

**Paul Steimle, Board President:** I'd like to call the meeting to order. As a result of the COVID-19 pandemic, and in accordance with Executive Orders, please be advised that members of the public will not be permitted to attend this Board meeting in person. The meeting is being recorded and transcribed and will be posted at a later date.

At this time I would like to take a roll call of everyone in attendance. Each person please state your name.

**Jeanne Ernst**  
**Lynn Errington**  
**Lorry Goldhawk**  
**Jessica McLaughlin**  
**Mark Smith**  
**Paul Steimle**  
**Michael Belle-Isle**  
**Laura Bosinski**  
**Deb Custodi**  
**Tony Panella**  
**Lynn Shanahan**

**Paul Steimle:** Great. I would like to open the meeting with the Pledge of Allegiance.

[All say pledge]

**Paul Steimle:** There is no written communication. Are there any reports of the board?

**Jeanne Ernst:** I do not. No.

**Lynn Errington:** No

**Lorry Goldhawk:** No

**Jessica McLaughlin:** No report.

**Mark Smith:** Nothing from me.

**Paul Steimle:** Neither do I. With that I will turn it over to the Superintendent for the Superintendent's Report.

**Anthony Panella:** Thank you very much. Given our new digital format I would ask that Mrs. Bosinski share her screen to present the proposed budget for 2021. Again, given the circumstances we face it would be best if we take note of any questions that we have and then at the end each board member will have the opportunity to comment or ask questions.

Welcome Mrs. Bosinski.

**Laura Bosinski:** Oh thank you.

Slide 1: This evening, we will review the most recent changes to our projected budget for the 2020-21 school year.

Slide 2: Topics which have been changed are highlighted in blue, which is every part of our budget! First, let's look at the changes in State Aid.

Slide 3: Before we start with numbers, there are a few key takeaways from the Governor's budget that we would like to bring to your attention. Different from our January state aid projections, foundation aid is now frozen at current year levels. Previously, we were anticipating an increase of about \$25,000. On the plus side, expensed based aids, such as BOCES aid, transportation aid, and instructional materials aids will not be rolled into foundation aid. This was good news as these aids are based on our expenditures from the prior year. Rolling these aids into foundation aid would have limited them to foundation aid increase caps instead of being based on prior year actual expenditures. The biggest concern at this point isn't the amount of aid that was projected in the April state aid run, but the possibility of state aid cuts through much of next year. The Governor has established four "review periods" in which he will adjust our state aid if state revenues do not come in as predicted. These review periods end on April 30th, June 30th, December 31st of 2020, and March 31st of 2021. Unknown amounts of mid year cuts to state aid, if that happens, make it very difficult to plan for expenditures in the next school year. Because of these unknowns, we are recommending that we end the year with more than 4% unappropriated fund balance. This will give us the best flexibility to absorb revenue shortfalls next year and the best chance at preventing mid-year program cuts.

Slide 4: The state aid runs in April also included two new lines which offset each other. One was "Pandemic Adjustment" - a state aid reduction of about \$465,000 to help close the state's budget gap. The second new line "Federal Cares Restoration" was additional aid from the Cares Act, consisting of Federal dollars to support education. Finally, because we are not transporting our students, we are not paying our contract transportation costs. As our transportation expenses will be lower this year, our expensed based transportation aid payment next year will also be lower. This is another reason we are recommending exceeding the 4% unappropriated fund balance limit. The unspent funds this year will support the lower transportation aid revenue next year.

Slide 5: Program and Staffing Changes - we do have a few to share with you. Since our last presentation, we have received two additional retirements, one teacher and one support staff. Both positions will be maintained, however, we do realize about \$80K of salary breakage. In our last presentation, we shared two program additions that were planned for next year. One was the addition of a digital literacy course in the middle school, supported by the transfer of a teaching assistant no longer needed in one of our elementary schools over to the middle school library. The reason that teaching assistant was no longer needed in the elementary school was because we were going to add a Full Inclusion Special Education Classroom PILOT in each of our two elementary buildings. This PILOT would have traded a teaching assistant in the classroom for half of a day for a special education teacher in each classroom for a full day. However, due to the uncertainty of what will come next year with our revenue budget, we have decided to not roll out these new programs at this time.

Slide 6: Because of our decision to not start the PILOT program, we now have an additional 1.5 FTE reduction in our special education teaching staff. One special education teaching position will be vacant at the end of this school year, so we will have a reduction of .5 FTE. This change resulted in an additional salary reduction of \$75,000, totalling \$105,000.

Slide 7: We have built our projections based on the enacted budget and the state aid runs which were released at the beginning of April. This changed both our tax cap calculation and our state aid projections. Previously, our property tax cap calculation used an estimated amount of

building aid to support our capital exclusion. We are now using the building aid from our state aid projection. This results in a capital exclusion of almost \$1.2M and a compliant tax cap of 2.389%. For state aid, our April projections result in a state aid increase of \$742,000, with a \$547,000 increase in building aid and the remaining \$195,000 increase coming from expense based aids. All together, this is a state aid increase from last year's budget of 4.5%.

Slide 8: Erie County Sales Tax has been a hot topic lately, as our revenues are based on the income of the county. To date for the current fiscal year, we have received our payments as expected. We do not know, however, what our final payments covering the months March, April, May and June will look like. We are assuming a \$200,000 decrease in current year revenue. For next year, we did not make any adjustments to our estimates but kept the revenue projection the same as it was this year. We won't know the impact of the economic shutdown until well after our budget is in place. We are hoping the majority of any impact will happen in this fiscal year, not next year.

Slide 9: For the past several years, we have appropriated \$500,000 in fund balance to offset an equal expenditure line to be used in the case of unforeseen expenses. We also appropriate an amount to help close any budget gap we may have. Our current year allocation was \$420,000. Moving into the 2020-21 school year, we are recommending maintaining the \$500,000 allocation and increasing the "gap closing" allocation from \$420,000 to \$784,000. This will help us keep enough flexibility in our expenditure budget to maintain our current programming in light of unknown revenues. As we do every year, we will closely monitor our budget, both revenues and expenditures, with the goal of not using any of the fund balance appropriated.

Slide 10: Now that we have discussed the state aid changes and our revenue assumptions, here are the numbers. Our compliant tax levy increase is 2.389% with a levy of \$37.7 million. State aid is increasing 4.5%, due to building aid increases and expense based aid increases. Other revenues were decreased \$730 for rounding purposes. Appropriated fund balance was increased to a total of \$1.284 million, which is an increase over the current year of \$364,000. This leaves us with a revenue budget of \$62,423,000.

Slide 11: On the expenditure side, our program changes coupled with two additional retirements yields an overall personnel increase of \$695,000, or 2.6%. This also resulted in minor changes to our ERS and TRS anticipated expenditures.

Slide 12: No changes to general support or instruction expenses.

Slide 13: No changes to our BOCES budget or our transportation budget. Our debt service budget also remains the same, but we will offset the increase with a combination of state aid and our tax levy capital exclusion.

Slide 14: The only changes to our expenditure budget are in the salary and benefits categories and are a direct result of two retirements and not adding programs. As we try to do every year, our staffing changes are due to retirements, resignations, and program changes due to enrollment and changing student needs. Our personnel expenditures will increase about 2.4% and our benefits will increase just under 3%. These adjustments result in an expenditure budget of \$62,423,000, an increase of \$2.28 million, or 3.79%.

Slide 15: Before we move to our overall budget picture, let's take a look at our current year end fund balance projection. Our revenues look to be coming in about \$730,000 higher than our budget, mostly due to health insurance stop loss and pharmacy rebates. Assuming we do not use any of the fund balance we appropriated this year (which includes our appropriation at budget time and any roll over purchase orders), we will have a revenue shortfall of \$668,000. On the expenditure side, we are assuming a return to school on 5/18. With our buildings being relatively empty for half of March, all of April, and half of May, our expenditures are much lower than they would have been if teaching had continued as normal. Our utilities are lower, we

aren't paying transportation costs, and purchasing has been limited since mid-March. All of these changes result in an unspent expenditure budget of a projected \$2.1 million. This, coupled with not using any fund balance on our revenue side, leaves us with an increase in fund balance of about \$1.4 million.

Slide 16: We started this year with about \$7.8 million in fund balance. With an additional \$1.4 million, we could end the year with a total fund balance of about \$9.2 million. There are many things that could, and probably will, change between this projection and our actual year end. We don't know when we will return to school, we don't know what expenses we might face when we do return, if we return this year. If we don't return this year, this number will grow as we will have more unexpended transportation dollars. This is a projection with what we know, and can estimate, now.

Slide 17: Overall, we have a balanced budget of \$62,423,000.

Slide 18: Both revenues and expenditures are projected to increase about 3.8%. This budget does represent a compliant tax cap at 2.389% and uses the state aid projections released in early April. Expenditures are projected to increase \$2.28 million, with just over \$1 million due to personnel and benefits, \$900,000 due to voter approved debt service payments, and the remaining \$300,000 due to misc program and operational expenses. We recommend maintaining the \$500,000 fund balance allocation for contingency expenditures and an additional \$784,000 to close our gap, resulting in a total fund balance allocation of \$1.284 million. It will be our goal to not need any of it.

Slide 19: If the board approves this budget, the next step will be to adopt. At this point, we do not yet know what our budget timeline looks like. We know the vote date won't be before June 1st, but that is all. Most of the deadlines for budget adoption, the budget hearing, and the disclosure of information to our voters is determined from the actual vote date. So, we wait for further guidance from Governor Cuomo. We do know that the first state aid "review period" ends on April 30th. We are hoping that if any reductions will be made to state aid, we will get that information after April 30th. Because of this, we are recommending the board not adopt a budget until after the first review period has ended. Are there any specific questions about our budget presentation?

**Paul Steimle canvassed the board.**

**Jeanne Ernst:** No thank you.

**Lynn Errington:** No.

**Lorry Goldhawk:** No questions.

**Jessica McLaughlin:** No I don't have questions.

**Dominic Vivolo:** No questions.

**Mark Smith:** Mr. Steimle I'm back. I was on mute. I have no questions thank you.

**Paul Steimle:** Neither do I.

Thank you very much Mrs. Bosinski. That was a great presentation. I'm sure you had to put a lot of work in with all the changes going on with this pandemic going on right now so thank you.

**Laura Bosinski:** Thank you.

**Anthony Panella:** As Mrs. Bosinski mentioned we will look to adopt the budget in May and we are looking to the state for guidance on when we will have the budget hearing and how the vote will be conducted. We have a meeting May 5th and tentatively scheduled for May 19th. We expect to have resolution to adopt the proposed budget on May 5th unless we have to change course of action once we clear the first period when the governor has an option to make a reduction in our aid proposal. Other than that that is all we have in the Superintendent Report tonight. I'd just like to provide recognition for the support the Board of Ed has shown us during this time as well as our leadership team, our teachers and all of our faculty and staff members for how they have really stepped up and put our students at the forefront and made this very difficult time as smooth as possible by going above and beyond for our students. Thank you to all our Amherst staff members for that wonderful showing of support for our kids at this time.

**Paul:** Great. Thank you very much. With that we will now need a motion to approve new business items.

**Jeanne Ernst:** I will make a motion to approve items E-1-a through e, item E-2- a, and item E-3-f.

**Mark Smith:** I will second that.

**Paul:** Great. I will call now on each board member for their vote to approve. All those in favor to approve items E-1-a through e, item E-2- a, and item E-3-f please say "aye"

**Jeanne Ernst** Aye

**Lynn Errington** Aye

**Lorry Goldhawk** Aye

**Jessica McLaughlin** Aye

**Mark Smith** Aye

**Dominic Vivolo** Aye

**Paul Steimle** And myself is an aye. Motion carries 7-0. Mrs. Custodi do we have any follow up action items?

**Deb Custodi:** There are no follow up action items.

**Paul Steimle:** Great then we will need a motion to enter into Executive Session:

**Jessica McLaughlin:** I will make the 1st motion to enter into Executive Session for matters pertaining to the employment of a particular person.

**Lorry Goldhawk:** I will 2nd that.

**Paul Steimle:** Great. All those in favor of convening to executive session please say "aye".

**Jeanne Ernst:** Aye

**Lynn Errington:** Aye

**Lorry Goldhawk:** Aye

**Jessica McLaughlin:** Aye

**Mark Smith:** Aye

**Dominic Vivolo:** Aye

**Paul Steimle:** And myself is an Aye. Motion carries 7-0. That will conclude our meeting.

**Deb Custodi:** Mr. Steimle? Would you like me to suggest how members of the public...

**Paul Steimle:** Oh I'm sorry. Yes. Members of the public, if you have questions or any public comment, please contact the District Clerk at 362-3051 or Mrs. Custodi's email [dcustodi@amherstschools.org](mailto:dcustodi@amherstschools.org) or email the board at [boe@amherstschools.org](mailto:boe@amherstschools.org).

Thank you everyone for virtually attending this board meeting.