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MINUTES
BOARD OF EDUCATION
Special Budget Meeting – February 7, 2012
Riverhead High School Auditorium

NOT BOARD APPROVED

PRESENT: President, Mrs. Ann Cotten-DeGrasse; Vice President, Mr. Gregory M. Meyer; Mr. Jeffrey Falisi; Mr. William Hsiang; Mrs. Amelia Lantz; and, Mrs. Kimberly Ligon.

ABSENT: Mr. Timothy Griffing.

ALSO PRESENT: Ms. Nancy Carney, Dr. Lois Etzel, Mr. Sam Schneider, and Mr. Joseph Ogeka, Jr.

There were about 10 other people in attendance.

ALSO PRESENT: Mrs. Barbara O’Kula.

Board President, Mrs. Cotten-DeGrasse, called the meeting to order at 7:05 p.m. with the pledge of allegiance to the flag.

Call to Order
Pledge of Allegiance

Ms. Carney gave the first presentation on the 2012-2013 proposed budget. For the first time, under new regulations, laws and guidelines, revenues raised by the District through property tax (the levy), can increase no more than approximately 2%, plus exempt items, year after year. Exempt from the tax calculation are capital costs and some pension costs. This presents a very challenging process. If the District were to roll over the current year’s budget, we would have a budget increase of over \$5 million which would equate to an estimated tax levy increase of 5.78%. Therefore, to stay within the state mandated guidelines, the 2012-2013 budget would have to be reduced by an estimated \$3.2 million. While the District would receive about \$631,000 in additional state aid as per Governor Cuomo’s state budget, the proposed shift in pre-school education costs from the counties to school districts (estimated obligatory expense of \$578,067) along with recently enacted changes in other special education costs will mean about \$180,000 in new expenditures, thus resulting in a net change in state aid of **minus** -\$127,067. The Board of Education recently adopted goals that include the design and adoption of a budget that stays within the 2% tax cap limitations and one that preserves programs for our students to the greatest extent possible and one that also recognizes the current fiscal reality for Riverhead residents.

*Preliminary 2012-2013
Budget Presentation*

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Proposed changes to the District's programs are:

- change from a 9-period to an 8-period day in the Middle School
- restructuring of the STAR Academy (one transportation run)
- reduction in faculty and staff district-wide through attrition and with downsizing programs and instruction
- realignment of bell times for the Middle School and Pulaski Street School

The percent changes in the proposed 2012-2013 budget in the following areas are:

General Support: Overall reduction of -5.07%. It covers Board of Education, District Clerk, meetings and associations, administrative costs, legal fees, purchasing, printing/ mailing, insurance, assessments, personnel and records, BOCES Administration, and MTA Tax. The significant increase of 28.08% in District Meetings includes costs associated with the new balloting system and the possibility of holding two votes. The 100% decrease in MTA Tax is a result of the lifting of the state law that reduces the MTA payroll tax for small businesses and exempts school districts and saves us \$217,350.

Benefits: Overall increase of 11.90%. This is an area that is rising and has a real impact on our budget. It consists of:

- ERS (Employees' Retirement System) 27.19%
(About \$325,000 of ERS pension costs are excluded from the Tax Cap calculation under the law)
- TRS (Teachers' Retirement System) 14.53%
- Social Security 5.93%
- Workers' Comp., Unemployment, Disability 33.00% (due in large part to staff layoffs thereby causing unemployment costs to rise)
- Health, dental, vision insurance, misc. 7.28%

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Debt Service: reduction of -12.89% due to -25.33% reduction in principal and interest payments for the construction bond approved in 1999; a drop of -.37% in library debt; and, an increase of 18.18% in principal and interest payments for purchase of buses (as part of the 7-year Bus Purchase Replacement Plan approved by the voters in 2008.)

Ms. Carney encouraged the community to ask questions via email to her: nancy.carney@riverhead.net to which she will answer to the best of her ability.

As the District moves forward in the challenging process to create a budget, both short-term and long-term, our staff and the community at large will have to be educated as to what the implications of the tax cap may be.

The presentation is made part of the Supplemental File of the Minutes.

A member of the community inquired as to whether the 5th and 6th graders would be riding the same bus with students of the Middle School. (Answer: Yes).

Community Comment

A motion was made by Mrs. Lantz, seconded by Mrs. Ligon, to recess to executive session for the purpose to discuss negotiations.

Recess to
Executive Session

Yes 6 No 0
Motion Carried.

The Board of Education recessed to executive session at 7:28 p.m.

A motion was made by Mr. Hsiang, seconded by Mr. Falisi, to return to open session.

Return to
Open Session

Yes 6 No 0
Motion Carried.

The Board of Education returned to open session at 8:38 p.m.

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A motion was made by Mr. Meyer, seconded by Mr. Falisi, to
adjourn the meeting.

Adjournment

Yes 6 No 0
Motion Carried.

The meeting adjourned at 8:39 p.m.

Respectfully submitted,


Barbara O'Kula
District Clerk