

Feasibility Study Committee Meeting #4 Notes

1. Responses to questions from Meeting #3:

- a. **Architect Steve Sandburg sent the following information in response to questions posed by committee members:** The Clymer Central Site - Total Acres: 28.71; Age of Building: Additions in 1935 (original); 1949; 1960; 1969; 2000; 2003; Site Septic System: 2003 (original); 2013 (field replaced); 3 Tennis Courts
- b. **7th and 8th grade music and art programs charts** are in tonight's handout packet;
- c. **2. What is included in the Miscellaneous category on the budget sheets?** Details were e-mailed.
- d. **Will schools lose funding if all students opt out of NYS assessments?** Since no school districts have done this, all responses are conjecture. Some schools noted decline in opt-outs for 2017, possibly because there is a moratorium on the use of test schools in teacher evaluations, and possibly because the tests are changing. Next year's tests will take 2 days, not three.

2. Focus Group Feedback:

Overall comments: There seems to be mounting fear about a merger; most feedback is emotional and not based on fact; reflected a general lack of information, either from not receiving it or not paying attention; Are people well informed about district finances? Overwhelmingly No; Some comments were the same for both districts: want both buildings to remain open, proud of their schools, worry about losing "community", concern about transportation.

What stands out about one district's comments vs. the other's: Clymer is more concerned about the merger than Panama; there were 214 attendees at Focus Groups in Clymer, and only 43 in Panama; there are more businesses in Clymer (but only a few on the main street), so residents worry about losing that main street's businesses; the \$2.5M penalty; "Fund balance in Panama could pay it today if the board so decided"; *can [the team] put out a simplified financial statement that shows future fund balances moving toward a \$0.00 balance?*

Questions to answer before moving forward: the fate of the Panama penalty; "It will be easier when all of the pieces of the puzzle are put together; transportation; tax rates; sustainability; job losses; can we add more questions?"; the cafeteria situation after a merger; the location of the students (buildings).

3. Financial Projections:

Dave noted that pages 3-1 – 3-3 in the handout packet show previous years' budget and school board votes. He then distributed a worksheet with the heading Statement of Revenues, Expenditures, and Changes in Fund Balance from 2016 to 2018 (actual numbers), and from 2019 – 2023 (projected numbers).

He asked, "What is similar in both districts' budgets?" Responses: Revenues, sticking to the 2% rule of thumb for tax increases (NOTE: If a district wishes to levy a higher-than-2% increase, 60% of those who vote on the budget must approve the higher levy); state aid is quite stable UNLESS it's an election year (when higher aid is usually granted) or there is a decrease or increase in school population.

In expenditures, transportation and instruction are the highest categories of expenditures. You can see that the cost of salaries and benefits continue to rise, while revenues are quite flat.

Question: Won't salaries increase in a merged district because of leveling up? Response: Not necessarily. In a merger, each district's teachers continue work under their old contract until a new contract is settled. The NEW board of education will have a good grip on the financial status of the new district and the projected use of incentive aid, so negotiations will proceed from that perspective.

Two committee members "ran the numbers" and arrived at the following conclusions: John Brown: There could be savings on staff (- 6 teachers); fewer coaches; potentially lower unaided (after school) transportation costs; reduce debt service by \$1M per year; consolidate bus garages.

John Shifler: Close a building to reduce costs; keep most teachers so that students are afforded additional opportunities; reduce custodial staff; combine athletic programs. "The only way to save money is to remove a fixed cost."

Question from the committee: What has happened to closed buildings in merged districts? Kait Curtis said that in Warren County, PA, they closed 6 elementary buildings and some were sold while some are being used by the [county-wide] district, mostly for storage. Current uses include community center, housing, business.

IF the districts run out of fund balances, Dave asked if taxpayers would approve a 12% and then 6% increases in successive years to pay all the bills to run a district without a fund balance to pay the over-expenditures each year. Response – No.

Most districts carry a surplus in their budgets (they over-budget in one category or another) to make sure that they can make emergency expenditures.

Question: Can you use merger money to make an empty school more attractive for sale? Yes IF you do it while there are still students in the school. You can't use the money if the building is vacant.

What do you need to do to convince the public that the districts have major financial issues? (I suspect that that was a rhetorical question.)

Dave distributed information about the tax rates in each district for the past 10 years. In most districts, raising taxes is inevitable if you wish to maintain programs and staff; however, in Panama and Clymer, taxes were not raised for several years because each district was cited for maintaining too high a fund balance in the NYS Comptroller's Report.

Question: Can a district hire a P.R. firm to help provide accurate information about a merger? Yes, many do.

Question: What is the cost of changing all the branding (colors, sports uniforms, stationery, etc.) Not a big deal. Sports uniforms are changed every five years anyway; other costs are also not a big deal.

- 4. Transportation:** Tom noted that in the staffing report (handed out earlier), the titles to be used for each district's main contact for the transportation department is Mechanic in Clymer, and Transportation Aid in Panama.

A district's transportation aid is based on property wealth and how transportation is reported.

The basic comparison shows that it costs more to transport students in Clymer than it does in Panama. Both districts park all busses indoors, and both run elementary and high school students on the same busses.

Question: Who designates the condition of busses? Steve Carlson, the mechanic in Panama, said that the mechanics do that job based on NYS inspection guidelines and mileage, and their mechanical condition.

Question: Who is responsible for the interior condition of the busses? The drivers. Tom distributed a chart showing the distances and estimated travel time between selected addresses that he had Google mapped for each district. Times would increase based on the number of stops for each bus.

He then commented on ways to make transportation more efficient.

1. Routing software, provided that someone who knows the roads is evaluating the software's recommendations. (Eg., a local person would know that you cannot stop to pick up near the peak of a descending hill.)
2. Decide whether to try to fill every seat on a bus, or try to set a time limit for rides to maximize efficiency.
3. Routing policies: Use central pick-ups for students who live within xxx feet or fractions of miles from a pick-up point.

Currently, the routes are reviewed every summer, but there have been no major changes in many years in each district, according to the people in the transportation departments. Districts do not receive transportation aid for any student living less than 1.5 miles from the school. They do receive aid if a student stays after school and is transported home at a later time (eg., after athletics, after detention, etc.) However, no aid is granted if a bus transports students to another school for an athletic event or a non-educational field trip.

4. 6-year rotation of bus purchases. When you purchase a school bus, you get back 90% aid in Panama, and 69% aid in Clymer. Districts can trade in a 6-year old bus and receive back more than the actual cost from the trade-in itself plus state aid on it. Also, extended warranties last for 6 or more years, so this means that local mechanics can concentrate on routine maintenance and not major repairs.

Tom said, "Transportation is what every member of the public sees. It's that yellow bus with a name on it." In a merger, there is a good chance that some of the bus runs will be a little longer. One thing that can help the length of the bus ride is placing fewer students on long runs.

What needs to be done to make transportation successful? In Tom's view, the following:

1. Create efficiency
2. Create policies about the length of time a student can spend on a bus
3. Create a six-year rotation for buses

The question was raised regarding contracting out for bussing. Sub-contract bussing is a possibility, but with 90% aid it might not make sense. (The merged district would have a 90% aid ratio?)

Question: Can you share transportation software with other districts? It is not BOCES aidable, and it probably would not make sense.

5. Athletics: Marilyn reviewed the current status of athletics in the two districts. Clymer and Panama share JV and varsity football; boys and girls cross country; boys and girls track, girls swimming. Each district also shares sports with other districts. For shared sports, each district must have a coach, and some larger teams also have an assistant coach. If there are volunteers who assist with coaching duties, they are not listed on the information provided. When asked

about shared sports in the student focus groups, the students said that they love them, with the exception of riding on the bus (one response). Teams are shared because there are not enough students in the districts that wanted to participate.

Question: Will soccer come back? Mr. Lictus said probably not. Not enough students and other considerations.

- Are there other opportunities for sharing? Some in the group thought that baseball may soon become a shared sport because of low participation rates. Basketball will probably not be shared because it does not take many students to field a team.

There is a discrepancy between the coaching salaries that Marilyn distributed, and the contract information that Dave distributed because the salaries are actual (Board approved for '16-'17) vs. base salaries on the contract information pages.

- In the long run, what are the pro's and con's of cutting sports?

Pro - Could save money on coaches, equipment, some transportation, maintenance of the athletic facilities. There would also be greater competition, thus raising the level of play.

Con - Parents are very involved in school athletics and get to know other kids by attending events; students like to be involved in team activities.

The relative cost of athletics is low in comparison to other possible cuts.

- Were you surprised by any of the costs? "They were lower than expected;" "The budget information from the Clymer budget did not detail many costs."
- What would students gain in athletics by being in a merged district? No more worries about having enough students to participate; would have age-appropriate teams (more modified teams, no need to play younger players; would have more competitive teams.

Question: How do booster clubs factor in? Marilyn said that each district has a parent support group (not called a booster club in Clymer; called boosters in Panama), so there would simply be a larger parent support group for the athletes. In a focus group for boosters, one parent said that it would be great to have more helpers for booster functions, such as concession stands and fund raisers.

Question: With more students, would costs be higher for equipment and supplies? Not really, especially since there are already shared teams for most sports, and for the other sports, you would simply use the larger district's expected budget.

Only the Panama Physical Education/Athletic Facilities report was available. Marilyn is still trying to get the facilities report from Clymer's athletic director. (Just received it, and it is also attached to the email that contained these notes.)

6. Contracts: Dave reviewed the bargaining units in each district, along with the current contracts' dates in effect. He then reviewed the major provisions of the teacher agreements in each district, noting that the Panama contract is in effect until 2019, not as stated in the heading of the Panama column on that table. (p. 6-2) The two contracts are similar in many areas, but differ in a few. In a merger, the existing contract for each employee is in effect until a new contract is ratified. Page 6-8 is a base salary comparison for the two districts. To understand the contract differences, it is important to read the provisions and then make the comparisons.

7. Homework for July 12: Please read over pages 9-1 and 9-2. It is important to the study to have each committee member respond in writing to the questions. This

homework will be turned in, and it is not required to provide your name on the homework! (Very different from most assignments!)

One piece of information we did not share with you concerns teacher certification for teaching in a middle school (usually grades 5 or 6 – 8). Middle school or secondary certification is required for grades 6 – 8 or 7 – 8 for the core content areas (English, math, science, social studies.) Currently, you have a K-6 building and a 7 – 12 building. Your current 6th grade teachers are not required the newer middle school certification.

Also included in the handout packet are the rankings from this year's Business First newspaper, plus the criteria for the rankings. No discussion was held, but it would be interesting to compare the two districts over the 9-year period of time.

NEXT MEETING is on July 12 in Clymer – probably in the cafeteria since it's a larger room, but also with no air conditioning. Finding air conditioning plus a large size room seems to be the issue, so we can always hope for cooler weather.