

**CORTLAND ENLARGED CITY SCHOOL DISTRICT**  
**Board of Education**  
**Public Budget Hearing – May 12, 2015 – 7:00 PM**  
**Cortland Junior-Senior High School Auditorium**

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A meeting of the Board of Education to present the proposed budget for 2015-16 to the public was held in the Auditorium of the Cortland Junior-Senior High School, 8 Valley View Drive, on Tuesday, May 12, 2015.

**Present:** Mr. Donald Colongeli (*arrived at 7:35 p.m.*), Ms. Melissa Davis-Howard, Ms. Janet Griffin, Ms. Judith Murphy, and Mr. John Natoli, Mr. Daniel Sidebottom, Ms. Alane Van Donsel  
**Also Present:** Mr. Michael Hoose, Superintendent; Ms. Judi Riley, Assistant Superintendent for Pupil and Personnel Services; Ms. Kristie Bliss, Director of Curriculum and Instruction; Mr. Brian Freeman, Director Business Services; Cortland Standard Representative; School and Community Representatives; and Ms. Margaret Baccaro, Clerk

1. **CALL TO ORDER** – Ms. Davis-Howard called the meeting to order at 7:00 p.m. and the Pledge of Allegiance was recited.

- a. **Introductions of Board and Staff**

- School Board President Ms. Melissa Davis-Howard introduced members of the Board of Education and Administrative Cabinet, then turned the hearing over to Superintendent Hoose and Ms. Margaret Boice.

2. **PRESENTATION:**

- a. **Proposed 2015-16 School Budget**

- Mr. Hoose welcomed the audience and thanked the administrative team for their hard work and dedication throughout the budget process. He then turned the meeting over to Ms. Margaret Boice, interim Director of Business Services.

- Ms. Boice provided a PowerPoint presentation detailing the proposed 2015-16 Budget. She reviewed the principles of budget development, the factors that influence the budget and state aid patterns. She then provided an overview of the three major components of the budget: Administrative, Program, and Capital comparing 2015-16 with 2014-15 figures. She displayed a chart showing how we spend our money: Instruction 54%, Benefits 27%, Transportation 3%, Central Services 3%, Building and Grounds 6% and Debt Services 7%.

- Ms. Boice shared that the major factors that influenced the budget were increases in benefit costs, an increase in debt service costs and increases in instructional program. She explained budget challenges, aid loss, and the cost increases that are mandated by NYS Education Law.

- The proposed 2015-16 school budget is in the amount of \$49,576,887 an increase of \$2,072,558 over the 2014-15 budget or 4.36%. The current Allowable Tax Levy Limit (Tax Cap) for Cortland Enlarged City School District is 2.26%, and the Board of Education is proposing a tax levy increase at that limit. The budget will be funded through state aid (\$25.81 million), property taxes (\$17.01 million), Payments in Lieu of Taxes (\$150,000), miscellaneous sources (\$1.61 million), appropriated fund balance (\$500,000), and the District will be using \$4.5 million in reserves to make up the gap in revenues.

- Ms. Boice reviewed the following cost containment measures: utilization of staff retirement breakage, moving services to BOCES for additional revenue, reviewing all budget areas for efficiencies and savings, using Reserve Funds, using fund balance with tighter budgeting line by line.

*Mr. Colongeli arrived at 7:35 p.m.*

- Ms. Boice summarized by reminding the audience that the annual election and budget vote is Tuesday, May 19, 2015, 12:00 p.m. to 9:00 p.m. There will be three propositions on the ballot: Proposition 1 – approval of proposed budget, Proposition 2 – authorization to lease

school vehicles, and Proposition 3 – Cortland Free Library tax increase. She noted that the School District serves only as a vehicle to collect the Library tax levy; the Cortland Free Library sets its own budget. The District has two incumbents, Melissa Davis-Howard and Alane Van Donsel, and one new candidate, Christine Gregory, all running unopposed for the School Board.

The 2015-16 proposed budget and tonight's PowerPoint presentation are posted on the District's website. The budget booklet/notice has been mailed to the voting public.

### 3. QUESTIONS AND ANSWERS

Ms. Boice opened the floor to members of the audience for questions and concerns about the proposed budget.

**Q** Mr. John Carroll, 481 Nye Road, Cortland, addressed the Board and complimented Senator Seward and Congresswoman Lifton for the funds they had secured this year on behalf of the District. He congratulated Board members noting that the proposed budget reflects a decrease in the Board's line item budget. He questioned the accuracy of the enrollment figures in the *total expenditures per pupil* as outlined in the Proposed Budget booklet on pages 12-14. He wanted to know what he is paying per student.

**A** Ms. Boice responded that the enrollment numbers on page 14 are those provided by the state and include students attending private schools within the District, home schooled students, students in a BOCES placement, etc.

**Q** Mr. Carroll spoke to the recent Comptroller's report stating that the District has overestimated appropriations by \$3.2 million as follows: payroll (\$1.2 million), health insurance (\$400,000), retirement (\$1.1 million), debt (\$175,000) and utilities (\$333,000). The report also urged District officials to analyze their planned use of reserve funds to ensure they will be able to legally use them as a financing source.

**A** Mr. Hoose answered that tonight the Board will be reviewing and approving his response letter to the Comptroller. Mr. Hoose noted that he had explained to the Office of the State Comptroller's representative during the budget review, that the District took several factors into consideration when developing these items—specifics are explained in his response letter which will be posted to the District's website on Wednesday. As for the use of reserve funds—funds had not yet been transferred and a plan had already been put in place to correct the error.

**Q** Mr. Eugene Palmer, 10 York Street, Cortland, addressed the Board sharing that there is criticism from the public regarding the Comptroller's report that there is \$3.2 million in overestimated appropriations in the proposed budget. He had expected to see an explanation in the 2015-16 proposed budget booklet. He asked if Mr. Hoose could share his response letter this evening.

**A** Mr. Hoose responded that the Board had not yet approved his response letter as it is on tonight's agenda. Once it is approved, it will be sent to the Comptroller and be posted to the District's website.

**Q** Mr. Palmer asked how funds could have been mistakenly taken from a dedicated reserve fund to be used for another purpose.

**A** Ms. Boice responded that she had found the mistake, and plans had been made to correct the error. She emphasized that the funds were never moved.

**Q** Mr. Palmer asked for an explanation of \$26.4m in state aid to the District in 2015-16 from Senator Seward. In the District's proposed budget, under revenues \$25,810,997 is budgeted. He asked what happens to the \$600,000 difference that could go towards a tax reduction.

**A** Ms. Boice responded that the amount provided by the Senator's office is an estimate—we have not yet received this aid. The actual amount of state aid is based upon estimates

provided last fall. The difference could go into fund balance or reserves; 4% is legally allowable.

- Q** Mr. Palmer suggested that the District post its line item budget for the public to view on the website.

Mr. Hoose thanked the audience members for their input and questions.

**4. ADJOURNMENT**

As there were no further questions, Ms. Davis-Howard asked for a motion to adjourn the hearing at 7:56 p.m.

**Moved by Ms. Griffin, seconded by Mr. Natoli. Discussion: None**

**Final Vote: Yes – 7, No – 0. Motion Carried.**

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**Margaret Baccaro, Clerk, Board of Education**