

**VICTOR CENTRAL SCHOOL  
BOARD OF EDUCATION**  
**Approved Minutes of the Regular Meeting of July 20, 2020**  
**Virtual Meeting via Zoom**

- CALL TO ORDER** President Kristin Elliott called the meeting to order at 6:53 PM.  
**Members Present** Karen Ballard, Tim DeLucia, Chris Eckhardt, Kristin Elliott, Christopher Parks, Trisha Turner, Michael Vetter
- ENTER EXECUTIVE SESSION** A motion was made by K. Ballard, seconded by T. Turner, to enter executive session at 6:53 PM to discuss the employment history of a specific individual. The motion was carried. 7 yes 0 no
- REGULAR SESSION** A motion was made by C. Parks, seconded by T. Turner, to return to regular session 7:03 PM. The motion was carried. 7 yes 0 no
- APPROVE AGENDA** A motion was made by C. Eckhardt, seconded by C. Parks, to approve the agenda. The motion was carried. 7 yes 0 no
- PUBLIC PARTICIPATION** Due to the virtual meeting, there was no live participation. Community members were asked to email thoughts or comments to the Superintendent at [terranovat@victorschools.org](mailto:terranovat@victorschools.org).
- PERSONNEL AGENDA** A motion was made by T. DeLucia, seconded by T. Turner, to approve the following:
- All appointments on these pages are made in compliance with New York State Education Law relating to criminal history background clearances for new employees. Conditional clearances under that law have been requested for all new employees.
- Instructional Probationary Appointments:**
- The probationary appointment of **Deagan Voorheis**, who has certifications in Childhood Education Grades 1-6 and Students with Disabilities Grades 1-6, to a probationary position as an Elementary Teacher, effective September 1, 2020, with Jarema Credit for 2019/2020 LTS assignment, at an annual salary of \$43,600 (Step 3B+12), leading towards tenure in Elementary Education.
- The probationary appointment of **Kevin Haak**, who has certification in Pre-Kindergarten, Kindergarten, and Grades 1-6, to a probationary position as an Elementary Teacher, effective September 1, 2020, at an annual salary of \$51,210 (Step 9M+6), leading towards tenure in Elementary Education.

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The probationary appointment of **Holly DeVito**, who has certification in Childhood Education Grades 1-6, to a probationary position as an Elementary Teacher, effective September 1, 2020, with Jarema Credit for 2019/2020 LTS assignment, at an annual salary of \$44,300 (Step 2M), leading towards tenure in Elementary Education.

The probationary appointment of **Stephanie Bock**, who has certifications in Childhood Education Grades 1-6, Early Childhood Education Birth-Grade 2, Literacy Birth-Grade 6, Literacy Grades 5-12, Students with Disabilities Grades 1-6, and Students with Disabilities Birth-Grade 2, to a probationary position as an Elementary Teacher, effective September 1, 2020, at an annual salary of \$47,700 (Step 6M+6), leading towards tenure in Elementary Education.

The probationary appointment of **Kyle Pecora**, who has certification in English to Speakers of Other Languages, to a probationary position as an ELL Teacher, effective September 1, 2020, at an annual salary of \$53,210 (Step 9M+36), leading towards tenure in ELL Education.

The probationary appointment of **Tara Paquette**, who has certifications in Students with Disabilities Grades 1-6 and Childhood Education Grades 1-6, to a probationary position as a Special Education Teacher, effective September 1, 2020, at an annual salary of \$50,810 (Step 9M), leading towards tenure in Special Education.

The probationary appointment of **Kelsey Flynn**, who has certifications in English to Speakers of Other Languages and Spanish Grades 7-12, to a probationary position as an ELL Teacher, effective September 1, 2020, at an annual salary of \$45,350 (Step 4M), leading towards tenure in ELL Education.

The probationary appointment of **Olivia Cosquer**, who has certifications in Childhood Education Grades 1-6, to a probationary position as an Elementary Teacher, effective September 1, 2020, at an annual salary of \$51,400 (Step 11B+15), leading towards tenure in Elementary Education.

The probationary appointment of **Tracy LaPenna**, who has certification in Nursery, Kindergarten, and Grades 1-6, to a probationary position as an Elementary Teacher, effective September 1, 2020, at an annual salary of \$49,890 (Step 8M), leading towards tenure in Elementary Education.

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The probationary appointment of **Elizabeth Porta**, who has certification in Pre-Kindergarten, Kindergarten, and Grades 1-6 and Literacy Birth-Grade 6, to a probationary position as an Elementary Teacher, effective September 1, 2020, at an annual salary of \$50,810 (Step 9M), leading towards tenure in Elementary Education.

**Part Time  
Appointments:**

The appointment of **Julie Saunders**, who holds certification in Pre-Kindergarten, Kindergarten and Grades 1-6, to a part-time (.6fte) position as an Elementary Teacher effective September 1, 2020, and ending June 30, 2021, at an annual salary of \$41,735 (Step 19M+23).

The appointment of **Melissa Murphy**, who holds certification in Art, Childhood Education Grades 1-6, and Students with Disabilities Grades 1-6, to a part-time (.8fte) position as an Art Teacher effective September 1, 2020, and ending June 30, 2021, at an annual salary of \$40,472 (Step 8M+15).

The appointment to a job share of **Julie Santarone**, who is licensed as a Registered Professional Nurse, to a part-time (.6fte) position as a School Nurse effective July 1, 2020, and ending June 30, 2021, at an annual salary of \$23,116 (Step 12).

The appointment of **Marcy Pembroke**, who holds certifications in Earth Science Grades 7-12, General Science Grades 7-12, and Nursery, Kindergarten and Grades 1-6, to a part-time (.6fte) position as a Science Teacher effective September 1, 2020, and ending June 30, 2021, at an annual salary of \$45,748 (Step 24M+44).

The appointment of **Adriana Kulakowski**, who has Certification in Business Education, to a part-time (.4fte) position as an Business Teacher effective September 1, 2020, and ending June 30, 2021, at an annual salary of \$20,644 (Step 10M).

The appointment to a job share of **Marki Holcomb**, who is licensed as a Registered Professional Nurse, to a part-time (.4fte) position as a School Nurse effective July 1, 2020, and ending June 30, 2021, at an annual salary of \$12,932 (Step 4).

**Appointments:**

The appointment of **Richard Stutzman**, Interim Assistant Superintendent for Finance, effective August 1, 2020, at a daily rate of \$600.

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**Long Term Substitute Appointments:** The appointment of **Jennifer Ocello**, who has Certifications in Childhood Education Grades 1-6 and Students with Disabilities Grades 1-6, to a long term substitute position as an Elementary Teacher, effective September 1, 2020, and ending June 30, 2021, at an annual salary of \$51,610 (Step 10M).

**Resignations:** The resignation of **Jay Schickling**, Assistant Superintendent for Business, effective August 9, 2020.

The resignation of **Natalie Sonnevile**, Elementary Teacher (Math Coach), effective July 19, 2020.

**Salaries:** The following salaries for non-affiliated district office staff will be effective for the 2020-2021 school year:

Managerial Staff	Jay Schickling	Assistant Superintendent for Business	\$128,500
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**Non-Instructional Resignations:**

The resignation, due to retirement, of **Regina Bush**, Library Clerk, effective August 31, 2020.

The resignation of **Kimberly Marple**, Full Time Cleaner, effective July 9, 2020.

**Per Diem and Substitute Positions:**

<u>Candidate</u>	<u>Position</u>
Regina Bush	Library Clerk

The motion was carried. 7 yes 0 no

**LONG-RANGE FINANCIAL ANALYSIS OF THE VICTOR CENTRAL SCHOOL DISTRICT**

Dr. Terranova introduced Dr. Rick Timbs who presented the long-range financial analysis of the Victor Central School District. He thanked Mr. Schickling for the foresight for going out and asking Dr. Timbs to take another look at the District’s finances. Dr. Timbs started out by saying he has used all of the official records of the District. He said he will also put in the presentation some comments as if he were the Comptroller of the State of New York, who audits school districts. Dr. Timbs said he will talk about the financial history and analysis, tax cap history and analysis, long-range projects and analysis, areas for further study, and the need for the creation of a Financial Strategic Plan. He said you cannot do long-range planning with just looking at data; you have to analyze it because it gives you a lot of perspectives about what happened. Dr. Timbs started by reviewing the District’s financial history and analysis per the ST-3 Form.

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### **LONG-RANGE FINANCIAL ANALYSIS OF THE VICTOR CENTRAL SCHOOL DISTRICT Continued**

He went over the expenses from the 2015-2016 school year through the 2018-2019 school year. He said the District wouldn't know the expenses for the 2019-2020 school year until Mr. Schickling closes the books a little before he leaves the District. He said he would advise any district to keep encumbrances below \$1 million. In looking at Victor's financial picture there are significant encumbrances and even as encumbrances diminish there is increased difficulty aimed at the creation of Reserves. The budget expenditures become tighter. Real Property Tax Law allows districts to carryover 4% on reserve fund balance. By tightening expenses, you start to expand the budget. Dr. Timbs then discussed the Districts revenue. The revenues in the 2015-2016 and 2016-2017 years are short compared to what was budgeted. He said Boards will turn to a Superintendent and say "You have to find more revenues". Dr. Timbs said it is almost impossible to do that. Thirty-two percent of the budget is based on state aid. The District moves in the direction to outspend revenues, with increased difficulty aimed at the creation of Reserves. Reoccurring costs escalate at a greater rate than revenues. The District is getting closer and closer to spending every penny they are taking in. You want to make sure that you are always underspending the revenue so you can build reserves. He said Mr. Schickling was penny pinching through the budget this year so it will look a little better. Dr. Timbs then went through the tax cap calculation. He said Victor's tax levy includes bus purchases. For District's that are financially healthy, buses are purchased using cash so they are not included in the tax levy. Purchasing buses in cash means you would not be paying a financial advisor to go borrow money for the District to purchase the buses and you would not be paying interest on them. He said if you do not take advantage of the tax cap you will lose that revenue. Looking at the 2012-2013 Tax Cap Calculation the District was allowed to collect 4.8453% in taxes. It only collected 2.85% and left \$699,711 on the table. The debt had to be paid out of the District funds. Dr. Parks said so it wasn't that the District wasn't entitled to collect the money, the District did not go as far as they could to collect it. Dr. Timbs said that is correct. For the 2013-2014 year the District could have collected 5.13% or \$1.85 million without going over the tax cap but did not do that. Instead, the District collected 3.15% or \$714,000. In two years the District did not collect \$1.41 million. Dr. Parks said when you talk about what we are owed and what we did not collect what is the reason for that? Why was that not collected? Dr. Timbs said he wasn't quite sure. It could have been the District felt they were in good shape. In the early days there was confusion around the tax cap. This could be a by-product on the emphasis of trying to be the lowest per pupil expenditure. Dr. Timbs said the pride the District has as having the lowest tax rate and the lowest per pupil expenditure has not served you well. When you don't collect the taxes and don't have an expanding tax base your tax on true goes down.

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As it stands \$7.5 million appears to have gone by the wayside. Dr. Parks said if we had just gone to the tax cap? Dr. Timbs said yes. He said now the other dilemma is 32% of the District's revenues come from state aid and state aid is a problem. The problem is statewide and not just with the Victor Central School District. He said the Victor School District will not get a lot of state aide because the state does not consider Victor a needy school district. He said by any measure for state aid if you were to look at the 70 pages of state aid formula printed by the State Education Department you will not find Victor as a high need school district financially in anyway. Dr. Timbs went over the state aid sources. A little over half of the Foundation Aid may be frozen for another 3-4 years. He suggested looking at the transportation service. He said he does not think the reimbursement rates are good. The District may be providing services that are not aideable. Universal PreK aid, depending on how the program is run, the \$543,600 usually does not even come close to paying for it. That is supposed to be seed money. The District is probably spending more than that coming in. After reviewing the state aid Dr. Timbs said it won't be moving around a lot, which means if it is 32% of your revenue source the District has a problem. What is going to happen is you will have to rely heavily on property taxes to support the District's expenses. Dr. Timbs then went over the District's reserves. He said he feels the District has the right reserves. He asked Mr. Schickling how many claims the District has for Tax Certorari as that reserve should be based on claims. Mr. Schickling said we have about \$2.6 million in claims. Right now there is \$446,000 in the reserve. Dr. Timbs said he would recommend looking at the history and finding out what percentage they settle for and revisit the reserve. Capital Reserve was at \$2.5 million but is now \$0 due to the current capital project. Dr. Parks said the Capital Reserve is a separate vote that we just did. Dr. Timbs said a lot of time a Capital Reserve cannot include, because of its cost, everything you would like to have done. A Building Condition Survey will help with that. Capital Reserve is a gift that keeps on giving. You get aid on your own money. A Transportation Vehicle Reserve would allow the District to put money away to make cash payments for buses, vehicles and equipment. The Unemployment Insurance Reserve has \$400,000. Dr. Timbs said he feels this is an excessive amount. He feels the Employee Retirement System Reserve is underfunded. He said as a reminder this presentation does not capture any of the funds that may be available at the end of 2019-2020. The Cafeteria Fund is dropping like a rock and if it continues to drop and drops too far it will be a real problem. The use of Cafeteria Fund for a Capital Project, in his experience, has been denied for aide. Dr. Parks said are you saying the Cafeteria Fund needs to be the Cafeteria Fund and not repurposed for something else. Dr. Timbs said the Cafeteria Fund and the

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### **LONG-RANGE FINANCIAL ANALYSIS OF THE VICTOR CENTRAL SCHOOL DISTRICT Continued**

General Fund should be separate from each other. Mr. Schickling said at the end of last week the conversation with the project team for the Capital Project was to discontinue the use of the Cafeteria Fund for the project. He said you will notice you have a giant dropping in the amount of reserves and really the District should have double that. One of the things the District should perhaps do is go out with a vote in December to start two Capital Reserves now that the current Capital Reserve is exhausted. One reserve can be for buying buses, vehicles and equipment. The reason for that is because the District is tired of buying buses on credit and paying interest on them. All it does is add burden to the tax cap. The second one would be for a construction projects as you will be looking at construction down the road. If you start saving now you can put a bigger down payment down. Dr. Timbs talked about the Debt Service Fund. He said when he first saw \$2.5 million in June 2017 his first reaction was where did that come from? Debt Service Fund is very specific under General Municipal Law. The only source of funds the Debt Service Fund is supposed to come from is proceeds from borrowing for capital projects. If you have money left over from borrowing you cannot give the money back. Dr. Timbs said he is hopeful this amount of money is some kind of accumulation over the years from capital projects that were underspent. He said it may sound like a good idea to have the extra money but if you have a \$20 million capital project and only spend \$19 million you only get state aid on the \$19 million. You still have to repay the \$1 million back and also have to pay interest. The Debt Service Fund has gone up over time and it should be going down. Mr. Schickling said there is a plan to start using it a little at a time. Mrs. Elliott said with capital projects of course we try and nail the costs, however some things may come in lower such as a roofing cost because they found a way to do things cheaper and more cost effective. She said it is like we are being penalized. Mr. Timbs said not exactly. When something comes in under budget you just borrow what you need. He said sometimes what happens with Districts is they borrow the entire amount prior to the project being over and then when the project comes in lower they are stuck with the money. He said as a financial analyst my crew would say to you, we're not going to borrow any money until we find out how much we need exactly as the borrower to complete this project. He said they will get as close as possible but not \$1 million away. Dr. Parks asked Dr. Timbs to provide a statement that is helpful for the community to understand what they have been talking about tonight. Dr. Timbs said so far the budget is getting very, very tight and the way the District has been collecting revenues in the past, by not going to the tax cap, has not helped. Granted you challenged the tax cap this year, however you have been using many of your own funds to support the budget. He said the next thing is you have to have opportunities to build reserves for future planning to minimize tax impact. The District should strategically

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plan for long-term capital projects, but also the purchases of buses, equipment and vehicles in cash instead of borrowing for them. The use of Reserve Funds have kept the District afloat but because you had to go over the tax cap this year that is a sign that things are getting way to tight. Dr. Timbs said the District has an ongoing capital project, which is good. The economic climate for that is very good. He said he would say the District is moving in the right direction, however he is worried about the revenue picture when you start comparing to expenditures. The lowest cost per pupil is a badge of courage for some but it depends on your programming. Victor does not have much of a program having the lowest cost. Dr. Timbs said he does not think it is anything to be proud of. He said what he thinks has happened is somewhere it seems there was a philosophical view that maybe being the lowest taxing community would be a way to get to the lowest expenditure. The problem is that technically the wealth of the community has increased, significantly, over the years and the tax on true is getting lower and lower. Mr. Vetter asked Dr. Timbs to take them through the recommendations for utilizing the Debt Service Fund slowly over time. Dr. Timbs provided that clarification. Mr. Vetter asked where the \$300,000 number come from was it just a start? Mr. Schickling said it was a result of the Comptrollers Audit in June 2019 that lead to the passing of the Capital Plan. Dr. Timbs said that amount can be changed moving forward. Mrs. Turner said so comparatively to other Districts, they are not growing as fast as we are growing. How would that impact the cost per student between us and other districts? Foundation Aid was frozen and we continued to grow. Dr. Timbs said if your number of students grew but your budget did not grow that much it would automate your expenditures and automatically depress your expenditure per student. Mrs. Turner said so this could be a contributing factor as well for the lower Per Pupil Expenditure. Dr. Timbs said yes; however there is a whole bunch more to this because every child is not alike. Victor has significant special education costs, which can skew the numbers. Dr. Timbs then went over the Capital Project Debt Service. Mrs. Ballard asked if the Capital Construction Debt Service Report is a normal report that is given out by our Financial Advisor annually. Dr. Timbs said his company would update it once or twice a year. Mrs. Ballard said so three or four years ago we would have seen these numbers. Mr. Timbs said if the year 2023 and beyond includes the brand new capital project then you might not have seen those numbers. Mr. Schickling said to his understanding the Capital Project was voted on in November 2019 and is now in Phase 1. It was communicated to the Board there was some add-on value of work from the initial proposal so there was at one point a revision down and then a revision back up. That was communicated as a potential tax increase to the community for a yes vote on that project. What you are seeing is the net local share increasing as was communicated. Mrs. Ballard said she can say



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as a Board member she personally doesn't remember that being communicated. She said she would look back through her documents. Dr. Timbs then talked about the Bus Debt Service. He said the District is taking out Bond Anticipation Notes (BANs) for the buses and paying approximately \$263,000 in interest. If the buses could be bought with cash, you would not have to pay the interest. You do get some aid on buses, however if you do not receive aid on all of it why pay interest. The problem the District has is you are not raising enough money in revenue to create a capital reserve at this point to actually buy the buses in cash. This is a strategy that has to be include in the long-range strategic financial plan. He then went over two scenarios for increasing the tax levy and show a hypothetical revenue picture. He said he feels the District needs an educational strategic plan thinking about what is the program you are going to offer kids, what are ongoing obligations legally for the kids as well as what you want to offer. If you go for what is only legally required you can cut the budget like crazy but the kids will not get a decent education compared to other school districts. All conversations about school district finance must occur in public session and cannot occur in executive session. The more you discuss these types of things in public and you let people know what is going on the better off you are. You are the custodians for the community. The Chief Financial Officer for the District is the Board of Education President. Dr. Timbs said the key thing is the expenses are easily outstripping your revenues in a grand way. You will not be able to continue business this way using a 2% levy increase starting next year and for the next four or five years. It may not be an expense problem but a revenue problem. Mr. Eckardt said through this process you are showing a deficit in the year we are in. Dr. Timbs said that is because there is one and he went on to explain the reason why. Mr. Vetter asked what percentage of the \$1.6 million carryover was from COVID reduction of expenses, such as transportation. Mr. Schickling said at least half. Mr. Vetter said so there is no reason to believe we could continue at that rate in the future. Based on the reality that we are not going to have these reductions of expenses from continuing to have emergency closures of schools, we would hope.

Dr. Parks left the meeting at 9:21 PM and returned at 9:23 PM.

Dr. Timbs went over the long-term fiscal options when a school district is faced with expenses that will increasingly outstrip revenues. There could be a reduction in teaching positions and other instructional support or student service positions such as guidance counselors, social workers, and building administration. There could be a reduction in purchases of instructional technology, non-instructional technology, instructional equipment, and non-instructional equipment. Pupil transportation could be reduced as well as extra help for students during the regular school year. Summer school could be reduced as well as interscholastic sports.

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Maintenance of facilities could be deferred and cleaning could be reduced. Unrequired classes with low enrollment could be eliminated or provided biennially. The District could seek cost-reduction concessions in salaries and/or benefits from labor contracts and/or other personnel. You could see an increase in class sizes, the use of reserves and/or fund balance in support of recurring costs and escalations. You could also see an increase in taxes to supplement needed revenues to offset increased expenses. Superintendent Terranova said there are many areas the District is already low or lacking in. He said they are already looking at opening in the fall and needing to add significant cleaning staff. He said the District is lacking in technology. Dr. Timbs said now that the Board knows more and they are learning the District will be better served. Dr. Parks said he 100% agrees. He said they are exactly where they need to be with transparency of the Board, District and Community. The Community answered what the District needed at the vote. Mr. DeLucia said it was his understanding the District always taxed to the tax cap. That was a surprise that it was not the case. Dr. Timbs said he used the official records that were filed with the Comptroller's Office with the State of New York. Mrs. Ballard said she does not feel that was ever disclosed to the Board. Dr. Parks said he thinks that may speak to the level of transparency they had. Mrs. Elliott said moving forward the District will never be leaving money on the table. She said she is grateful there are eyes on it and the Board has learned so much over the last year. Mrs. Turner said to Dr. Timbs, with Foundation Aid frozen and some school district growing and some are not it is hard to get everyone on Board. However for Gap Elimination Adjustment we were all united and that was effective. What are some things that we can be united with other districts on and that we can advocate for. Dr. Timbs said that is going to be hard because the state is so broke. You have some good talking points that would be in your favor. You have to have reallocation of resources. The districts that have actually stuck to keeping their programming and have continued to grow and been underfunded since 2008 really need the money now. Mr. Vetter said, moving forward what model would get the District to a balanced budget? Dr. Timbs said the best survival way it to get the most money the earliest. If you were to get a couple of 10% increases then you could take a couple of 3% increases. He said it appears you will have to exceed the tax cap for several years in a row. Mrs. Elliott said Dr. Timbs has given the Board and the community a lot to digest, but she hopes everyone is much more educated and the Board and community can work towards real stability in our District.

### **PUBLIC PARTICIPATION**

Due to the virtual meeting, there was no live participation. Community members were asked to email thoughts or comments to the Superintendent at [terranovat@victorschools.org](mailto:terranovat@victorschools.org).

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**ADJOURN**

A motion was made by C. Eckhardt, seconded by C. Parks, to adjourn the meeting at 9:48 PM. The motion was carried. 7 yes 0 no

Respectfully submitted,

Maureen A. Goodberlet  
District Clerk