

Great Neck Public Schools

Notes for the Financial/Building Advisory Committee Meeting

December 5th, 2018 7:00-8:30 PM

The committee meeting began at 7:00PM at Phipps Building with following members in attendance, Mr. Gabriel Carras, Mr. Ye Ni, Ms. Qilan Ye, Mr. Joe Shen, Mr. Kevin Sun, Mr. Manoj Thadhani, Mr. Girish Thadhani, Mr. Ben Ohebshalom, Ms. Deane Raffel, Assistant Superintendent of Business Mr. John Powell, Facilities Director Mr. Alfredo Cavallaro, and board trustees of Ms. Rebecca Saussoni, Mr. Donald Ashkenase and Mr. Jeff Shi as the co-chairpersons of the joint FAC and BAC committee.

The combination of the joint FAC and BAC committee is due to lack of new membership application during the summer, new rule instituted for the board committee membership of two-year limit. As a result, the board decided to combine both committees and make efficient use of members as well as administrators time. Also, because we have second-year members except for Mr. Girish Thadhani, we feel there is less need to provide orientations of the basic school information. We jumped right into discussion.

Don commented about the bond issues (there is little for (2018-19 school year), construction needs as all of buildings are 50 years old at least.

Alfredo gave a report of the productive construction projects completed in the past summer. Most projects are 100% completed and the rest are in the final phase of completion, mainly consist of Roofing projects and district-wide installations of new fire alarms. There is a savings of roughly \$3M, or 19.3% of the budget of \$15.6M, which will be returned to the reserve funds. For the summer of 2019, the construction budget is \$43M of identified projects, scheduling conflicts with the construction crews and some shuffle-around. So about \$45M serial bonds (out of \$68M worth of 2017 Bond Referendum) will be floated in the summer of 2019 as these projects commence.

SED will approve the NHS parking lot with intended start date next June. Ms. Raffel reminded everyone about the runoff water from the storm on the Beach Road. This issue was taken into consideration in the project and will be properly addressed.

NMS has immediate problem of a crack/broken glazed wall inside the building, which doesn't pose imminent danger. NMS also has a much needed face-lift/envelope project, the rehabilitation of the facade, where the mortar is falling apart. Structural engineers are probing for the scope of the project.

Ms. Raffel asked about the school security, for which Mr. Cavallero update the vestibule to be installed during the upcoming winter break. This will implement two of the 4D's of Redland Security

recommendation, which is Deter and Delay the hostile activities. Mr. Carras, SMS English chair showed the "Rave" application on his phone, where he could lock-down the school with touch of the button if necessary. Only senior administrators and key personnel have this privilege. Don echoed that Mr. Balboni has been instrumental in the security audits and the recommendation from the audit could serve as the blueprint for the future capital projects. After all, security is one of the most important priority in our school district. Ms. Ye, a long-time construction management expert, suggested that we keep the construction document confidential without marking of the actual room number so outsiders cannot gleaned the information from our filings the public domain. Mr. Cavallaro also pointed out that the building materials for the security are amply available on the market and it saves us the money on the materials.

This concludes the building advisory portion of the meeting.

Mr. Powell started the finance committee meeting by stating the security funding are from state grants (from Senate Phillips(\$25K) and Assemblyman D'Orso(\$10K) and the operating budgets. We are getting money where we can from the local politicians but it sometimes takes long time to materialize. We finally got \$125K grants promised by ex-Senate Ms. Schimel from two years ago.

The audit report for budget year of 2017-18 gives us the best ratings as before. There is \$9.7M favorable variance from last year's budget, 4.33% of the total budget and under the state budget regulations. TRS and ERS are also favorable for this school year. Don commended JTP on his leadership of last twelve years, to which JTP humbly responded, "I inherited a good financials from my predecessor Ed Groshion(spelling?) for the school district". In the past year, we reached contract extension with Teachers' Union, which provides the financial stability and predictability where instructional expense is about 80% of the total budget. Works compensation went up substantially due to a traffic accident where our security personnel was hit by a truck. We also had a back payment to district employees who didn't use our medical coverage in the past four years. GNPS pays about 35% for the family coverage and 50% for the individual medical coverage. Opt-out has saved school district money and remains a win-win outcome for the employees as well.

The Bond pricing according to CMA is now at 3.05%, higher than a year ago at 2.55%. It will raise the costs of borrowing by the means of serial bonds, when the rates set lower in the beginning of the bonds and gradually increased towards the maturity of the bonds to reflect increasing risks in the long-end bonds. The health insurance costs will be increased between 6.9% to 7.2%.

Our savings account enjoyed a healthy rate increase the past year. We bank with CLASS, a public investment firm sponsored by the SED with very conservative investment choices.

Outside the school taxes, the main school revenue are from our adult programs and fun-for-four programs. Our school district has a total student population of 8,000, where 6,500 are in the public schools and 1,500 in the parochial schools.

The Nassau County Real Estate Tax reassessment was brought up during the conversation. Don made a proposal to forming a working committee to assess its impact on our local residents under GNPS.

We will have two more meetings planned for the committee. John will find two dates that work with our budget timelines.

Respectfully Submitted,  
Jeffrey Shi

