

# Farmingdale Union Free School District

50 Van Cott Avenue  
Farmingdale NY, 11735

**DATE:** March 29, 2017

**KIND OF MEETING:** Budget / Public Input

**PLACE:** A. Terry Weathers Board Room, Howitt Middle School East Cafeteria, Howitt Middle School

**MEMBERS PRESENT:** Mr. Morales, Mrs. Lively, Mr. Capobianco, Mrs. D'Amico, Mr. Espinosa, Mr. Giordano, Mr. Goldberg

**OTHERS PRESENT:** Mr. Lorentz, Mr. Defendini, Dr. Ripley, Mr. Zakian, Mrs. Rogers

## Executive Session

Meeting called to order at 7:00 p.m. in the A. Terry Weathers Board Room by Mr. Morales, President of the Board of Education.

Motion made by Mr. Capobianco, seconded by Mr. Giordano to meet in executive session to discuss specific legal, collective bargaining and personnel issues in accordance with Open Meetings Law.

Motion carried 7-0

Meeting recessed for executive session at 7:00 p.m.

Meeting reconvened in the Howitt East Cafeteria at 8:15 p.m.

## Call to Order

Board President Ralph Morales opened the meeting at 8:15 p.m. and welcomed those present. He stated that tonight is the third budget workshop and the Public Input as we prepare for the 2017-2018 school year. Mr. Lorentz and his administrative team would provide an overview of the past two workshops while tonight's presentation would focus on financial planning. Mr. Morales encouraged those present to share their ideas, comments and questions during the two scheduled public participations. As stated in board policy, no person would be able to speak for more than three minutes and each period would be limited to thirty minutes. Public participation would be limited to the topics on the agenda. Mr. Morales thanked all for their anticipated courtesy and cooperation. Mr. Morales pointed out the emergency exits. The meeting began with the Pledge of Allegiance.

**Public  
Participation**

Board President Ralph Morales opened the meeting for the first public participation. No one came forward at this time.

**Budget  
Workshop:  
Financial  
Planning  
Presentation**

Board President Ralph Morales introduced Superintendent of Schools John Lorentz and asked for his presentation to the Board of Education. Mr. Lorentz stated that this was perhaps the most important workshop in the budget season as the focus of the evening would be financial planning. This important component of the district's practices allows for the next school year, along with future years that will help to ensure the district's fiscal health through the analysis of revenue and expenditures while reviewing the funds maintained in fund balance and reserves.

Mr. Lorentz introduced Assistant Superintendent for Business Paul Defendini and asked him to provide specific details.

Mr. Defendini provided a short overview of the previous two budget workshop presentations. He emphasized that the budget to budget increase would be 2.15% and the tax cap calculation limitation of .83% would be met. The district will maintain program opportunities for students; a proposition for expenditures from the buildings and facilities capital reserve fund would allow for various projects to improve infrastructure. He provided a copy of the tax levy limit calculation, the proposed revenue budget, and the proposed cost element summary. The second budget workshop focused on capital expenditures, including a comprehensive listing of proposed 2017-18 facility projects.

Mr. Defendini then began his presentation on long term planning through the use of fund balance and reserves. He provided an understanding of the revenue over expenditure summaries since 2012-2013 and then described the analysis of available fund balance and reserve accounts. He provided historical data in each of the reserve accounts. He discussed the predictable expenditure categories, including salaries, FICA, BOCES, debt service, material supplies, equipment and other segments of the budget. He then reviewed the significant challenges in projecting increases in specific major revenue and expenditure categories, including retirement system costs, health insurance costs, and utilities' projections.

Mr. Defendini included CPI average changes by decades going back about 100 years. He also reviewed the state aid figures since 2006-07, the retirement system peaks and valleys since 1970, major medical ten-year rate changes, utilities changes based on the cost of a barrel of oil and kilowatt hours. Mr. Capobianco requested that future presentations include a summary of natural gas costs.

Mr. Defendini continued with two scenarios developed for the 2017-18 and 2018-19 projected budgets. His first scenario allowed for a flat CPI during 2017 and the associated anticipated tax levy calculation. Variables included the restoration of the Gap Elimination Adjustment, frozen Foundation Aid and a small increase in Building Aid. On the expenditure side, he included salary increases associated with step movements, a modest 8% increase in health insurance premiums and flat pension budgets. Under these conditions, there would be a decrease in fund balance of over \$1.5 million. Conversely, Mr. Defendini's second scenario allowed for a CPI increase consistent with prior year growth and a subsequent tax levy of 1.53%. Most variables remained the same: health insurance costs under this demonstration showed an increase of 15%. The final impact in fund balance would be an increase of almost \$1.4 million.

**Second  
Public  
Participation  
and Public  
Input**

Board President Ralph Morales opened the meeting for the second public participation and the public input.

A resident asked about the \$1 million reduction in salaries, cooperative bidding for contract services, long-term debt and the debt associated with the aquatic center, employee benefits and the employee-funded retirement system. Mr. Defendini responded to his questions.

Mr. Bell questioned the increases in capital and debt service.

**Adjournment**

Motion made by Mrs. Lively, seconded by Mr. Capobianco to enter into executive session to discuss specific legal issues in accordance with Open Meetings Law.

Motion carried 6-0-1

The meeting was reconvened at 9:45 p.m.

Motion made by Mr. Goldberg, seconded by Mr. Capobianco to adjourn.

The meeting was adjourned at 9:45 p.m.