

Great Neck Public Schools
Report for the Second Financial/Building Advisory Committee Meeting
March 20th, 2019

Members in attendance: Dr. Hersch, Ms. Adler, Ms. Ye, Mr. Ni, Mr. Shen, Mr. Sun, Messrs. 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 - March 11, 2019

Great Neck Public Schools Summer Capital Projects - 2019, 2020, 2021

CMA Capital Market News - March 2019

The committee meeting started at 7:00PM at Phipps Building.

Mr. Cavallaro shared the Great Neck Public Schools summer capital projects for the next three years. The roof, HVAC and windows replacement project at the SHS/SMS alone totals \$20M this year. With regards to the roofing projects in the district, Ms. Ye suggested using repair approaches instead of replacing the entire roof. However, Mr. Cavallaro said that these roofs are already past their lifespans at this point. Partial fix is not an option. All building envelop projects should be completed by the summer 2020.

According to Mr. Powell, the finances for planned construction projects over the next three years will be \$39.5M for 2019, \$27.6M for 2020 and \$10M for 2021. The funding for these projects is a combination of the \$68M Bond Referendum voted in 2017 and \$9M from Capital Reserve.

Mr. Ashkenase commented about necessities of these construction project as most of our buildings are over 50 years old. Mr. Shen asked, "what other outlays for the building projects (besides already mentioned above)?" Mr. Cavallaro responded that there is an estimated \$9M building facade project at the NMS. JFK school will convert two existing classrooms for the pre-K program starting in September. We try to limit the number of construction projects going-on at the same time.

Mr. Powell said we usually budget about \$4M each year for these building capital projects, which are overseen by State Education Department(SED). Our favorable variance is about \$6-7M this year with our capital reserve at \$40M. The favorable variance serves as a financial cushion to meet unforeseen expenditure we may encounter. Our strong balance-sheet affords us the AAA credit ratings. It will keep our borrowing costs low when the serial bond is floated this June. The projected interest rate for the bond will be at a very reasonable rate of 2.83% based upon CMA analysis.

A review of school enrollment for the last 20 years shows a small but steady increase. Mr. Ashkenase asserted that we need to take care of the needs of the current students and provide the best possible settings for our children, including those in the BOCES programs, and both private and parochial schools. Mr. Sun also alluded to the existing space constraints at EM Baker school and possibility of overcrowding in the secondary schools, especially for the students in the option zone. Mr. Cavallaro said the safety concerns, such as smoking and egress regulations, would dictate what we could do as we add more space to the existing structures.

The discussion was subsequently shifted to the voter turnout for the upcoming election on May 21, 2019. High school seniors are registered to vote and hopefully they will also participate the absentee ballots in the future elections. Ms. Adler suggested that we should get resident alumni involved as well. This year's ballots will also be available in Spanish language to comply with Voting Rights Act of 1965.

Due to time constraints, Mr. Powell shared the board presentation of the budget 2019-20 without going into specifics. Everyone is welcome to reach out to him if more detail is needed such as the formulas behind the tax levy calculations. Our budget numbers are reasonable because we will tax what we need to run the schools while maintain the fiscal strength of the school district.

Meeting was adjourned shortly after 9PM.

Respectfully submitted,
Jeffrey Shi