

Delaware Academy Central School District at Delhi
2 Sheldon Drive
Delhi, NY13753

MEETING MINUTES
Budget Hearing

Budget Hearing

Date: May 7, 2015

Members Present: Dr. Thomas Flanders, Wayne Oliver, Tammy Neumann, Jay Wilson, and Seth Haight

Absent: Glenn Nealis

Others Present: Jason D. Thomson, Superintendent, and several members of the community and staff.

President, Dr. Thomas Flanders called the Budget Hearing of the Delaware Academy Central School District at Delhi to order with the Pledge of Allegiance at 7:35 p.m.

President, Dr. Thomas Flanders turned the floor over to Mr. Ron Whipple, Interim Business Manager, who presented the proposed 2015-2016 budget that was approved by the Board of Education at a Regular Board of Education Meeting on March 23, 2015.

2015-2016 Proposed Budget:

Spending Plan Amount:	\$19,713.649
Percentage increase of Spending:	5.39%
Percentage increase of Tax Levy:	1.62%

Administrative & Instructional Salaries	\$ 5,144,159
Non-Instructional Salaries	2,128,312
Employee Benefits	5,126,895
Equipment	96,780
Buses	277,000
Materials and Supplies	358,069
Other Contractual	1,048,997
Tuition for Other Schools	180,000
Textbooks	22,580
BOCES Services	2,402,086
Debt Service	2,897,771

Total dollar increase from 2014-2015	\$1,007,652
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2014-2015 Adopted; 2015-2016 Proposed Budgets Compared

2014-2015 Adopted	\$18,705,997
2015-2016 Proposed	19,713,649
Dollar Change	1,007,652

Percent Change 5.39%

Expenditure Salaries / Benefits – Three Year Comparison

Professional Salaries

2013-2014	\$4,863,333
2014-2015	4,964,944
2015-2016	5,144,159

Support Staff Salaries

2013-2014	\$2,146,301
2014-2015	2,112,518
2015-2016	2,128,312

Benefits

2013-2014	\$4,786,157
2014-2015	5,044,202
2015-2016	5,126,895

Buses, Equipment, and Supplies

Equipment

2013-2014	\$121,668
2014-2015	98,448
2015-2016	109,280

Buses

2013-2014	\$ - 0 -
2014-2015	147,500
2015-2016	277,000

Materials & Supplies

2013-2014	\$433,127
2014-2015	426,640
2015-2016	376,569

Bus Leasing 2015-2016

Leasing seven (7) new buses for a five (5) year term

Cost per year \$141,000 for six (6) – 66 Passenger buses /
one (1) 66 Passenger Wheel Chair Accessible

\$141,000

(84,600) 60% Transportation Aid

\$ 56,400 Net cash outlay for seven (7) buses for each of five (5) years

Cost to purchase New

\$116,663 each

(14,000) 60% Transportation aid for five (5) years

\$102,663 Net cash outlay per bus

Aid paid over the five year life of the bus at \$69,997 divided by 5 for \$14,000 per year

Leasing seven (7) new buses for five (5) year term –
 Additional Cost per year \$132,750 for seven (7) after initial year
 \$288,500
 (173,100) 60 % Transportation Aid
 \$115,400 Net cash outlay for 15 buses for each of the next four years.

Contractual, Textbooks, Tuition

2013-2014	\$1,149,345
2014-2015	1,154,110
2015-2016	1,048,997

Textbooks

2013-2014	\$57,339
2014-2015	53,372
2015-2016	22,580

Tuition

2013-2014	\$182,000
2014-2015	190,000
2015-2016	180,000

BOCES Budget, Debt Service

2013-2014	\$2,083,567
2014-2015	2,284,095
2015-2016	2,402,086

Debt Service

2013-2014	\$2,603,093
2014-2015	2,230,168
2015-2016	2,897,771

Program Category Comparison

General Support	
2014-2015 = 6%	\$1,081,871
2015-2016 = 5%	1,095,560

Building & Maintenance

2014-2015 = 7%	\$1,402,074
2015-2016 = 7%	1,303,372

Instructional

2014-2015 = 43%	\$7,998,249
2015-2016 = 42%	8,233,321

Transportation

2014-2015 = 5%	\$ 949,433
2015-2016 = 5%	1,056,730

Employee Benefit	
2014-2015 = 27%	\$5,044,202
2015-2016 = 26%	5,126,895

Debt Service	
2014-2015 = 12%	\$2,230,168
2015-2016 = 15%	2,897,771

Three Part Budget Comparison

Administration	
2013-2014 = 9%	\$1,619,457
2014-2015 = 9%	1,682,334
2015-2016 = 9%	1,716,680

Capital	
2013-2014 = 23%	\$4,297,046
2014-2015 = 22%	4,094,854
2015-2016 = 24%	4,793,526

Program	
2013-2014 = 68%	\$12,509,427
2014-2015 = 69%	12,928,809
2015-2016 = 67%	13,203,443

2015-2016 Estimated Revenues

State Aid	
2014-2015	\$8,240,561
2015-2016	9,055,154
	Increase = 814,593

Based on the NYS Aid Projections dated 03/31/04
& Incarcerated Youth Aid

Use of Money and Property	
2014-2015	\$21,500
2015-2016	5,000
	Decrease = (16,500)

Interest earnings, BOCES classroom rental,
Rental of buses

Tuition	
2014-2015	\$11,000
2015-2016	15,000
	Increase = 4,000

Tuition for non-resident students attending our schools
and tuition from other districts for foster placements

Miscellaneous Revenues		
2014-2015		\$287,521
2015-2016		292,500
	Increase =	4,979
Refund of prior years expenditures from BOCES, Bassett Health and other revenues		
A.L. Kellogg – Educational Enhancements Fund Transfer for Delhi Only		
2014-2015		\$70,000
2015-2016		83,500
	Increase =	13,500
A.L. Kellogg Capital Funds – Debt Service Fund Transfer – Delhi Capital Only		
2014-2015		\$59,224
2015-2016		74,224
	Increase =	15,000
Inter-fund Transfer for Debt Service		
2014-2015		\$335,000
2015-2016		335,000
	No change	- 0 -
Total Revenues Before Tax Levy		
2014-2015		\$9,024,806
2015-2016		9,860,378
	Increase =	835,572
Real Property Taxes (1.62% increase)		
2014-2015		\$8,998,325
2015-2016		9,144,098
	Increase =	145,773
Payments in Lieu of Taxes		
2014-2015		\$7,000
2015-2016		7,546
	Increase =	546
Interest and Penalties-Property Taxes		
2014-2015		\$25,000
2015-2016		25,000
	No Change	-0-
Total Revenues		
2014-2015		\$18,055,131
2015-2016		19,037,022
	Increase =	981,891

Appropriated Fund Balance

2014-2015	\$650,866
2015-2016	\$676,627

Appropriated Fund Balance Increase = \$25,761

Total Revenues and Fund Balance

2014-2015	\$18,705,997
2015-2016	19,713,649

Increase = 1,007,652

Board of Education Seats

Two vacancies for Expired Terms

One vacancy due to resignation

Budget Vote is Tuesday, May 19, 2015 in the Middle School Lobby from 12 Noon to 8:00 p.m.

Public Comments:

President, Dr. Thomas Flanders, opened the floor to public comments.

Ms. Ro Avila, Delhi, New York, asked Mr. Whipple to clarify the decrease in the teacher's retirement. Mr. Whipple replied that it is mostly because of the interest rates being up that the fund is doing well, so the savings to the system eventually filters down to the districts as it is now starting to do.

Mr. Will Outsen, Delhi, New York. When you went over the estimated revenues, you mentioned a decrease due to BOCES rental – is that because BOCES isn't renting a classroom? Mr. Thomson answered it is because we brought the students back to this district and we are servicing them here.

Mr. Outsen asked about the AL Kellogg fund - does that represent all of the interest we are able to spend? He understands that whatever interest is earned, we are able to spend so the \$83,000 figure represents what we are able to spend? Are we spending all of that in the budgets?

Mr. Whipple replied that he "thinks that is a conservative figure" from a few years ago when the AL Kellogg fund was way down and fortunately, like the retirement system, the AL Kellogg fund has been doing well the past few years, so we have more money to spend. Mr. Outsen replied that his question is if we are receiving all of that interest, why isn't it being applied to taxpayers to keep costs down? Mr. Whipple replied that AL Kellogg funds are a dedicated fund. There are limitations on what the fund can spend money on.

Mr. Outsen stated "so the \$83,500 can only be spent on the particular elements listed?"

Trustee, Wayne Oliver explained that 1) the income from this fund is in the form of interest and dividends, 2) there are certain things this fund can be used for such as capital. Trustee Oliver explained that at the time of preparation of the budget, they have to estimate what the amount of the AL Kellogg funds will be and their goal is to not go over that amount and have to be in a

position where they will need to pay back the funds. They are not allowed to go over the limits of spending the amount earned by the funds. Often times the Board doesn't spend every penny; however, they try to get as close as they can.

Mr. Outsen inquired about the benefits for healthcare - what is the current contribution that teachers are putting in for their benefits?

Mr. Thomson replied 15%, which is the best in the area. The entire supervisory staff and entire administrative staff pay a 20% contribution rate.

Mr. Outsen asked how often does the District investigate for better healthcare cost benefits to make sure we are getting the best rates?

Mr. Thomson replied that the rates are a contractual rate that is locked in for the duration of the contract. The administration looks at every angle.

Mr. Whipple elaborated on Mr. Thomson's reply by explaining that the District changed the healthcare plan a few years ago which resulted in a decreased cost to both the District and the teachers.

Mr. Outsen inquired about the lease of the buses vs. purchasing the buses.

Mr. Whipple explained that the District will receive more state aid by leasing (60% return) than if the District was to purchase the bus. The net cash outlay for seven buses for each of five years if the District leases is \$56,400. The net cash outlay for seven buses for each of five years if the District were to purchase is \$102,663. If the District purchases, the aid is spread out over five years and it would cost the District interest. If the District leases, the aid is received yearly – a substantial savings.

Mr. Outsen asked if any of the money in the AL Kellogg fund could be taken to put toward the purchase of buses.

Mr. Whipple replied the spending of the AL Kellogg funds is limited. The purchase of buses would not be something the funds could be used for.

Mr. Outsen inquired about the cost per student to go to BOCES vs. the cost to send them to the new CTEP program.

Mr. Thomson replied that the students that will be attending the CTEP program were students that were slated to go to BOCES so the District is using existing money that would be spent for these students to attend BOCES. The cost is approximately \$16,000 per student to attend a CTEP program at BOCES. The cost is very close to send them to SUNY Delhi – he didn't have the exact figure available with him. One of the deciding factors for this program was when the administration looked at the amount of time these students were spending on the bus from here to BOCES; they came up with a conservative estimate of 400 contact hours the students were missing in instruction due to transportation. Mr. Thomson stated that they are very excited about this program, but they are approaching the CTEP program cautiously to make sure they work out any bugs and to make sure they have a clear vision for the next five years. They found

that the amount of time the students spend on the bus vs. the BOCES aid the District receives, which is the second lowest of 16 component districts which is set by our wealth ratio. These are variables that BOCES does not control; these are variables that the District doesn't control so we're going to try to work within the parameters that we can control which is to forge partnerships with SUNY Delhi; keep the money here in Delhi, and keep our talent and students close to home. Mr. Thomson feels that all-in-all, the CTEP program will be a great program.

Mr. Outsen inquired about the salary of the full-time teacher the District is hiring for the CTEP program. What is the teacher's responsibility? Will she be responsible for teaching these students the other required courses when they return to the District?

Mr. Thomson reported that the teacher will be responsible for teaching the students the remaining required courses for graduation. The CTEP students will receive a full diploma plus 32 credit hours from SUNY Delhi when they graduate. The District reserves the right of the exact assignment because it is a pilot program. We may find the teacher will have time she can address other talents in other arenas, but at this point, she will be dedicated to the CTEP students. SUNY Delhi is also hiring a teaching assistant to be dedicated to these students while they are attending class on campus.

Mr. Outsen inquired about the possibility of another CTEP program next year.

Mr. Thomson stated they will not commit to anything until they see how this program works out. The District will need to observe this program, take copious notes, and try to make an informed decision before moving forward with other programs.

Mr. Outsen inquired about several pay increases in the budget. Mr. Thomson stated that there is a logical rationale for that; however, they can't discuss personnel.

Mr. Outsen inquired about the increase to the attorney's salary. Is the District requiring more service from the attorney? Mr. Thomson replied the increase is a contractual obligation.

Mr. Thomson thanked Mr. Outsen for the great questions.

There were no further questions and Mr. Whipple thanked everyone for coming to the Budget Hearing.

President, Dr. Thomas Flanders opened the floor to public comments.

Ms. Laurie Rolfe, Delhi, New York thanked the candidates for running for the Board of Education and stated that it isn't easy to get up on stage in front of everyone. Ms. Rolfe thanked the current Board of Education for doing a great job.

President, Dr. Thomas Flanders reminded the audience that the next regular meeting of the Board of Education is on Monday, May 18, 2015 and the Budget Vote and Board of Education Elections is on Tuesday, May 19, 2015 from Noon to 8:00 p.m. in the Middle School lobby.

On a motion made by Trustee, Jay Wilson, seconded by Trustee, Tammy Neumann, the Budget Hearing was adjourned at 8:22 p.m.

Respectfully submitted,

Susan J. Temple
District Clerk

DRAFT