

**SHELTER ISLAND UNION FREE SCHOOL DISTRICT  
BOARD OF EDUCATION**

**WORK SESSION  
BUDGET MEETING**  
March 11, 2010

Members Present: Rebecca Mundy, Mark Kanarvogel, Kenneth Lewis, Jr., Kathleen Reilly, Stephen Gessner  
Linda Eklund entered at 7:15 p.m.

Members Absent: Thomas Graffagnino; Donna Guiffre, Assistant Superintendent; Gina Giambruno, Student Liaison

Others Present: Superintendent, Sharon Clifford; District Clerk, Deborah Vecchio; School District Business Leader, Sam Schneider; Ted Hills from the Shelter Island Reporter; 8 faculty/staff/students; 3 community members

The meeting was called to order at 7:05 p.m. by President Mundy, followed by the Pledge of Allegiance. Call To Order

**Presentation –**

Presentation

Ms. Rebecca Mundy welcomed everyone and stated the budget is a work in progress, but they are getting closer and closer.

The topics for tonight's agenda include Capital Reserve and Proposition, Non-Medical Insurance, Updated information and changes regarding the truck and health insurance, BOCES Overview, School Lunch, Special Aid – Summer Special Education, Inter-fund Transfers, a review of Balanced Literacy, Federal Funds, Proposed General Fund Expenditure Budget, Revenue Projection (State Aid only).

Mr. Sam Schneider explained the Capital Reserve Fund as a savings account for special reasons. The Capital Reserve Fund can only be created with voter approval, can be used only with permission of the voters, and only for specific reasons under the establishing language, can be funded only for a set term, can be expended for a specified purpose for an indefinite, reasonable term, and does not constitute an additional cost to the taxpayer. The Capital Reserve Fund was established in May 2006 by the voters and created for specific purposes such as: bathroom renovation, handicapped ramp, middle school locker replacement, gym ceiling and lighting replacement, cafeteria floor tile replacement, science room floor tile replacement, boiler system replacement, all of which have been completed. Currently, the Capital Reserve Fund has \$268,000 not yet allocated for approved projects. It was also created for the roof, which will occur in the summer 2010 and the playground renovation.

The voters, this May 2010, will vote on a proposition to use \$135,800 for the renovation of the playground at the Shelter Island School. Mr. Schneider and Mr. Fred Druck discussed with the Board the existing playground, the design process, how the playground committee developed the design, the design elements, floor plan, rendering, and the playground budget. Of the \$135,800 for the playground, Mr. Schneider is hoping they do not need the contingency amount of \$7,500, and he hopes the bid for the labor will be less than the projected \$22,000. If the labor is less and they do not need the contingency, the money will go back into the Capital Reserve. The community will be doing the deconstruct and the Town of Shelter Island has waived the fees for the dump and offered equipment to help with the deconstruct. It is hopeful the playground will be completed by August 31<sup>st</sup>.

Mr. Sam Schneider continued his presentation with the Board in the area of Non-Medical Insurance, which includes Property, Liability, and Vehicle, Student Accident, Workers Compensation, Disability, and Unemployment. Shelter Island School District is insured through NYSIR (New York Schools Insurance Reciprocal). NYSIR is owned by member school districts. In the area of Property, Liability, Vehicle, and Student Accident, Mr. Schneider stated that the NYSIR rates will increase by 5% next year due to an increase in the amount of property being insured, and the student accident rates will also increase by about \$700. Mr. Schneider discussed Workers Compensation, Disability, and Unemployment. Workers' Compensation is through ES BOCES, and the percent change will remain at 0% in this area. Disability insurance is for the custodial and clerical staff and this to will remain at a 0% change. Mr. Schneider explained that the district must pay 100% of all unemployment claims. The district is self-insured for unemployment claims. In order to fund claims, the district established an unemployment reserve fund. When unemployment claims are received, the district utilizes money in the reserve to make the payments. Mr. Schneider increased the budget line for 2010-2011 in this area by \$24,000 in order to preserve what is left in the reserve. Mr. Stephen Gessner asked if there are any other options other than self-insured. Ms. Rebecca Mundy would like the district to explore other options.

Mr. Schneider gave the Board an update and 2 additional options regarding the purchase of a new truck, and he also gave an update on the changes to the health insurance plan. In an earlier budget presentation meeting, Mr. Schneider presented the Board with the proposed cost of a Ford F450 truck for \$42,223. The 2 additional options are the purchase of a Ford F350 for \$29,733 or a Ford F250 truck for \$28,880. Regarding health insurance, the East End Health Plan had advised

school districts to budget for a 7% increase. As of this meeting, the EEHP has set the rates, and the increase will be about 4%. This will be an increase of 1.81% over the current 2009-2010 budget.

Presentation  
(con't)

Mr. Schneider gave the Board a presentation regarding BOCES (Board of Cooperative Educational Services). BOCES provides services to school districts that would be impractical for districts to provide themselves. Shelter Island is a component district of Eastern Suffolk BOCES, and some services are provided on a cross-contract with other BOCES around the state. The Shelter Island School District gets some aid from BOCES. It can be up to 30%. The district does not use a lot of what BOCES offers. Mr. Stephen Gessner would like Mr. Schneider to explore other vendors. Ms. Clifford said the BOCES services are cost effective, especially for a small district like Shelter Island. We would have a hard time finding vendors to provide these services.

Other item of discussion was School Lunch. The School Lunch Fund is not part of the General Fund Budget. A Type A lunch (student) has specific components as mandated by the government. The Wellness Committee reviews the offerings and works with the Business Office to develop appropriate bidding for foods served in the cafeteria. The School Lunch Fund expenditures have a -1.70% proposed percentage change over the current budget. The revenues proposed for 2010-2011 total \$136,633, which include a Kindergarten snack, which is new, and a transfer from the General Fund of \$62,000. The transfer from the General Fund is needed because the school lunch program is not self-supporting.

Mr. Schneider discussed the Special Aid Fund and Interfund Transfers. The district expends funds every summer to send certain special education students to approved summer programs. Money must be appropriated in the general fund budget to fund the "local share" cost of these programs. Currently, 80% of the cost of these programs is reimbursed as state aid revenue in the following year, meaning the "local share" is 20% of the cost of these programs. Presently, the governor's budget calls for a reduction in this aid factor to 10%, meaning the "local share" is 90% of the cost. As of this meeting, 2010 Summer Special Aid Programs will cost \$64,149. Under 80% reimbursement, the budget for these programs is \$12,830, and under 10% reimbursement, the budget for these programs is \$57,734. Currently, the transfer to Special Aid for the 2010-2011 proposed budget is \$57,734 up from \$10,000 for the current budget of 2009-2010. Mr. Schneider said not to count on this number changing.

Ms. Sharon Clifford did a presentation of the financial review of Balanced Literacy and Federal Grants. Ms. Clifford stated that the balanced literacy program uses financial grants along with general & federal funds to support it. Ms. Clifford said that the district is handling this program ourselves. Training for next year will be 4 days and the cost will drop. Ms. Clifford is proud of what the district is doing, and more staff are trained now. Also, a big part of the cost of balanced literacy previously was the creation of the book room. Ms. Clifford also explained Federal Grants. Under No Child Left Behind (NCLB) and the Individuals With Disabilities Education Act (IDEA), federal grants are allocated to local school districts to provide resources for schools to meet the instructional needs of all students so that all students have the opportunity to meet state academic achievement standards. There are regulations that govern what these grants may be used for. The major areas are academic instructional support and salaries, professional development, materials and supplies, equipment, and contractual services. Budget items funded by federal grants do not appear in the general fund expenditure budget; however, if federal funds are used to offset expenditures that would otherwise appear in a general fund budget line, those lines are reduced in the general fund expenditure budget accordingly.

Presentation  
(con't)

Mr. Schneider discussed "The Bottom Line" – preliminary proposed general fund expenditure budget. The dollar amount is \$9,741,373, which is a 2.21% budget to budget increase. It is also a summation of all expenses laid out in workshops #1 - #5, including the F350 truck option. The state aid executive budget proposal (revenue projection) for the 2010-2011 school year is \$472,835, which is down from \$551,420.

A motion was made by Kenneth Lewis, Jr., seconded by Kathleen Reilly, BE IT RESOLVED THAT: The Board of Education voted to go into an executive session for a specific student issue at 8:55 p.m.

Executive Session

Motion carried unanimously

The Board came out of executive session at 9:29 p.m.

A motion was made by Linda Eklund, seconded by Kenneth Lewis, Jr.,  
to adjourn the meeting.

Adjournment

Motion carried unanimously

The meeting adjourned at 9:30 p.m.

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Deborah Vecchio  
District Clerk

The next meeting of the Board of Education of the Shelter Island Union  
Free School District is Monday, March 15, 2010 at 7:00 p.m.