

A Workshop Meeting of the Board of Education, Seaford Union Free School District, was held on Thursday, March 10, 2011, in the All Purpose Room of the Manor Elementary School, 1590 Washington Avenue, Seaford, New York.

PRESENT: Mr. Brian W. Fagan - President
Mr. Richard G. DiBlasio – Vice President
Mr. John DelGiudice – Trustee
Mr. Bruce Kahn – Trustee

ABSENT: Mr. Michael D. Sapricono - Trustee

Mr. Brian L. Conboy
Mr. Kenney W. Aldrich
Mr. John Striffolino

The meeting was called to order at 7:37 p.m. As the first order of business, Board President Brian Fagan led the audience in the Pledge of Allegiance.

OPEN MEETING

Mr. Conboy advised the audience that there were no action items on this evening's agenda and the purpose and intent of this meeting was to focus only on budget planning for the 2011/2012 budget. He also stated that the Budget Advisory Committee had been asked to take part and observe these workshop meetings. He also asked the members of the Budget Advisory Committee to come up front for a quick picture.

OPENING REMARKS

Areas covered in the discussion concerning the planning of the 2011/2012 budget included:

**WORKSHOP TOPIC: 2011/2012
BUDGET PLANNING**

Workshop Meeting of February 17, 2011:

- Began with Rollup of 2010/2011 budget plus original requests from building administrators and all other contract related expenses for the 2011/2012 school year
- Budget to budget increase was more than 7% - tax levy of 14-15%
- Worked on trimming that down to a 4.45% budget-to-budget increase
- Board asked Administration to come back with a second wave of cuts to bring budget down to a 3.5% budget-to-budget increase
- Board also asked for a third wave of cuts to bring budget down to a 2.3% budget-to-budget increase which was the envisioned contingency level at that time
 - Mr. Kahn shared some information and Mr. Aldrich worked with some new numbers; Contingency level for New York State: 1.6% NYS CPI x .120% = 1.92% + the indebtedness
 - Envisioned indebtedness is allowable for the use of the contingency budget
 - Contingency level budget for Seaford is actually 2.26%; third wave of cuts brings it to that

Information sheets given to the Board:

- Budgets envisioning certain cuts at certain dollar amounts
- Projection of fund balance at the end of 2010/2011 school year
- Elementary and Middle School enrollment analyses
 - High School enrollment will be finalized within next week or two
- Athletic costs including actual cost of each sport, personnel issues, etc.
- Additional column added to budget worksheets to show year-to-date figures

Update on State

- Seaford's State Aid cut 16% (1.6 million dollars)
- No expectation for change or additional aid
- Building Aid due to the District will not be seen until 2012/2013 or later
- Possibility of State changing formulas for building aid which if done, may affect amount District actually receives
- Foundation aid due to District for Full Day Kindergarten frozen and District does not expect to receive it prior to 2012
- No mandate relief expected

2011/2012 Budget Planning Discussion

Deficit:

- 1.6 million dollars in reduced aid from the State
- 2.2 million dollar increase in operating expenses
- Total of 3.8 million dollars over 2010-2011 budget

Reserve Fund Balance:

- Past history of giving back to taxpayers; over past 6 years 6.3 million dollars from fund balance has been given back to taxpayers to pay down the tax levy
- After audit by State District was told to budget properly and not carry greater reserves than necessary;
- At that time Districts were allowed to keep 2% in fund balance; it was then increased to 4%
- Seaford does not have a great amount in fund balance
- State has asked how much money districts have in their Accrued Liability Reserve (Compensated Absence Fund)
 - Governor Cuomo is considering allowing districts to use some of that money to pay down the tax levy
 - Even if it becomes law Seaford is not in the position to take money from that reserve to pay down the tax levy
 - Must be cautious about using any monies in any of our reserves so the District's bond rating is not adversely affected causing the District to pay a higher interest rate on borrowings
 - 1.8 million dollars in Compensated Absence Fund; 1.3 million dollars needed at the end of this school year
- Seaford has budgeted tightly

Moody's Rating

- Capital Markets is recommending we borrow the full amount this summer
- Moody's will leave us at a AA rating and will review it again in October of 2011
- Borrowing at AA will give us a projected 3.86% rate of interest over the 17 years to pay the bond off
- Movement of one place from AA to A will cost the district over that same period (17 years) \$1,482,000 if downgraded by one point
- No impact for 2011/2012 school year if reserves remain at the same level
- Rates will probably increase for the borrowings in June 2012

Mr. DeGiudice asked why it was a floating rate and what would the rate be at a fixed rate

Baseline:

- 3.8 million dollar deficit
- Projected Undesignated Fund Balance at the end of this school year is \$607,962; possibility of an additional \$200,000
- SASA unit has agreed to a sixth-month pay freeze
- Mr. Conboy, Mr. Strifolino, Mr. Aldrich and Mr. Ward have agreed to a pay freeze for the 2011/2012 school year
- 1 out of 6 bargaining units has responded to letter sent by Board and Administration concerning freezes and/or concessions
- Nurses contract expires June 30, 2011

BANS/TANS:

- \$19,400,000 bond borrowing projected at a 3.9264632% rate for 17 years
- Rate based on our current AA rating
- Should District move to an A rating from a AA rating the cost to the District would be an additional \$87,176 per year
- Last several years the District has been borrowing at the rate of 4.6%, 4.7%, 4.8%, 4.9%

Draft Budgets:

- Mr. Conboy advised that anything listed in terms of possible cuts was done so with the mindset of trying to save program – reduce but not eliminate what we have.
- He spoke about the items listed as possible cuts and briefly spoke about each item.
- He advised that if a cut listed is not acceptable then the dollar amount of that item would need to be found somewhere else

Draft 1 – Starting Point:

\$57,423,502 Draft Budget
7.12 % Budget-to-Budget
14-15% Tax Levy

The first wave of cuts:

\$1,624,743 in additional cuts
\$55,807,759 Draft Budget
4.09% Budget-to-Budget
10%+ Tax Levy

Some pretty significant cuts to reach this number

Unfortunately we do not have additional revenue or fund balance to use to pay down the tax levy to bring it to a lower number

Board requested drafts of what a 3.5% budget-to-budget increase and contingency budget would look like

The second wave of cuts:

\$316,273 additional cuts
\$55,491,486 Draft Budget
3.50% Budget-to-Budget
9.9% Tax Levy

Mr. Conboy, Mr. Strifolino and Mr. Aldrich went through the budget line by line to reduce things which they felt could be reduced

- Upon reviewing the budget it became obvious that many of these lines have been budgeted tightly
- Mr. Conboy advised that until you start talking about program related to salaries/people you are not going to get to real significant dollars
- Mr. Conboy explained how some of these additional cuts would affect number of elementary sections, class size, staffing, scheduling, etc.

2011/2012 BUDGET PLANNING DISCUSSION (cont'd)

Board Questions/Comments:

- Why are two (2) of the fifteen (15) Chairpersons remaining
- Using the Chairpersons as an example which of the cuts listed in the first wave will actually disappear
- Are there any other expenses related to the Chairpersons such as clerical, etc
- Tough decision but while it is a loss we are gaining by placing these teachers in the classrooms.
- What will be lost with the technology cuts
- What will the class sizes be going from Wave 1 to Wave 2
- What would be the impact on the budget if you said the average class sizes for elementary was 26 and Middle School was 28
- What if we changed the mode of teaching in the Middle School and High School to a more collegiate type environment – auditorium/lecture style
- Any savings in reducing overtime for clerical
Is it possible to just eliminate overtime for clericals
Can we eliminate the clerical overtime or put a plan together to see how much we can shave off
- Anything we possibly can reduce has the potential of saving a position
- Have we explored putting in a central copying system; any ways to outsource anything in the district
- When we say cutting supplies does it mean cutting supplies for just this year; what do we have in stock in the District
- Zero-based budget concept - what do we need as far as resources and staff to run this District; to understand what the layers are in the budget
What have we looked at in terms of efficiency within each of our buildings; processes doing today that could be combined with another position; areas defined
- Due to the cuts in state aid, we are just looking to explore any area where there is a possibility of savings
- We are all out to do what is best for the kids in this District and any time we need to make a cut it is painful to all of us
- What areas could be saved if we stop outside use of the buildings after 7:00 p.m. or other options open to us concerning usage to create savings
- Why do we need to have somebody do something which could possibly be automated
- These times call for innovative thinking to eliminate redundant or mundane tasks or look at tasks that are just being repetitively done and potentially staffed for that which is no longer required
- Just in time Purchasing -Purchase supplies just what you need just in time
- Do we have enough supplies in this District that we don't have to purchase any next year
- Athletic Budget – Spreadsheet given to Board
 - Initial proposal was to reduce Winter Cheerleading, 7th & 8th Grade Boys & Girls Basketball; 7th Grade Volleyball and Winter Track now added
Why these sports
Did we confer with anyone to determine whether it was preferred to keep Winter Cheerleading instead of Fall Cheerleading
 - Is everything included in the \$561,000 for all sports
 - Does the \$50,000 cuts in athletics include supervision
 - \$8,700 for basketball uniforms for 13 kids – \$671.00 for each uniform is a lot of money
 - Can we eliminate purchase of uniforms this year except for those needing replacement for damage

2011/2012 BUDGET PLANNING DISCUSSION (cont'd)

- Can we start with the Athletic Department doing a zero-based budget
- Number of coaches required for each sport
- Mr. Condon's status/salary
- Not questioning any individual's abilities, qualifications or how they manage a department
- If Mr. Condon could come prepared to speak about supervisor breakdown v. security, transportation expenses

Mr. Conboy explained that New York State requires a Chairperson for Health and Physical Education. He also advised that our Special Education Chairperson also has responsibility for Pre-School CSE.

- Mr. Conboy advised that Chairperson responsibilities would be handled by the Administrators and given according to their respective expertise and certifications. He did state that some of the collegiality within the departments would be lost and that it will be a significant morale issue.
- There is presently a 17 ½ hour clerical aide which is still in the budget who may or may not be needed to assist the Administrators taking over for the Chairpersons
- There is also a clerical who was reassigned from the Chairperson's office who now works in the Special Education Office and also has some Main Office and Chairperson duties

Tech services through Nassau BOCES will be lost

Mr. Conboy briefly spoke about sections, enrollment, grade levels, projected elementary class sizes for next year and the dilemma sometimes presented in creating sections and determining class size in the elementary schools

- Average projected class size would be 24 in the Manor; 23.5 at the Harbor
- Overall average for the last 11 years has been 21.4 in both buildings
- We try to keep classes manageable particularly in K, 1 & 2
- We look first to intermediate grades to increase class size if necessary
- Suggested recommendations in Board Policy for class sizes: generally no higher than 28 in secondary classrooms, maximum of 23 in K-3 and 25 for 4th, 5th and 6th

Mr. Conboy felt that changing the Middle School and/or High School to a collegiate mode would have a pretty devastating effect. He also stated that most of the Middle School and High School classrooms are not equipped to hold more than 30 – 35 students

Mr. Aldrich explained that clerical overtime is sometimes needed during specific times of the year such as graduations times. After looking at this year's budget and where we are now, he advised that there may be some opportunity to reduce those budget lines

He also advised that working with Mr. Ward, overtime for maintainers and custodians was reduced at quite a large level

Mr. Conboy stated overtime for custodians cannot be removed due to unknowns with snow and weather and was uncomfortable with wiping the clerical overtime budget line completely

Various areas were looked at including a time clock within WinCap, and checkless organization

2011/2012 BUDGET PLANNING DISCUSSION (cont'd)

We have only 2 people in payroll and 2 people in accounts payable
Overtime could be cut if we cut down the number the hours the buildings are open for public use
We should be proud of the efficiencies that have been put in place in our district
Zero-based budget is good but it can't mean let's not have overtime because then when overtime is needed who does the work
Mr. Conboy stated that the more we look for efficiencies within our operation the more difficult it is going to be to find things we are spending too much on
Mr. Conboy advised that he, Mr. Strifolino and Mr. Aldrich will be meeting with Wantagh's Central Administration to compare notes on what we have and what cuts we are anticipating and perhaps to see what areas we may be able to share
We are not at a point where we could go a year without ordering teaching supplies; some departments are supply intense
In order to gain from the aid you receive and reduced cost for supplies you need to order them in advance
Cost of books and supplies does not amount to very much
80% of everything we talk about is people, salaries and benefits
Reduction of uniforms in Wave 2
Sports listed as potential cuts were the last sports added plus the "reduce but not eliminate" mindset
Cheerleading could be made a fall sport and not a winter sport or a winter sport and not a fall sport
Supervision not included in athletic budget - \$58,000 additional
Amount for uniform purchases is the pre-bid price
Mr. Conboy stated he would ask Mr. Condon to attend the next workshop meeting so that he can answer the Board's questions directly

Contingency Budget

\$656,950 additional cuts
\$54,845,546 Draft Budget
2.30% Budget-to-Budget
8.42% Tax Levy

Additional Cuts:

- Full-time Kindergarten to ½ Day Kindergarten –
 - State froze foundation aid – Kindergartners are still being funded as if they were half-day
- 4th Grade Instrumental Music
- Entire Middle School athletic program

Public opinion varies on where cuts should be made

If these cuts are not made then that dollar amount must be found elsewhere

Even if we do not spend an additional cent over last year we will still have to raise taxes significantly

2011/2012 BUDGET PLANNING DISCUSSION (cont'd)

Board Questions/Comments:

- Is it correct to say that we are looking at a proposed budget range from a contingency budget of with a 2.26% budget-to-budget increase (8.37% tax levy) to a 3.5% budget-to budget (9.99 %tax levy)
- Can we put a number on the State aide that was due to the District for going to Full-Day Kindergarten
- Is there someplace between ½ Day and Full-Day Kindergarten
 - An extended day rather than ½ Day if additional aid is received

Sheets given to Board show current expenditures through 2/2011

Mr. Aldrich advised that he also has the information for this period in 2010 available and briefly explained the columns on the Board's sheets

Mr. Conboy stated that it will make sense to have a lot of debate concerning the proposed cuts

Mr. Conboy stated that he 100% endorses Full-Day Kindergarten and it was very painful to put it on the list of cuts but in this budget climate he does not know if it is sustainable. He also stated that it was placed on the list because it is not mandated

Unknown when we will receive owed foundation aid

Mr. Conboy stated that we must keep in mind in our planning that we are not just planning for 2012; Governor Cuomo is pushing for a 2% tax cap starting in the 2012/2013 school year.

Mr. Aldrich distributed copies of the notes from the last Budget Advisory Committee meeting

Mr. Conboy asked if the Budget Advisory Committee had reached a consensus as to what should be done with the Seaford Avenue School

Mr. Conboy and Mr. Aldrich had spoken earlier this week about putting out an RFP for real estate firms and believed the earliest a referendum would be ready to be placed on the ballot would be January 2012

- Mr. Aldrich briefly explained the work and planning needed prior to placing on a referendum
- Mr. Conboy spoke about the funds received from any sale of the Avenue School and options open to the District and laws regulating District use of such funds

Mr. Kaden prepared a 5, 7 and 10-year plan related to Technology which will be given to the Board prior to them meeting with him

Mr. Conboy advised that there would be a couple of necessary agenda items on the next agenda and he would have both Mr. Condon and Mr. Kaden attend the meeting on the 16th

Budget Advisory Committee:

- We are not going to satisfy anyone this year
- Must do something with the Seaford Avenue School
- Suggest having a standing Budget Advisory Committee that could work with each department throughout the year
- Cannot spend down the reserves any more
- Buying uniforms was not necessary; only the purchase of safety equipment
- Technology needs to be defined better, needs a five-year plan and we need to go forward with it
- Need to show the community the numbers

2011/2012 BUDGET PLANNING DISCUSSION (cont'd)

Public Comments/Questions:

Residents requested that when considering cuts keep those courses that would benefit high school students when applying to colleges

Resident also expressed concerns about future use of the District's buildings by outside groups

Mr. Conboy advised that all of the cuts and numbers listed on the Board's sheets are only proposed; nothing has yet been cut

CLOSING REMARKS

The Board asked for a screen to be placed closer to the audience at the next Workshop Meeting so the information will be easier to see

Mr. DiBlasio spoke about the Top 25 of the senior class and the breakfast held in their honor

Board President Brian Fagan asked to have a motion to adjourn the Workshop Meeting and enter into Executive Session for the purpose of discussing contracts.

ADJOURN WORKSHOP MEETING

No action will be taken.

At 10:25 p.m., a motion was made by Mr. DiBlasio, second by Mr. Kahn, to adjourn the Workshop Meeting and enter into executive session for the purpose of discussing contracts.

EXECUTIVE SESSION

No Discussion
All Ayes
Motion Carried.

There being no further business, at 11:40 p.m., a motion was made by Mr. DiBlasio, second by Mr. DelGiudice, to adjourn Executive Session.

ADJOURN EXECUTIVE SESSION

No Discussion
All Ayes
Motion Carried.

Respectfully submitted,

Carmen T. Ouellette
District Clerk

Richard G. DiBlasio,
Vice District Clerk &
Board of Education Vice President