

## **Budget Workshop and Community Forum**

### **Summary**

*April 10, 2018 - 6:19 p.m.*

**Present:** Sandy Anzalone, Laura Feldman, Paul Shephard, Jack Cuddihy, Marlene Grunder, Ellen Kindley, Don Sutfin, Mary Banko, Jeff Cervoni, Shawn Johnson & David Martin. Jennifer Horschel arrived at 6:42 p.m.

**Next Forum:** Jr./Sr. High School Cafeteria

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### **I. Budget Workshop / Community Forum**

### **II. Introduction**

- ✿ Mrs. Feldman welcomed everyone and thanked them for their interest.

### **III. Presentation**

#### **A. Budgetary Assumptions**

- ✿ The State Aid increase is 6.63%, which equates to a budget-to-budget increase of \$743,807.
- ✿ The 2018-2019 budget includes:
  - A school resource officer, potentially sharing the cost with the Town of Eden
  - 1 FTE Social Worker
  - 2 FTE Middle/High School Monitors
  - 1.69 FTE Teaching Staff
- ✿ There are no lay-offs in the budget

#### **B. Expenditure Analysis**

- ✿ Cost reductions include:
  - Decrease of \$15,071 (-3.17%) in the BOCES capital project amount
  - Decrease of \$21,794 (-2.31%) in administration and improvement
  - Decrease of \$62,318 (-5.13%) in school library and audio visual
- ✿ Increased costs of \$1,072,397 (3.7%) include:
  - Overall general support increase of \$405,269 (11.13%), which includes the District Office, Business Office, Buildings and Grounds (new grounds worker position), utilities, and moving the GLP and Eden Elementary onto National Grid.
  - Instructional increase of \$420,305 (2.81%), which covers teacher aides, BOCES, Special Education costs.
  - Pupil transportation increase of \$10,327 (.49%), includes GPS systems on the buses, so parents can see where their student's bus is.
  - Employee benefits increase of \$236,497 (3.65%)
  - Supply lines will remain at current levels

#### **C. Revenue Analysis**

- ✿ Property taxes are to be determined by the Board of Education
- ✿ Foundation Aid increase of \$266,412
- ✿ State Aid increase for expense driven aids of \$477,395
- ✿ Federal Aid shows no dollar change
- ✿ Appropriated fund balance is to be determined by the Board of Education
- ✿ Reserves are to be determined by the Board of Education

#### **D. Year to Year Expenditures**

- ⊗ General support increase is \$405,269
- ⊗ Instructional increase is \$420,305
- ⊗ Pupil transportation increase is \$10,327
- ⊗ Employee benefits, debt service, civic activities, and interfund transfers increase of \$236,497
- ⊗ The total year-to-year expenditure increase is \$1,072,397
  - \$20,000 in federal grants was lost last year. If grants are cut again, decisions need to be made where to make cuts.

#### **F. Year to Year Revenues**

- ⊗ In the 2018-2019 proposed budget, the State Aid increase is \$743,807
- ⊗ There is no change in the proposed Federal Aid
- ⊗ Miscellaneous revenues reflect a decrease of \$50,000
- ⊗ Interfund transfers remain the same
- ⊗ The Appropriated Fund Balance increase is \$67,998
- ⊗ If the same amount of reserves are used as last year, there will be a gap of \$310,593

#### **G. Taxes Vs. Revenues**

- ⊗ The Property Tax Cap at 1% of the levy is \$142,759
- ⊗ At 2% of the levy it is \$285,518
- ⊗ The calculated maximum allowable limit percentage (requiring a simple majority 50%, plus 1) is .46%, \$66,066. Last year, the amount was \$578,236.

#### **H. Potential Levy Increase Based on Town of Eden Home**

- ⊗ At .46%, the anticipated increase in a \$100,000 home is \$14
- ⊗ At 1%, the anticipated increase in a \$100,000 home is \$30
- ⊗ At 2%, the anticipated increase in a \$100,000 home is \$61
- ⊗ Numbers are based on 2017-2018 equalization rate set by NYS Office of real property

#### **I. Filling the Gap**

- ⊗ Using a levy increase of .46%, \$1,186,384 in reserves would have to be used
- ⊗ Using a levy increase of 1%, \$1,109,691 in reserves would have to be used
- ⊗ Using a levy increase of 2%, \$966,932 in reserves would have to be used

#### **J. Reserve Status**

- ⊗ The only reserves that can be used to close the budget gap are the workers' compensation reserve (currently unfunded), the unemployment reserve, the retirement reserve, the employee benefit reserve, the tax certiorari reserve (currently unfunded) and the liability reserve (currently unfunded).
- ⊗ The capital – vehicles reserve is only for transportation vehicles, the capital – building reserve is only for projects, and the repair reserve is only for emergency repairs. Money can be borrowed from the repair reserve, but it must be repaid within two years.
- ⊗ The reserve total as of June 30, 2018 is projected to be \$8,125,342. If we close the gap with reserves using .46% as the tax levy, the reserve balance is projected at \$6,938,958. If we close using 1%, the balance is projected to be \$7,015,651, and using 2%, the balance is projected to be \$7,158,410.

#### **K. Decisions to Make for April 17<sup>th</sup> Budget Adoption**

- ⊗ Choices include:
  - Reduce expenditures
  - Increase revenue by:
    - Increasing property taxes
    - Utilizing reserves
  - Combination of aforementioned

#### **L. Remaining Budget Schedule**

- ✿ April 17, 2018 Budget adoption
- ✿ April 24, 2018 Budget due to NYS
- ✿ May 1, 2018 Budget Hearing
- ✿ May 15, 2018 Budget Vote

#### **M. Commentary**

- ✿ Mr. Shephard stated that there was conversation last month regarding going out at a 2% tax increase. He is comfortable with that.
- ✿ Mr. Cuddihy said using 2% would mean that less than \$1 million would have to come from reserves. He is hesitant to go over \$1 million, as that puts the future in jeopardy.
- ✿ Mrs. Anzalone said that a previous Board did not have savings for buses.
- ✿ Mrs. Feldman said three large buses, two small buses and one suburban type vehicle will be purchased this year.
- ✿ Mr. Cuddihy has no appetite for cutting this year. He is disappointed that 2% needs to be used, but to borrow over a million would put us in jeopardy, and we would likely have to cut positions.
- ✿ Mrs. Anzalone said her hope is not to cut positions this year, as we have made cuts in the past few years.
- ✿ Mr. Shephard reiterated that he is comfortable going out at 2% and using reserves.
- ✿ Mr. Cuddihy stated that expenses will be increased, because we plan to hire a School Resource Officer and a Social Worker at the request of many members of the community. Security has been increased and there is a request for monitors in the hallways.
- ✿ Mrs. Horschel and Mrs. Anzalone stated that the hope is to share the cost of a School Resource Officer with the Town of Eden. The Town Board would need to approve it. The District could approve a contract at the May 16, 2018 Board Meeting.
- ✿ Mr. Shephard attended a safety conference with several members of the District at U.B. It was suggested that a School Resource Officer be approachable and not an arresting officer.
- ✿ Mrs. Hartman, Eden Town Supervisor, added that a School Resource Officer would be hired by the Police, but the school would be able to say yes or no to the candidate. Eden is the only District in Erie County without a School Resource Officer. She will be presenting this to the Town Board the first week in May. Details need to be worked out. A contract will be based on surrounding districts. Districts should lobby for funding from New York State. She will be going to Albany next week to meet with the Governor, Senators and Assembly. She believes the funding will not pass the Assembly. It will be important to look at potential funding sources. Someone who works on mental health issues would be necessary. Lieutenant McCarthy has been doing community outreach.
- ✿ Mr. Shephard added that Chief Felschow and Lieutenant McCarthy are having patrols go through all the buildings on a regular basis. All shifts are coming through the buildings.
- ✿ Mr. Sutfin, addressing the budget issue, said if we do not take advantage of the 2% this year to fill the gap, then we will be chasing next year and the following year. We are asking for 2% to be 2%.
- ✿ Mr. Shephard agreed to using 2% and reserves to balance the budget.
- ✿ Mrs. Feldman will bring the information to the Board at the meeting on April 17<sup>th</sup> for a vote.
- ✿ Mrs. Anzalone said we cannot ask people to vote yes on the budget. The information will be on a required mailing. Evenhouse Printing will do the printing and mailing of the budget information. Mrs. Feldman reiterated that the notice is required by New York State.
- ✿ Mr. Shephard asked if there was a savings for four pages. Mrs. Anzalone reminded him that ½ page is needed for the address. Mrs. Anzalone will see if there is any significant savings for four pages versus six or eight.

#### **IV. The Community Forum ended at 7:02 p.m.**