

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

DATE: FEBRUARY 28, 2023

BUDGET MEETING

MINUTES

THE SPECIAL MEETING OF THE BOARD OF EDUCATION, was duly called and held on Tuesday, February 28, 2023 in the Large Board Room of the Levittown Memorial Education Center.

CERTIFICATION:

The District Clerk certified that pursuant to Section 104, Open Meetings Law, notice of meeting was sent to the local newspapers, the Public Library and posted on the district's website. Further, all members of the Board of Education had due notice of said meeting.

I. CALL TO ORDER

Board of Education

Ms. Jennifer Messina, President
Ms. Peggy Marenghi, 1st Vice-President
Ms. Christina Lang, 2nd Vice-President (Excused Absence)
Ms. Marianne Adrian, Trustee
Mr. Dillon Cain, Trustee
Mr. James Moran, Trustee
Mr. Michael Pappas, Trustee

Central Office:

Mr. Todd Winch, Superintendent of Schools
Mr. Michael Fabiano, Assistant Superintendent of Business and Finance
Ms. Debbie Rifkin, Assistant Superintendent of Human Resources
Dr. Beth Ziropiannis, Assistant Superintendent of Curriculum and Instruction

Suzanne Mallozzi, District Clerk

Board of Education, President, Ms. Jennifer Messina opened the special meeting at 6:30pm.

RESULT:	MOTION CARRIED [5-0]
MOVER:	James Moran, Trustee
SECONDER:	Marianne Adrian, Trustee
AYES:	Moran, Adrian, Messina, Marenghi, Pappas
ABSENT:	Cain, Lang

Ms. Messina adjourned to Executive Session at 6:32pm.

RESULT:	MOTION CARRIED [5-0]
MOVER:	Michael Pappas, Trustee
SECONDER:	Peggy Marenghi, 1 st Vice-President
AYES:	Moran, Adrian, Messina, Marenghi, Pappas
ABSENT:	Cain, Lang

Ms. Messina reconvened the Special meeting at 7:37pm. Ms. Lang is excused from tonight's meeting.

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

DATE: FEBRUARY 28, 2023

BUDGET MEETING

RESULT:	MOTION CARRIED [6-0]
MOVER:	Marianne Adrian, Trustee
SECONDER:	Michael Pappas, Trustee
AYES:	Moran, Adrian, Messina, Marengi, Pappas, Cain
ABSENT:	Lang

Ms. Messina asked all in attendance to stand for the Pledge of Allegiance. "This past month the Levittown School District lost retired MacArthur Athletic Chairperson, Jerry McEneaney. Affectionately known as "Jerry Mac", he was a legend in the halls of MacArthur and had a tremendously positive impact on our faculty, staff and student body during his time here. We ask for a moment of silence in his name and for his family. We also ask for a moment of silence to remember all those fighting for our country at home and overseas.

II. INFORMATIONAL ITEMS

A. Draft Budget

Tax Levy Limits:

i. Five Year Projections and District Reserves

Mr. Winch introduced Mr. Michael Fabiano, Assistant Superintendent of Business and Finance, who gave a detailed presentation about the District's five year projections and reserves. Mr. Winch noted that the proposed tax levy will also be discussed.

Financial Reserve Plan - The following slides are only part of the presentation. The full presentation is available on the District website. Mr. Fabiano described this process and answered many questions posed by the Board and those are listed below with the corresponding slides.

Current reserves utilized by the District are Worker's Compensation, Retirement Contribution, Employee Benefit Accrued Liability, Unemployment Insurance, Capital Reserves (balance of surplus went into 2021-2022 and Debt Service Reserve.

Summary of Slides:

Levittown School District						
Reserves Analysis						
2023-24 Budget Preparation						
Fund	Reserve	2020-21 Actual	2021-22 Actual	Change	Proposed Transfers 3/8/2023	Balance After Transfers
A	Workers Compensation	3,284,404	3,270,606	(13,798)		3,270,606
A	Unemployment Insurance	996,851	997,883	1,032		997,883
A	TRS Retirement System	4,634,672	4,076,618	(558,054)		4,076,618
A	ERS Retirement System	11,667,763	10,113,372	(1,554,391)		10,113,372
A	Employee Benefit Accrued Liability	3,271,408	3,162,002	(109,406)	(2,208,292)	953,710
A	Combine Capital (2013, 2017, and 2021)	23,123,363	46,000,000	22,876,637	2,208,292	48,208,292
V	Debt Service Fund	2,696,760	2,704,377	7,617	(2,704,377)	0
A	Unassigned Fund Balance (4% Cap)	9,299,308	9,574,040	274,732	(5,087,331)	4,486,709

Mr. Winch indicated that the move of \$2.2m out of EBALR reserve into capital reserve is partially driven by the auditors.

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

DATE: FEBRUARY 28, 2023

BUDGET MEETING

Ms. Adrian asked if this spreadsheet could include the current budget/actual. Mr. Fabiano replied that the numbers for 2022-2023 would not be available until June 30th when the books close. The column in yellow is going to be the transfers that the Board will be asked to approve at the next meeting on March 8.

The District will be adding an additional proposition to the ballot for Budget Vote 2023, proposing to allow \$56m to be used on capital projects. With this proposition, the 2021 Capital Reserve will have been exhausted.

Mr. Fabiano is recommending to the Board that an additional proposition be added to establish an additional Capital Reserve for 2023, not to exceed \$30m.

Mr. Pappas: "The whole key to this is that it's not a tax increase."

	Proposition II: Expend from the 2013, 2017, and 2021 Capital Reserves and Unassigned Fund Balance		
	Combined Capital Reserves (2013, 2017, and 2021)	48,208,292	
	Appropriated from the Debt Service Fund	2,704,377	
	Appropriated from Unassigned Fund Balance	5,087,331	
	Total Authorized to Spend Proposition	56,000,000	
	Proposition III: Establish the 2023 Capital Reserve		
	Not to exceed	30,000,000	

Mr. Fabiano: "these do not have a bearing on the tax levy. These are monies that are left over and we always have to build into contingencies. When those contingencies materialize into surpluses, you have to have a place to put them and you've chosen to put them in Capital Reserves."

Mr. Pappas: "It's up to us here, in the District, to make sure that people know this is not a tax increase"

Mr. Fabiano: "It's a very good point and the Superintendent has asked me to stress that. We are permitted to say that in the proposition, we will say that in the budget presentation brochure and as a Board of Education, when you're out in the community, we can continue to mention that this will not increase your taxes, not increase the tax levy".

Mr. Fabiano introduced the next slide in order to show the savings for residents, with voter approval.

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

DATE: FEBRUARY 28, 2023

BUDGET MEETING



Benefit of NOT Borrowing

- Borrowing \$70 million dollars would cost the tax payers almost \$6.3 million per year for the next 15 years or \$94 million in total (Principal & Interest)
- By saving for these projects (or pay as you go) the District will have **saved over \$24 million** in Interest Costs over this 15 year period
- \$70 million in NYSED approved projects could **generate as much as \$52 million in Building Aid**, or approximately \$3.5 million per year for the next 15 years!

Mr. Winch: "Just to reiterate, just like Mr. Fabiano and Mr. Pappas mentioned, this money is existing money, not money that is being asked for from the community. What we will be asking the community is for the permission to use the money that is already here. And this is a good amount of money, that most other Districts would have to go out for a bond to get, but because it's been conservative fiscal planning for over a decade by the Board and by previous administrations, so the money exists to be able to do much needed work at a savings to the community by not having to borrow. When Mr. Fabiano presented the initial proposed 5 year capital plan, it's based upon the building condition survey which has over \$200 million dollar worth of repairs, you'd never be able to do that, to collect money to do over \$200 million dollar worth of repairs. So this is a good amount of money from fiscal budgeting for us to be able to do things like roofs, PA systems that are original to some buildings which were built in the late 40's, mid 50's and early 60's. without this money, we would have to go out for a bond. because of previous budgets, we are able to do this without having to raise taxes, which is a credit to all of you sitting at this table.

Mr. Pappas: "you have to look at, if we have to raise \$70 million dollars to take out bonds, you'd have to be paying interest heavily. We're at 68% reimbursement on aid for projects?"

Mr. Fabiano: "The building aid is at a little over 76% for voter approved projects".

Mr. Pappas: "If someone told you to put \$70 dollars in the bank and you get \$52 dollars back in interest, you'd jump at that. This \$70 million dollars that we have in reserve and it's going to generate \$52 million dollars in building aid, it's unbelievable and fantastic."

Mr. Fabiano: "And with proper planning, that \$52 million dollars can be put back into capital projects, which will generate another 76% in building aid.

Mr. Pappas: "I've been on the Board for 15 years and this might be the best budget I've ever seen. We are improving our facilities that are 60/70 years old, at no cost to the taxpayer. The Board also voted to give senior citizens, to raise the exemption for them to be able to have them pay less taxes and for all those who are in tough financial times right now with the economy, it's a wonderful thing we've done for the community. The value they get in this school district is second to none. I hope they see this on Election day and they approve this budget overwhelmingly."

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

DATE: FEBRUARY 28, 2023

BUDGET MEETING

Five Year Financial Project and Tax Levy Limit Part 11 -

Mr. Fabiano - as the tax levy information is due on March 1, we convened this meeting tonight, 2/28/23, to discuss.

Mr. Fabiano showed slides from the 2019-2020 5 year projection.

2019-2020 5-Year Projection						
Budget Projections						
	Draft Budget 2019 - 2020	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25
Tax Levy & STAR	141,721,798	144,556,234	147,447,359	150,396,306	153,404,232	156,472,317
State Aid	57,297,756	57,870,734	58,449,441	59,033,935	59,624,275	60,220,517
Other Local Revenue	7,867,254	7,926,258	7,985,705	8,045,598	8,105,940	8,166,735
Total	206,886,808	210,353,226	213,882,505	217,475,839	221,134,447	224,859,569
Applied Fund Balance/Reserves	15,466,831	18,115,138	20,754,505	22,792,459	25,140,559	27,326,037
All Sources of Revenue	222,353,639	228,468,364	234,637,010	240,268,298	246,275,006	252,185,606
Budgeted Expenditures	222,353,639	228,468,364	234,637,010	240,268,298	246,275,006	252,185,606
Budget to Budget \$ Increase	8,461,083	6,114,725	6,168,646	5,631,288	6,006,707	5,910,600
Budget to Budget % Increase	2.99%	2.75%	2.70%	2.40%	2.50%	2.40%
Expenditures - Actual or Est Actual	213,459,493	219,329,630	225,251,530	230,657,566	236,424,005	242,098,181
Actual Expense as a % of Budget	96.00%	96.00%	96.00%	96.00%	96.00%	96.00%
Surplus/(Deficit Spending)	(6,572,685)	(8,976,404)	(11,369,025)	(13,181,727)	(15,289,559)	(17,238,613)
Total Fund Balance	30,122,150	21,145,746	9,776,722	(3,405,005)	(5,512,837)	(20,643,618)

Based on this slide, the plan forecasted for very large deficits for this coming year 23/24. That did not materialize, obviously to the District's benefit. There was no way to know when the 2019-2020 budget was being developed that in 2022-2023, NYS would fully fund foundation aid, bringing the numbers up to where they are now.

Todd Winch – “These projections are only as good as the variables you enter while remaining constant and not changing. If you think about 18/19, when this budget was being prepared, no one had any idea of what was coming in the next 5 years, even taking the Pandemic out of it, but considering the amount of new grant funds available, school district grants, and now the State deciding to fully fund foundation aid. It shows that we don't know what's going to happen in the next 5 years and so all we can do is project out based upon what we think may happen and that usually is taking the most conservative approach we can. Many of the current Board members were here during the GAP elimination, and there were times that we all thought that wasn't going to go away. But that did go away. You try to do these projections based upon most conservative scenario. It's about as good as predicting the future can be.”

This is an updated version of the previous slide:

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

DATE: FEBRUARY 28, 2023

BUDGET MEETING

2023-2024 5-Year Projections							
<u>Category</u>	<u>2023-24 Budget</u>	<u>Growth Factor</u>	<u>2024-25 Budget</u>	<u>2025-26 Budget</u>	<u>2026-27 Budget</u>	<u>2027-28 Budget</u>	<u>2028-29 Budget</u>
Revenues							
Tax Levy and STAR Reimbursement	154,274,629	2.0%	157,360,122	160,507,324	163,717,470	166,991,820	170,331,656
State Aid	78,717,387	2.0%	80,291,735	81,897,569	83,535,521	85,206,231	86,910,356
Other Local Revenue	6,444,451	2.0%	6,573,340	6,704,806	6,838,902	6,975,680	7,115,194
Appropriated Fund Balance/Reserves	12,356,440	0.0%	12,356,440	12,356,440	12,356,440	12,356,440	12,356,440
Total Revenues	251,792,907		256,581,636	261,466,140	266,448,334	271,530,172	276,713,646
Appropriations							
Salaries	131,058,501	2.0%	133,679,671	136,353,265	139,080,330	141,861,937	144,699,175
Employee Benefits	68,827,000	2.0%	70,203,540	71,607,611	73,039,763	74,500,558	75,990,569
All Other Expenses	51,907,405	2.0%	52,945,553	54,004,464	55,084,553	56,186,244	57,309,969
Total Appropriations	251,792,906		256,828,764	261,965,339	267,204,646	272,548,739	277,999,714
Analysis							
Salaries and Benefits Share of Total	79.4%		79.4%	79.4%	79.4%	79.4%	79.4%
Annual Surplus or (Defecit)	0		(247,128)	(499,200)	(756,313)	(1,018,568)	(1,286,068)
Cummulative Surplus or Defecit	0		(247,128)	(746,328)	(1,502,641)	(2,521,208)	(3,807,276)

NY State has promised to revisit the formula for State Aid. So we are unsure what the new formula will be, no way of knowing what the new numbers should be. We feel comfortable using the 2% number going out. The concern on the appropriation side is the employee benefits. Retirement system contributions are cause for concern as the market has not rebounded as hoped, so the District contributions make up what the market does not contribute to that fund.

Mr. Winch: “In previous 5 year plans, there has always been an increase in the applied fund balance and reserves and still had a deficit. What we are trying to do is be more realistic that the goal for us as a District would be to not increase use of reserves so this does tell you the true picture of what might occur. That’s why the use of reserve and the applied fund balance do not increase. We shouldn’t be increasing those but there might come a time where we may have to.”

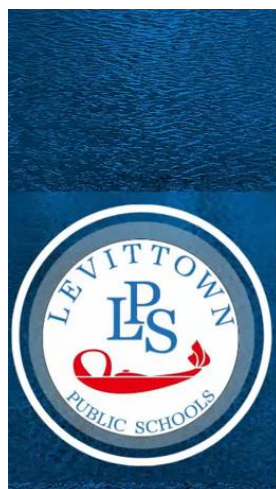
Mr. Pappas asked Mr. Fabiano to provide the Board with a copy of the last two years’ budget and the actual growth factor, by category? Mr. Fabiano agreed to provide.

Tax Levy Limit information is due to the NYS comptroller is due March 1. Below is the slide of how the estimated tax levy increase of .99% would impact residents.

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

DATE: FEBRUARY 28, 2023

BUDGET MEETING



Estimating the Impact on the Average Tax Bill

2022-23 Average School Tax Bill	\$8,400.00
2023-24 Proposed Tax Levy Increase	0.99%
Tax Base Growth Factor	0.26%
Net Tax Levy Adjustment	0.73%
Annual Tax Bill Increase	\$61.32
Change in monthly escrow	\$5.11

The Board of Education agreed that the proposed tax levy increase of .99% should be entered into the system of the NYS Comptroller's office. Mr. Fabiano clarified that the voters do not vote on the tax levy increase, they vote on the budget increase amount which will be defined at the March 23rd meeting and voted on at the May 16, 2023 vote.

Mr. Winch – “Based on these projections and after hearing preliminary feedback from other Districts, this tax levy would be one of the lowest in Nassau County, while keeping in mind the financial strain (high inflation) on residents, but balancing that with the needs of the District long term. But with the conservative way the District has budgeted in the past, we feel the .99% tax levy takes all these things into consideration. When looking at a low percentage increase like this, we’ve never seen a budget like this that has a low increase in taxes and such phenomenal enhancements. In the end, it’s great for our kids, great for our community and is really great for our District long term.”

Ms. Marengi: “Just piggybacking off of what Mr. Winch said, first of all, I’d like to thank the Central Office team for listening to us, our discussions we had and being very mindful of today’s economy and as the Board has presented, shared our concerns over the last couple of weeks, and how concerned we are because of what is going on with our economy and that we would like to try to do our part to keep down the school taxes, as low as we can without sacrificing any form of education. I’ve been on the Board 13 years and this is, by far, the best budget I think that I have ever seen. So, I really want to thank Mike, Mr. Winch and the whole Central Office for working very closely with the Board to be able to produce such a budget. Thank you.”

Mr. Pappas – “This is a fantastic budget. The community is spared from a large tax increase with just a minimal increase, and from what everyone has said here, during the presentation, there are no cuts. You’re getting improvements, you have air conditioning going into all of our buildings, adding solar power to our buildings, the 70 year old buildings are being maintained and they look fantastic. I just can’t say enough. Well produced budget. Mr. Fabiano, your first year, you did a fantastic job. Todd, I don’t know what you’re going to do next year, but you have some big shoes to fill now, and they’re your own. Great job everyone.”

Ms. Adrian – “I just wanted to highlight the fact that, aside from what everybody else has said, to which I concur with everything, I appreciate and I think that the Board appreciates how much you have listened to us and the reason that we’re here tonight is because we wanted to have this discussion and put it forth before tomorrow’s deadline and so I appreciate you doing this extra meeting and all the effort and the work that you’ve put into this, so thank you.”

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

DATE: FEBRUARY 28, 2023

BUDGET MEETING

Mr. Pappas – “Often times we speak here and there are two other very fantastic Central Office members, Beth and Debbie Rifkin, that have to look at the budget as well, see what they need and make sure the students get what they need. Having enough staffing, etc. and I want to thank you as well for the great job you’ve done.”

III. MOTION TO ADJOURN

RESULT:	MOTION CARRIED [6-0]
MOVER:	Marianne Adrian, Trustee
SECONDER:	Dillon Cain, Trustee
AYES:	Moran, Adrian, Messina, Marengi, Pappas, Cain
ABSENT:	Lang

Meeting adjourned at 8:27pm.

Suzanne Mallozzi
District Clerk.