

Paul Steimle, Board President: Alright, 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 everybody in attendance. Each person state your name.

Jeanne Ernst
Lynn Errington
Lorry Goldhawk
Jessica McLaughlin
Mark Smith
Dominic Vivolo
Paul Steimle
Michael Belle-Isle
Laura Bosinski
Debbie Custodi
TonyPanella
Lynn Shanahan

Paul Steimle: 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? I will call each of you to ask:

Jeanne Ernst: No report.

Lynn Errington: No reports.

Lorry Goldhawk: No report.

Jessica McLaughlin: No reports.

Mark Smith: No reports.

Dominic Vivolo: No report.

Paul Steimle: And I have no report either.

With that I will now turn it over to the Superintendent for the Superintendent's Report.

Tony Panella, Superintendent: Great. Thank you. As is the case throughout this pandemic it has been a pretty fluid situation with things happening relatively quickly. Such was the case on Friday night, we received an executive order from the governor that gave us some guidance on how the annual budget vote and board elections will be conducted. There are still some questions that remain but to the extent possible the team has worked with our attorneys and the Board of Elections over the weekend and throughout yesterday and today to try to present to

you what we know at this point. So Mrs. Bosinski will share her screen of the presentation for us.

Slide 1 & 2: As Mrs. Bosinski goes through the presentation there are a few things for the board to consider. The first one is, as we look to put the finishing touches on the budget at the end of the meeting we will ask Mr. Steimle to poll the board on these three topics. So after we go through the presentation there will be opportunities for questions or comments about the presentation. But if you can keep in mind while Mrs. Bosinski is presenting appropriating additional reserves toward the budget which will explain all these three: Adding a board meeting next Tuesday at 8:00 am to officially adopt the budget and Property Tax Report Card; changing the meeting originally scheduled for May 19th to May 26th for the Budget Hearing. Mrs. Bosinski will talk about each of those things in detail as we go through this. Welcome.

Laura Bosinski, Business Administrator:

Slide 3: First, let's review the status of our revenue projections. Currently, our budget is using a state aid projection that matches the enacted budget. However, Governor Cuomo has identified four "look back" periods, after which he can make additional cuts to schools, if necessary. The first look back period ended on April 30th. The NYS Budget Director has indicated we will have an update on cuts to school aid by mid-May. Unfortunately, that is all we know. We don't know if there will be cuts or not, if there are, we don't know how much will be cut or what method will be used. Here are two examples. If 20% of our foundation aid is cut, we will see a revenue reduction of \$1.5M. If 20% of our total state aid is cut, we will see a reduction of \$3.5M. For transportation aid, which is an expensed based aid, we know our aid will be less than our projection. Our projection is based on our transportation budget for the current year. We will spend about \$1.1M less this year than anticipated as we stopped transporting students in mid-March. Because of this, it is reasonable to expect an aid reduction next year of about \$770K. BOCES aid, another expensed based aid, is an area we are trying to maintain. By spending close to our budgeted amount, this will help keep our aid number close to the current projection. For Erie County Sales tax, another large revenue for us, we also have another large unknown. We know there will be a significant reduction given the state of the economy, however, we do not know exactly what the impact will be. As we have previously discussed, we have a plan as to how we will address revenue shortfalls next year.

Slide 4: Superintendent Panella has led the administrative team through the development of a Four Point Plan. 1. Save as much money in the current year as possible to grow our fund balance. Use that fund balance next year to help absorb revenue shortfalls. 2. Identify areas of the budget that are in place for unknown student needs and/or emergency situations. Hold those areas frozen until needed. 3. Freeze all spending next year to absolute essential items only, right from the beginning of the year. This will help us reduce expenditures, reducing our need for fund balance/revenues. 4. If absolutely needed, look at additional programming and/or staffing reductions.

Supporting this plan, we are working now to grow our year end fund balance as much as

possible. Currently, we are projecting an addition to our total fund balance of about \$2M. We are working now to gather all outstanding invoices and close open POs. This work is typically completed by the end of June/July, but we are trying to get a head start on that process. We are recommending keeping as much as possible in unappropriated fund balance and exceeding the 4% allowable limit. We believe these uncertain times and unstable revenue projections are justification for exceeding this limit. Finally, we are recommending some adjustments to our proposed revenue budget for next year by appropriating more reserves so we will have more available in our unappropriated fund balance.

Slide 5: This chart shows our current reserve allocation, what we budget for each category, our recommendations for adjustments, and the total increase. Currently, we have included an allocation of \$260K in our budget projections. This is a similar amount that we have used in the previous few years. If for some reason, we do not spend our full allocation in that area, the funds are not withdrawn from the reserve. For example, we budget a line of \$60K in our tax cert reserve. If we only spend \$20K from that line, then we would only take \$20K from the reserve. On the other hand, if we spend more than we appropriate, we will only take the identified amount. An example will be the ERS or TRS reserves. Our budgets are much higher than what we recommend to appropriate from the reserve. The maximum we will take from the reserve will be the recommended appropriation. Increasing our reserve appropriation allows us to either reduce our revenue projections in any of the uncertain areas, or allows us to reduce the amount of unappropriated fund balance we use to balance our budget. Either way, this type of situation is exactly what reserves are meant for. However, we want to be judicious and thoughtful in our planning. The chart displayed shows our recommended appropriation from reserves, it is an additional \$580K which allows us to increase the amount of our unappropriated fund balance for previously discussed potential revenue shortfalls.

Slide 6: At 4:00 p.m. on Friday, May 1st, executive order 202.26 was issued by the Governor setting June 9th as the date for school budget votes and board member elections. The executive order states that all voting will be completed by mail ballot. Districts are required to send ballots and postage paid return envelopes to all qualified voters in the District. The timeline will be very difficult to comply with. We would like to highlight a few dates.

Key dates: Monday, May 11th, is the deadline for candidates to submit a petition to run for the board of education. The signature requirement of the petition has been suspended, but notarization is required. Interested candidates should contact the District Clerk for more information. Once all petitions are received, names will appear on the ballot in alphabetical order, as per the Governor's executive order.

We are asking to add a meeting on Tuesday, May 12th, at which time we will approve the budget and the property tax report card. This will allow us time to get the ballots created, printed, and mailed to all eligible voters in our community.

Slide 7: Our plan is to mail all of the absentee ballots and postcards by Tuesday, May 26th to comply with deadlines prescribed in the executive order and give people time to complete and return them by the June 9th vote date.

We are recommending moving the May 19th board meeting to May 26th, which according to the executive order, is the first day to conduct an adjourned budget hearing. We are waiting for

further guidance as to how that will be conducted, but we do know that it needs to be completed remotely.

Slide 8: There are still some questions that remain, but June 9th is the designated vote day. We have been advised that ballots will be due to the District Clerk by 5:00 p.m. on that day. We are working to obtain a voting machine from the Erie County Board of Elections so we can tabulate the votes efficiently and effectively. At this point, the state has no statewide revote date established.

Slide 9: OK, so that leaves us with what we don't know:

1. Do board member candidates have to complete expenditure reports?
2. Must the Budget Hearing be conducted in public? Or can it be recorded and posted on the district's website?
3. Is there a deadline to mail absentee ballots?
4. When can returned ballots be opened to begin preparation for tabulation?
5. When is the state wide revote day for budgets that do not pass?

We will continue to work to get answers to these questions. Mr. Panella, this is the last I have for this presentation.

Tony Panella:

Slide 10: Great. So before we go to the three items that we are looking for some direction on from the board, does anybody have any questions or comments regarding the presentation?

Lynn Errington: I have a question. So what does that mean in postage if we have to send out to all the voters?

Laura Bosinski: So we do have a discounted postage rate for mail that we send out and we are currently exploring the option for purchasing a business reply postage so that we only have to pay for postage of envelopes that are actually returned to us.

Lynn Errington: Oh that'd be great.

Laura Bosinski: Otherwise it would probably be close to \$15,000 - \$20,000 if we put full postage on envelopes going out and coming back in.

Lynn Errington: Okay.

Lorry Goldhawk: I have a question also. The ballots...do they go to registered voters or you used the word qualified voters. Is that different?

Laura Bosinski: It is different. You can be a registered voter with Erie County and you'd be on the list but you are not required to be registered with Erie County in order to vote in school budget votes. So we will be able to get the names of the registered voters from Erie County and

we are working on a way to identify who any additional qualified voters are who aren't registered.

Lorry Goldhawk: Okay.

Tony Panella: We suspect folks may reach out to us once the ballots start hitting mail boxes and our plan would be to send them out to people on request that don't get one because they qualify but are not registered with the County Board of Elections.

Lorry Goldhawk: Does the executive order indicate that it has to be eligible voters? All qualified voters?

Laura Bosinski: All qualified voters of the district. And in order to be a qualified voter you need to be at least 18 years of age, and have lived in the district for at least 30 days prior to the vote.

Paul Steimle: Do we have to verify that when the ballots come in?

Laura Bosinski: That is a great question. We will be able to verify a majority of them because they will be registered with Erie County and the identification purposes for voters who are qualified but not registered will occur before we send them the ballot.

Debbie Custodi: If I may add...there is an affidavit that the person signs and it does state in there "I am a qualified voter..." so they are attesting to that as well when they return it.

Tony Panella: Those are all good questions.

Dominic Vivolo: I have a question about the reserves. Can we go back to that slide? [revenue planning slide]

Laura Bosinski: Yes.

Dominic Vivolo: So I'm a little confused because I thought that we were going to put the maximum amount into unassigned but we are also talking about it in some of these other different categories. Did I understand that wrong?

Laura Bosinski: So this would be our recommendation to take them out of our reserves and appropriate them to our budget. These are funds that already exist in our reserves. Currently we had planned to take \$260,000 out for our EBLAR and Tax Cert and because of all the changes and all the uncertainty we are recommending that we increase the amount we are taking out of the reserves which will then leave more in our unappropriated fund balance.

Domninc Vivolo: But if we are looking at between a shortfall of 1.5 - 3.5 million, aren't we still a little short though?

Laura Bosinski: Well we don't know exactly what the shortfalls are going to be so part of Mr. Panella's four-point plan does save and structure money so that we can absorb some of those shortfalls in various ways and not only rely on our reserves and fund balance.

Dominic Vivolo: Should we appropriate more reserves then just in case?

Laura Bosinski: We have to be careful with how much of our reserves that we appropriate because if we use them all we won't be able to replenish them. So currently we were looking at about \$260,000. We've quadrupled that to over \$800,00 to try to offset some of this. But we will anticipate having a larger amount in our unappropriated fund balance to be able to help shore up any of the revenue shortfalls that we may receive. But that is certainly something that the board can choose to do, we just need to make sure that we understand the implications of that and that moving forward if they are to be needed in future years they may not be there.

Dominic Vivolo: I get it but we can have reserves and we still can't spend above...well it's not even spending above it's...Let's all of sudden say in November the governor says he is going to cut us 40% can we pull out of our unassigned reserves and plug the hole with that? Or do we need to do that ahead of time?

Laura Bosinski: We would have a large amount in our unappropriated reserves that we would be able to use. So currently 4% is about 2.5 million dollars. We are recommending going above that so right now we will be about 1.5 million dollars above that. But all of that money will be available to us to plug that hole if needed. But that is just one piece of the four-point plan.

Tony Panella: Yes if you total the four-point plan. The fourth point is obviously mid-year reductions in staffing which is not ideal but if you total the four-points we feel like we could absorb \$3 - \$3.5 million in revenue shortfalls. But certainly if we appropriate more reserves now, that gives us more flexibility to use reserves and almost adds a fifth point to the plan. So we have suggested increasing it by over \$500,000. If we increase it more as Mrs. Bosinski said we are not obligated to spend that but it is an option that we have available to us. So if the board would like to increase that amount that we have recommended higher it gives us another tool for all of the uncertainty that face.

Dominic Vivolo: I mean if I've already said this then I apologize but our students have been crushed out here so we've got reserves right? So to me this year has been absolutely horrible and we are just trying to make the best out of a horrible situation. I personally would like to make next year as good as possible without disruptions or mid-year whatever anything. All I can think is we have these reserves, if we didn't spend it now why would we ever even have reserves? So that's the way I feel about it.

Tony Panella: Mrs. Bosinski could you back to the slide that shows the reserves because what is there in the slide is the budgetary appropriation. That is what we are planning to spend in

each of those categories and then the recommended amount. So the EBLAR is fully funded by the reserve and so is the tax cert and unemployment. I think the two areas we would have flexibility at this point would be for ERS and TRS...those two reserves. We can go back to the in-person view please.

Paul Steimle: I think though while we have reserves we still need to be careful we don't spend them down to nothing. That would be even more devastating because you don't know how long what's going on is going to last DOminic, I think you have to have something for the year after and looking at things. Spending everything at once, I don't think is the right decision or putting it all on the line because we built up these reserves. I mean right now, we are going to put away roughly... what did you say Mrs. Bosinski? About 2,000,000? Roughly the surplus after this year to use for next year's budget on top of what we have. I mean

Dominic Vivolo: So we are using every \$2,000,000 that we are projecting for next year's budget.

Laura Bosinski: No, we are not using all of it but it would be available to us if needed.

Tony Panella: Yeah it is a tool in our pocket in the event our revenue projections don't come to fruition and we already know that sales tax is not going to come as projected. We know transportation is going to come is as it was in the state aid run that we are using in our projections. So to have \$2,000,000 above our 4% limit actually puts our unappropriated fund balance at \$4 million or higher so we have also identified through, what we are calling a freeze of the budget, about \$1,000,000 more that we would not spend right from the start of the year so we could potentially offset revenue shortfalls of 3 million dollars without reducing our unappropriated fund balance below the 4%. And then if we had to go below the 4% there is another \$2 million available. If we increase the appropriation of the reserves we could carefully monitor those expenditures and use them only as needed. So for example we know our ERS and TRS payments are going to exceed our appropriated amount from the reserves if we increase them each by \$50,000 for a total of \$100,000 we can say that we will wait and see throughout the rest of the year on that extra \$100,000 and try not to spend it unless all of the other points of our plan are used up. So appropriating this will give us another point in the plan, It may become a 5 point plan.

Dominic Vivolo: Okay.

Tony Panella: So that is one of the considerations we wanted to get your feedback on. And I think starting with the first one of reserves, President Steimle has those three questions to go back and revisit...to poll each member of the board. The first one being the reserves. So the question there is "Are you in favor of appropriating additional reserves to increase our unappropriated fund balance for the likelihood of shortfalls?" I guess in this case, we are looking for a "yes" or "no" and if you are in favor of increasing the amount we appropriate and maybe offer an amount from TRS and ERS...a total amount.

Paul Steimle: Why don't I start with the question then. I will ask each board member "Are you in favor of" and if you want to go above "how much". So are you in favor of appropriating additional reserves to increase our unappropriated fund balance for the likelihood of revenue shortfalls?

Mrs. Ernst: I am in favor of appropriating as presented.

Mrs. Errington: I am in agreement as presented. That sounds good.

Mrs. Goldhawk: I agree. I am in favor as presented.

Mrs. McLaughlin: I am in favor as it was presented.

Mr. Smith: I am in favor as presented.

Mr. Vivolo: I'm in favor..what does as presented mean? Does that mean we are not going above anything that was just presented?

Paul Steimle: That is what I would understand it to be. That what was in the slide is what we are approving.

Dominic Vivolo: I would go above it and I would look for guidance from our business official and superintendent.

Paul Steimle: I am in favor of appropriating additional reserves as presented as well.

Paul Steimle: The next question is "Are you in favor of adding a meeting on May 12th at 8:00 am to adopt the budget and Property Tax Report Card, allowing us enough time to get ballots created, printed, and out in the mail?"

Mr. Vivolo: Yeah, sure.

Mr. Smith: Yes.

Mrs. McLaughlin: Yes.

Mrs. Goldhawk: Yes.

Mrs. Errington: Yes.

Mrs. Ernst: Yes.

Paul Steimle: And I am as well.

Paul Steimle: Are you in favor of changing the meeting from May 19th to May 26th at 7:00 pm and for the Budget Hearing?

Mrs. Ernst: Yes.

Mrs. Errington: Yes, it's fine.

Mrs. Goldhawk: Yes.

Mrs. McLaughlin: Yes, I'm in favor of that.

Mr. Smith: Yes.

Mr. Vivolo: Yes.

Paul Steimle: And I am as well.

Tony Panella: Okay, thank you for answering these questions for us. It is very helpful in us putting the finishing touches on the budget and working to comply with this new executive order. With these adjustments we will be able to present you the final proposed budget on May 12th at

8:00 am and then we can send the information to the Erie County Board of Elections so they can create our ballot for us which we will then send to Erie 1 BOCES to have printed. Hopefully we get them back in time for us to get them in the mail. Thank you very much. That is all I have for the report tonight.

I just wanted to mention a couple more things as a means of acknowledgement. This week is Teacher Appreciation Week. So I know it sounds like an understatement but I am very thankful and impressed with our teachers in the district having completely reinventing everything they do and they are doing a fantastic job on behalf of our kids. They deserve much

Also it is appropriate to mention that starting tomorrow is National Nurses Week. So I know we have nurses in our school district that I am very thankful for and that do a fantastic job for our students. But I'd also like to mention all of the nurses that are on the front line dealing with this pandemic in the hospitals and how grateful we are for putting their lives on the line everyday for the health and safety of others.

The last piece is just to mention that we are planning really rigorously for many scenarios and as of Friday when the Governor ordered schools for the remainder of the year, we were very disappointed as I'm sure many of our students and parents were but it did allow us the opportunity to move forward with some of the plans we have been making. For the end of this year we will continue to communicate those as they are finalized. We are also waiting on guidance from the Governor which we are told will be here by the end of this month for summer programming if our budget allows and then of course we know we have the arduous task of developing a plan for reopening which had already begun a few weeks ago. So there is a lot that is going on and a lot that is continuing so that was just a few things I wanted to mention before we conclude the Superintendent's Report. Thank you.

Paul Steimle: Thank you. With that we will now need a motion for new business.

Lorry Goldhawk: I will make the 1st motion to approve items E-1-a through e, item E-2- a through d, and item E-3-a, b, c, d, and g.

Paul Steimle: Do we have a second?

Dominic Vivolo: I will 2nd it.

Paul Steimle: Okay I will roll call each board member for their vote to approve, not approve or to abstain. All those in favor of approving items E-1-a through e, item E-2- a through d, and item E-3-a, b, c, and g.

Mrs. Ernst: A b, c, d, and g?

Paul Steimle: Yes.

Mrs. Ernst: Aye.

Mrs. Errington: Aye.

Mrs. Goldhawk: I approve.

Mrs. McLaughlin: I approve.

Mr. Smith: Aye.

Mr. Vivolo: Yes.

Paul Steimle: And I approve as well. Motion carries 7-0. Are there any follow up items Ms. Custodi?

Debbie Custodi: No, there aren't.

Paul Steimle: Before we move on I would just like to congratulate Mr. Crozier for being appointed as our next principal at Smallwood Elementary. Great job for him. And welcome to our team two new faculty members: Mr. Juarez and Ms. Montesano. So welcome to the team.

With that I will need a motion to enter into Executive Session:

Jeanne Ernst: I will make the 1st motion to enter into Executive Session for matters pertaining to the employment of a particular person and pending litigation.

Paul Steimle: Do we have a second?

Lynn Errington: I will 2nd that.

Paul Steimle: I will now roll call each one of you to approve entering into Executive Session for matters pertaining to the employment of a particular person and pending litigation:

Jeanne Ernst: Aye.

Lynn Errington: Aye.

Lorry Goldhawk: Aye.

Jessica McLaughlin: Aye.

Mark Smith: Aye.

Dominic Vivolo: Aye.

Paul Steimle: And I do as well. Motion carried 7-0.

Members of the public, if you have questions or any public comment, please contact the District Clerk at 362-3051 or dcustodi@amherstschoools.org or you can email the board at boe@amherstschoools.org.

The meeting is now adjourned.