretionary”	8,112,854
Difference	-3,878,710
Loss of Revenue	-1,499,031
Total Difference	-5,377,741

Dr. Shea stated that the “working” budget amount for tonight is a budget of \$146,969,178 which is a budget increase of 4.79% and a tax rate increase of 9.39%. Dr. Shea emphasized that this would not be the final rate but only the starting point. Dr. Shea stated the budget had already been reduced administratively by \$1,398,713. These reductions included:

Contractual Reductions	\$660,717
Building and Department Reductions	469,243
Retirement Savings	<u>268,753</u>
Present Reductions	1,398,713

**Budget Work
Session:
(Continued)**

Dr. Shea reviewed the previous year's reductions:

Administrative Staff (Supervisors and Chairpersons)	\$545,336
Afterschool Transportation	150,000
Extracurricular Activities	82,892
Athletics	352,097
Nine Period Schedule	1,200,000
Instructional Staff	1,030,154
Non-Instructional Staff	<u>733,564</u>
	\$4,094,043

Dr. Shea reviewed conservation measures:

- Energy Performance Contract
- Transportation Bid – Dr. Shea noted that the district went out to bid for a four hour bus schedule rather than a five hour schedule and there was no savings. In fact, the cost would be higher.
- Liability Insurance Bids
- Electronic Notifications – the district is looking to provide electronic notifications. Dr. Shea noted that the challenge would be reaching as many parents as possible.
- Paper Reduction & Monitoring
- Purchase Order Cut Off Date
- Employees' Health Insurance – the district has been seeking bids from other insurance companies.
- Reductions in Supplies Purchased
- Request for Salary Freezes – Dr. Shea noted that a letter had been sent to each unit asking for a voluntary hard freeze. The only unit willing to accept this proposal was the South Huntington Administrators' Association.

Doreen Boehme asked Dr. Shea for a history of the units who took a wage freeze.

Dr. Shea reviewed the 1000 Series – General Support. The 2012-2013 total would be decreased by \$572,812 which is a decrease of 3.92%.

- Codes 1010 (Board of Education), 1040 (District Clerk) and 1060 (District Meeting) would be increased by \$7,798 which is an increase of 8.55%.
- Code 1240, Superintendent's Office, would be decreased by \$58,828 which is a decrease of 11.71%.
- Code 1300, Business Administration, would be increased by \$30,721 which is a 2.09% increase.
- Code 1400, Legal Service, Personnel and Public Relations, would be increased by \$28,670 which is an increase of 2.66%.
- Code 1600, Facilities, Maintenance, Central Storage and Data Processing would be decreased by \$338,374 which is a decrease of 3.38%.

**Budget Work
Session:
(Continued)**

- Code 1900, General Insurance, School Association Dues, Judgments & BOCES Administrative, would be decreased by \$242,799 which is a decrease of 16.51%.

Dr. Shea reviewed the 9000 Series: Benefits, Insurance and Debt Service. The 2012-2013 total would be \$42,095,343 which is an increase of \$4,458,847 or an 11.85% increase. Dr. Shea stated that Employees' Benefits would be increased by \$2,635,966 which is an increase of 8.53%. Dr. Shea reviewed the Employees' Retirement System rate history from 1999 through 2013. Dr. Shea also reviewed the Teachers' Retirement System rate history from 1998 through 2013. Dr. Shea showed a comparison of budget to pension percentage increases from 1999 through 2012.

Dr. Shea reviewed the 9700 code which is Debt Service. This code includes the principal and interest of all debt service of the district:

- Prior Bond Borrowings
- Prior Bus/Equipment Purchases
- TAN Interest
- Includes South Huntington Library Bond payments – no tax rate implication – fully reimbursed by South Huntington library
- Transportation Vehicles Replacement Program

Dr. Shea then reviewed the bond payment schedule from 1997 through 2012. Mr. Nitkewicz asked Dr. Shea to further explain what the bond amounts covered. Mr. Nitkewicz asked for clarification as to whether the amounts borrowed were authorized by the voters in the 2003 bond. Dr. Shea confirmed that it was and noted that the bond amount approved was \$54,000,000. Mr. Nitkewicz asked if the district must borrow the money. Mr. Kaden explained that the voters gave the district the authority to borrow \$54,000,000 but the district does not have to borrow the money. Mr. Kaden explained bond money borrowing.

Dr. Shea reviewed the following code amounts:

- Code 9700, Debt Service, would be increased by \$1,818,381 which is an increase of 28.06%.
- Code 9901, Inter-Fund Transfers (movement of money from the General Fund to a specific-purpose fund), would be increased by \$4,500 which is an increase of 1.83%.

Dr. Shea then reviewed the property tax implications. He also explained a contingent budget. Dr. Shea noted that if the budget was defeated twice, new tax laws require the district to remain at the same tax levy as the prior year. The required deductions from previous budget laws still remain. The 2012-2013 contingent budget would be \$135,556,006 which is \$4,699,031 less than the current 2011-2012 budget of \$140,255,037.

**Budget Work
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Dr. Shea reviewed the contingent budget figures:

Working 2012-2013 Budget		\$146,969,178
2011-12 Tax Levy	\$100,401,290	
Other Revenues	<u>35,154,716</u>	
Total Contingent Budget		<u>\$135,556,006</u>
Required Contingency Reductions		\$11,413,172
Areas that must be taken out:		
- Equipment		\$180,799
- Administrative Cap		312,519
- Community Use of Facilities & Grounds		<u>150,000</u>
		\$643,318
Additional Budget Reductions Needed		\$10,769,854

Dr. Shea reviewed the upcoming budget workshops and vote dates:

<u>Date</u>	<u>Topic</u>
3/14	Transportation
3/21	Programs, Instruction and Staffing I
3/28	Programs, Instruction and Staffing II
4/4	Budget Adoption
5/8	Public Meeting on Budget
5/15	Budget Vote

Dr. Shea stated that next week's topic would be transportation. Dr. Shea noted that the district is considering changing school hours to save money. This would be discussed next week.

Dr. Shea stated that he would have a list of all programs and what they cost in next week's presentation.

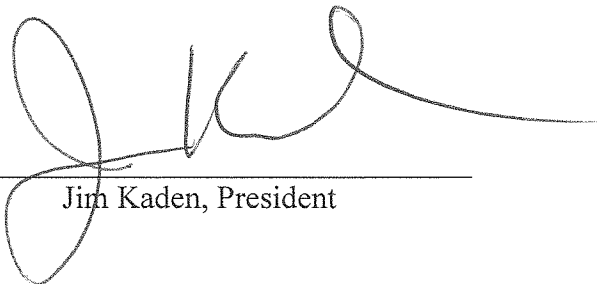
Following Dr. Shea's presentation, the Board and audience were given an opportunity for questions and discussion.

The following requests were made:

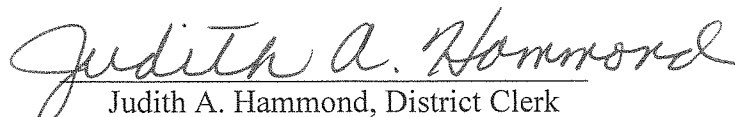
1. A history of units who took a wage freeze.
2. A breakout of 1400 code as done in the past.
3. A breakdown of the debt service increases.
4. The cost of the school budget vote and election.

Adjournment:

The meeting was declared adjourned at 9:10 p.m.



Jim Kaden, President



Judith A. Hammond, District Clerk