

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

**WORK SESSION
BUDGET MEETING**
March 25, 2010

Members Present: Rebecca Mundy, Thomas Graffagnino, Mark Kanarvogel, Kenneth Lewis, Jr., Stephen Gessner, Linda Eklund

Members Absent: Kathleen Reilly; Gina Giambruno, Student Liaison

Others Present: Superintendent, Sharon Clifford; Assistant Superintendent, Donna Guiffre; District Clerk, Deborah Vecchio; School District Business Leader, Sam Schneider; Ted Hills from the Shelter Island Reporter; 3 faculty/staff/students; 0 community members

The meeting was called to order at 7:07 p.m. by President Mundy, followed by the Pledge of Allegiance. Call To Order

Before discussion of the budget, the Board of Education had two items of business.

A motion was made by Kenneth Lewis, Jr., seconded by Thomas Graffagnino, BE IT RESOLVED THAT: The Board of Education authorizes the President of the Board of Education and the Superintendent to enter into a contract with Eastern Suffolk BOCES for transportation expenses not to exceed \$19,599 for the school year 2009-2010.

Eastern Suffolk
BOCES,
transportation
expenses

Motion carried unanimously

A motion was made by Thomas Graffagnino, seconded by Kenneth Lewis, Jr., BE IT RESOLVED THAT: The Board of Education hereby authorizes the taping of up to five (5) additional Budget Workshop Meetings regarding the 2010-2011 Budget, and

Authorization to
tape 5 add'l
Budget Workshop
Meetings

BE IT FURTHER RESOLVED THAT: The Board of Education hereby authorizes the expenditure of funds for that purpose.

Motion carried unanimously

Presentation –

Presentation

Ms. Rebecca Mundy welcomed everyone and spoke about the funding of the two (2) reserves. Mr. Schneider discussed the estimated fund balance.

The topics for tonight's agenda include Budget Review, Additions and Deletions, Revenue, Preliminary Tax Levy, and Possible Reductions. At the last meeting, Mr. Schneider stated that the preliminary proposed general fund expenditure budget was \$9,741,373, which is a 2.21% Budget to Budget increase. There have been some additions and deletions/alterations to the above figure. The additions are in the areas of special education, transportation, materials and supplies, salaries 7-12, curriculum development, and field trips. The deletions are the truck and an alteration to the sports program. The updated proposed general fund expenditure budget is now \$9,859,826, which is a 3.45% Budget to Budget Increase.

Mr. Schneider discussed the area of Revenue. Revenue is money that is used to pay the expenses of running the district. Areas of revenue include: State Aid, Interest, Use of reserves, Appropriated Fund Balance, and the Tax Levy. As of this meeting, the Governor's Executive Budget Proposal for 2010-2011 is \$472,835, which is a decrease from the current actual aid of \$551,420. Mr. Schneider explained that in the area of interest, the district has "high interest" money market accounts, but interest earnings have been down. The district is not eligible for personal savings account interest, which tends to be higher. By law, the district must hold its money in collateralized accounts. Regarding Reserves, New York State law allows for certain reserves, each with a specific purpose and specific rules as to the use of the money in that reserve. The district has an unemployment reserve, which is for the cost of payments made to claimants by the State Unemployment Insurance Fund and an Employee Retirement System (ERS) Reserve, which is for the payment of mandatory employer retirement contributions to ERS.

Mr. Schneider explained the Use of Reserves. At the end of this current school year, the Board will direct the administration to place specific amounts of money in reserves based on the availability of funds. One scenario to reduce the burden to taxpayers in 2010-2011 would be to use unspent funds from the 2009-2010 year to fund the ERS and Unemployment reserves in amounts equal to the anticipated expenditures in the 2010-2011 budget. For ERS, this would be \$93,000 and the unemployment reserve \$25,000. These expenditures remain in the expenditure budget, but are offset by lines in the revenue budget, and it does affect the levy. The Board of Education is in agreement to allocate funds for the reserves. Mr. Schneider explained that the tax levy is the figure that must be raised from property taxes to cover expenses of the district after all other sources of revenue are factored in. The Board of Education sets the tax levy each fall based on the budget. The tax levy does not equal the tax rate. The tax rate is how much tax a

property owner must pay based on ownership of \$1,000 worth of their property. School property tax is calculated based on assessed value of the home, and the assessed value is set by the Board of Assessors. Mr. Schneider gave a brief explanation of appropriated fund balance. Appropriated Fund Balance is money that is not needed in Year 1 and then used as revenue in Year 2. It comes from changing scenarios or unrealized contingencies. Mrs. Clifford commented that the Board will see relief in appropriated fund balance in the next few years due to retirements.

Mr. Schneider talked to the Board about the 2009-2010 expenditure budget status report. The district will end this school year with approximately \$375,000 in unexpended money. This was achieved by conservative spending, unrealized contingencies, changing scenarios, and positive outcomes. In the area of conservative spending, \$16,000 was unexpended in the area of curriculum development. In the area of unrealized contingencies, \$51,000 was unexpended for the Charter School and \$48,000 was unexpended for Special Education. A changing scenario was the amount of \$10,000 unexpended in Guidance, and a positive outcome was an unexpended amount of \$37,505 for the Tax Anticipation Note Interest.

Mr. Schneider ended the budget presentation with a discussion of Appropriated Fund Balance and Tax Levy possibilities. The charts presented show the estimated reductions needed to achieve an appropriated fund balance and tax levy increase.

The Board of Education discussed possible deletions and their concerns regarding the budget. Ms. Guiffre discussed the BOCES program and whether or not the aviation program should remain an option for our students. Ms. Guiffre stated to the Board that the district has not wasted their dollars with the Occupational Education program. The students have fared well and tested well within the BOCES program. Ms. Mundy and Mr. Graffagnino both agree that they have a hard time cutting program for the students. Mr. Graffagnino stated that the Occ. Ed. Program broadens the scope for students. Ms. Linda Eklund commented that the Board cannot afford to see this budget go up. She also added that the Board has to find a way to bring the budget down and not cut programs. The Board needs to direct the Administration and Business Office to get to where they want to be, set a goal. Mr. Kenneth Lewis commented that he would like the number to be as low as possible. He said the Board did it last year, they can do it again.

A motion was made by Linda Eklund, seconded by Mark Kanarvogel,
BE IT RESOLVED THAT: The Board of Education voted to go into an
executive session for a specific student issue and for the purpose of a
specific personnel issue at 9:25 p.m.

Executive Session

Motion carried unanimously

The Board came out of executive session at 9:51 p.m.

A motion was made by Kenneth Lewis, Jr., seconded by Thomas
Graffagnino to adjourn the meeting.

Adjournment

Motion carried unanimously

The meeting adjourned at 9:52 p.m.

Deborah Vecchio
District Clerk

The next meeting of the Board of Education of the Shelter Island Union
Free School District is Monday, April 19, 2010 at 7:00 p.m.