

Great Neck Public Schools

Report for the Third Financial/Building Advisory Committee Meeting

May 7th, 2019

Members in attendance: Dr. Hersch, Ms. Raffel, Mr. Ni, Mr. Ohebshalom, Mr. Shen, Mr. Sun, Mr. M. Thadhanis, Assistant Superintendent of Business Powell, Director of Facilities Cavallaro, and board Vice President Ashkenase and Trustee Shi.

Shared Documents:

Board Presentation of 2019-20 Budget Overview - April 16, 2019

Great Neck Public Schools Summer 2019 Capital Projects

Nassau County School Districts Levy Limits, Levy Increases and Budget-to-Budget comparisons

We had our third committee meeting at Phipps Building on May 7th. The meeting was chaired by Mr. Ashkenase and myself, presented by Mr. Powell and Mr. Cavallaro, and attended by seven committee members. On the agenda was a discussion of the building projects, adopted school budget and other financial matters.

Mr. Cavallaro just came back from the Summer 2020 Capital Projects meeting this afternoon where nineteen projects were discussed. He shared the status of the Summer 2019 Capital Projects with us. SHS and SMS will be closed for major renovation of the library, the roof replacement (with estimated 150-truck loads of materials) and rebuilding of the TV studio. There are also upgrades of stage lighting to LED, windows replacements, etc at many school buildings. We are looking for the lowest responsible bidders of the projects. However, the cost of the construction has gone up due to rising tariffs and other factors. We resorted to value-engineering to stay within the budget in past practices and will continue to do so when sensible. Asbestos tests and necessary abatements will be conducted to ensure the safety of our buildings and workers on site. Ms. Raffel commended that NHS looked great after last year's envelope projects, to which Mr. Cavallaro added that the weather vane atop the building was restored to its former glory indeed.

This summer's projects cost over thirty-nine million dollars. The funding sources are from the Capital Reserve, Bond Referendum 2017 and Building Conditioning Projects (Year 2016-2019). Given most of our buildings are over fifty years old, the district appropriates four million dollars in its annual budget for building repairs. Each project usually takes a long turn-around time and requires the approval from the State Education Department (SED). Our two other constraints are the limited construction windows during which the schools are not in session and limited number of qualified contractors available for the school projects.

Mr. Powell highlighted the major increase and decrease line items in this year's budget in comparison to last year's. Specifically, this year's budget shows major savings from \$2.1 million dollars reduction in the teacher and employee retirement contributions, lower than expected spendings on the security vestibules projects, milder than expected health insurance increase, and other non-recurring charges. We also increase the our budget line items to hire three additional teachers in the secondary schools and two in the elementary schools. Two new pre-K classes are provided at the JFK school for the first time. So are the additional instruction hours for the English New Language (ENL) students in the district. In addition, we continue to provide the private school students with textbooks, busing services, special education, nurses, social workers and other services. This budget not only addresses the needs of our schools in response to the increasing enrollment and improved security measures but also maintains our program and the quality of our education as a magnet school district.

All this is reflective of the fiscal prudence our administrators exercise in each year's budget to meet our educational needs. The budget-to-budget increase is 1.99% and the tax levy increase is 1.94% this year. The resolution of the proposed budget was adopted in the last BOE meeting on April 16. Mr. Ashkenase and I encouraged people to come out and vote "yes" on the Budget on May 21st.

Mr. Powell also updated the upcoming serial bond offering, which still enjoys a favorable interest rate right now. There are also a few financial challenges going forward, such as how to motivate taxpayers to come out and vote for our school budget every year when many of them may face substantial increases in their property assessments. ESSA (Each Student Success Act) may require us to report expenditures on the building level instead of the district level, which could prove to be a challenge as well.

At the end, we discussed the existing portfolio of school buildings and lamented the days when we sold some properties that could be of service today. Mr. Ohebshalom commented that it would be wise and prudent to hold onto the underused properties by leasing them out instead of outright sales. Mr. Powell concurred that it was a historical mistake to sell the school property. Leasing is a better alternative like what we are doing with the Cutter Mill Road property right now.

Meeting was adjourned shortly after nine o'clock.

Respectfully submitted,
Jeffrey Shi