

*Oneonta City School District
Finance/Audit Committee Meeting Minutes
January 26, 2021
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The meeting began at 3:30 PM via Zoom.

Members Present: Lisa Weeks, Business Manager; Tom Brindley, Superintendent; Bill Grau, Board of Education; Jamie Reynolds, Board of Education

Members Absent: Amy Burnsworth, Board of Education

Health Insurance Update-An updated financial comparison was provided with the 2021-2022 rates for both plans. Doing nothing else but switching plans would save about \$366,000 without even considering any change for retirees over 65. The fund balance return from BT would also help in future budget years.

Even if we don't end up changing plans, we should keep the retiree buyout on the table. The district has been fielding questions regarding the coverage comparison. What we've learned is that there is a lot of misinformation and miscommunication in these comparisons so we appreciate the opportunity to get specific questions. This helps us clear up any misunderstanding.

BT BOCES Health Consortium would need notification of our intent to withdraw from their plan by March 1, 2021. CASEBP would need to accept our district and would need 60 days to implement a changeover.

We will check to see if there is a minimum buy in period. There would be resolutions or legal paperwork that would need board approval.

Review of Financial Memorandum-We reviewed the items on the January 27, 2020 Financial Memorandum. We continue to receive generous donations from our community.

One item to note was the change in the UPK contract with our community partners. Currently, we are reducing our flow through payments by 20% as the state has reduced funding to us. If/when those payments are restored, we will forward the amount due to our UPK providers. All providers have been notified. Also, NYSED will allow three enrollment target dates in order for UPK providers to capture all students even if they were not enrolled on BEDS day.

Budget Development Status- We are still on track with Budget Development. It is early in the process and we still have a lot of work to do. So far, we have salaries in for current employees with an assumed increase, BT BOCES costs, benefits (assuming current health plan), debt service, and special education. At this point, we are up about \$1M, mostly due to retirement and health insurance.

We are still waiting for ONC BOCES costs, which include the BOCES admin budget and Occupational Education programs. Other information needs to be gathered from the building and department administrators including technology. We will also be discussing adding some type of summer school program.

As it stands at this point in time, our tax increase is up just over 3%. This is over \$600,000. While it does not sound like a huge number, it is a lot when our taxing ability is limited. It was noted that we are saving money as a result of COVID in areas like athletics, utilities, transportation, etc. We can use this toward any shortfall understanding that this is not a revenue stream that can be replenished.

Tax Cap Calculation-All factors have been entered into the tax cap calculation. We are just waiting for Fiscal Advisors to confirm our building aid amount. At this point, it looks like the tax cap for our district will be under 1%. A one percent increase in the tax levy is equal to \$220,914, so this will not generate much to offset our budget.

Bus Proposition-We will be looking to replace two 66-passenger buses. We are waiting for a quote. A letter of intent will be issued stating that we intend to purchase the buses in 2021-22 pending a successful vote by our Board of Education and district voters. Debt will be issued for this purchase if approved. Transportation aid is paid over a 5 year period. We will be asking for a trade in value for the buses that will be exceeded as in recent years, the auction has not yielded much.

Analysis of State Aid Proposal-Several handouts were provided outlining the Governor's Proposal for aid to our district. It really just led to more questions. This aid is based on the funding that was approved from the Federal Government in December. This aid proposal assumes that NYS will receive \$6B in Federal aid that will cover other areas of the state budget.

This proposal rolls categorical and expense driven aids such as BOCES and Transportation into one large aid category, which could hurt districts as their costs go up, if the aid is not based on actual expense. This aid projection looks high.

This proposal also eliminates prior year adjustments. For our district, this is \$109,443 that is due from NYS that would not be paid. It is unclear why STAR is included in the aid projection as STAR is not aid to the district, it is a benefit to individual tax payers. Many districts are encouraging property owners to switch their STAR benefit to a tax credit rather than a payment on their behalf to the school district. This way it will not be connected to our state aid package.

Once again, NYS is backfilling its aid reduction with Federal funds. This is dangerous for out years when there is no Federal funding to fill this gap.

Other Discussion:

Retirement payouts for announced retirements is up to approximately \$300,000, which is an expected cost.

There was a question about our current enrollment. Per Mr. Brindley, it is currently around 1,600. This could change as we transition back to in-person instruction. We have lost some enrollment to homeschooling and to The Otsego Christian Academy. Mr. Brindley provided COVID related updates.

Our meeting ended at 4:15pm.

Next meeting: February 23, 2021, 3:30pm

Location: TBD (DL Room or Zoom)

Respectfully submitted,

Lisa J. Weeks

Business Manager