

**NORTH SALEM CENTRAL SCHOOL DISTRICT
NORTH SALEM, NY 10560**

**BOARD OF EDUCATION
MINUTES OF JOINT MEETING
WITH TOWN BOARD
Wednesday, June 14, 2006**

A Joint Meeting of the Board of Education of the North Salem Central School District and the Town Board of North Salem, New York, was held on Wednesday, Jun.14, 2006, in the North Salem Middle School Cafeteria. There being a quorum present, the meeting was called to order at 6:49 p.m. by Ms. Carla Palma.

Board

Members:

Douglas
Giamundo
Hart
Hershman
Martell
O'Meara
Palma

Present:

Ms. Carla Palma, President
Ms. Alison Hublard Hershman,
Vice President
Ms. Lisa Douglas
Mr. Paul Giamundo
Ms. Marie L. Martell
Mr. John O'Meara

Absent:

Ms. Norma Hart

Also Present:

Dr. Peter R. Litchka, Superintendent of Schools
Ms. MaryJo Hauser, Assistant Superintendent for
Pupil Personnel Services
Ms. Sylvia Fassler-Wallach, Director of Finance
Dr. Patricia Cyganovich, Principal Middle/High School
Mrs. Roberta Reiner, Principal of PQ
Mr. Henry Sassone, Director of Physical Education
Barbara Lavrakas, Asst. Principal of PQ
Community and staff members

Absent:

Town Board Members

Tom Belcastro, Sy Globerman, Warren Lucas, Christopher Brockmeyer
Absent: Christopher Morley

Reconvene to Public Session:

Ms. Hublard Hershman called the meeting to order at 6:49 PM

Pledge of Allegiance:

After the Pledge of Allegiance, **Ms. Palma** welcomed all present. This is the second special meeting for budget reconsideration

**ACCEPTANCE OF
MINUTES:**

Mr. O'Meara made a motion to accept the minutes of March 8, March 15, March 22 and April 19, 2006 with a minor change to the April 19th minutes; **Ms. Douglas** seconded it. It was carried unanimously.
A second reading of the Wellness Policy 5405 was held.: **Mr. O'Meara** made a motion to accept the policy; **Ms. Douglas** seconded it. It was carried unanimously

President's Report:

Superintendent's Report:

This may be the first time the two groups have met. Hopefully, this will be the first of what might be twice yearly meetings.

Budget Presentations:

Mr. Globerman: Equalization: It would take the town assessor two hours to explain this to us.

Mr. Lucas: Brewster's tax burden is up more this year; last year it was North Salem's. In the past, Somers had this too. Everyone does not understand it. I would like it if the budget went up at x percent, and the taxes for everyone went up the same. It is hard for people to plan as it is now. From a district point of view, it would be beneficial to look at it. Equalization would stop the swings.

Mr. Belcastro: The Town Board, and I, specifically, are concerned with taxes. It needs to be dealt with meaningfully. There should be some kind of stability. That is the key to the people being able to deal with their taxation.

Mr. Brockmeyer: Everyone on the Town Board shares the alarm at the rate at which our taxes have been increasing. The principal issue is taking a big picture approach on issues that are not local. Locally we have problems finding an ideal long-term solution. We need to approach as many other towns and municipalities to help contribute to a solution. Make Albany wake up and fund these schools. It is time for a fundamental change. We need to work on it statewide. The Star programs works for a few years then the increasing taxes kind of wipes it out.

Mr. Globerman: If we do a revaluation, the taxation won't be equalized.

Mr. O'Meara: The town and its budget are equal exactly to the tax that is levied on the residents of the town. The budget creates the taxation. We have a school district that cuts across two counties and five different towns. (Parts of four, all of NS). NYS determines the value in this town and therefore the rates are such. This cannot be solved by the actions of the Town or School Board of North Salem. We can look to bring resolution to this issue. Now specifically, a school district like this one is solely run on property tax.

Ms. Fassler-Wallach: The Star program picks up 8% of the budget.

Ms. Palma: The towns involved would have to petition for the boundaries to be changed. That would solve the equalization fluctuation, but that is only part of the issue.

Mr. Lucas: We need to find other ways to fund.

Mr. O'Meara: One percent transfer tax is a good idea.

Mr. Lucas: We have about 82 homes in North Salem per year. We don't control the other towns if their zoning puts more housing in our school district.

Ms. Martell: We had to pay a transfer tax of 3% to move out of the area where we lived.

Mr. Giamundo: The dollar amount? One percent would equal?

Mr. Lucas: Around \$700,000.

Ms. Palma: What is the process of doing this?

Mr. Globerman: We would have to get together and lobby the state legislature. We tried this several years ago and didn't get the support.

Ms. Palma: What is the requirement?

Mr. Globerman: It would require a state law.

Mr. Lucas: We get a portion of the mortgage tax, but it changes year to year. It has been going up year-to-year lately. There has to be some other way of funding this other than this. The older people want to stay here but the taxes can get too high so they have to move.

Mr. Belcastro: The Senate and Legislature have bills before them. Either one of them would be a meaningful change. They are based on one's income rather than property. A joint effort by the school and town board would be very effective. Perhaps we should form a standing committee of the two boards. I think we would probably want to do this. We want to begin to construct a package that would help the school tax burden.

Mr. Brockmeyer: I don't think Albany is going to listen to one small town or school board.

Ms. Palma: We belong to the Westchester County Boards of Education. They lobby to press for our causes.

Mr. Belcastro: The Westchester Municipal Administrators Association can help us. This movement is looking for leadership. It already has a cause.

Ms. Palma: When you look at the legislators, the members are mostly coming from the cities. That's who's affected by this kind of law.

Mr. Brockmeyer: NYC already has some form of that.

Mr. Lucas: You have to pick something that is not so controversial. Coming out of the payroll, is fairly controversial. I am sure a real estate organization would be opposed to a transfer tax. The Town gets a piece of the county mortgage tax.

Mr. Giamundo: In March **Ms Hublard Hershman, Ms Martell** and I attended a Legislatures' breakfast. They really listen to a legislator when he has a stack of letters and emails to back him up. Draft a form letter and put it out on the Internet. The most powerful lobby in Albany is the Teachers' Union. If we can get the Teachers' Union on board to help with this issue, it would be a great help.

Mr. Globerman: The State United Federation of Teachers never even answered my letter. Have things changed enough now that they might run with it?

Mr. Belcastro: If we get enough "squeak", you might get the UFT to take

another look at it.

Dr. Litchka: I think we should join with four other school boards and invite our local assemblymen and senators. Tell them we are very frustrated with this manner of school funding. Put pressure on our legislators and have a summit. We may want to consider having a summit on school education funding.

Mr. Brockmeyer: It seems clear that it isn't a unanimous opinion that we should get together with some frequency on this issue. We need members of both boards to get together to identify with other school and town boards and see what others share with us. Smaller groups for detail work are more productive.

Mr. Lucas: Even smaller districts may appreciate an option for generating more money.

Mr. Belcastro: Any school system would have to demonstrate spending restraint. No frivolous items. You need to be able to speak with the people in English. With a budget like that, you will have greater support. I think it is absolutely necessary for the School Board to demonstrate that they are running a tight ship. Then, we have a platform to go forward.

Ms. Martell: After the breakfast, we sent letter to **Assemblyman Stephens** and **State Senator Liebell**. I think it helped because we did get some more money.

Mr. Giamundo: Another thing from that meeting, the Star program is based on 1998 tax assessment. There might be a very good area to move it up, use more recent values.

Mr. Lucas: I think almost everyone in this town makes it out.

Mr. Giamundo: How do you get the residents to know that we are making efforts towards this issue?

Mr. Belcastro: We have much the same problem in town government. Making people understand changes is hard. Send a letter from the Superintendent of Schools to explain steps we have taken to cut costs and eliminate waste.

Mr. Lucas: A joint letter with the Town once a year might be good.

Mr. Globerman: Unless we had a shared service plan, we wouldn't have an impact.

Ms. Palma: We try to put out a district-wide mailing describing our achievements. We send out both a letter and a state mandated mailing describing the budget process. I think it is a pretty transparent process.

Mr. Belcastro: I would suggest that when **Dr. Litchka** does write his letter, it should point out the items that you have done. TV is also an effective way to do it. A segment on what the school does and how they do it might be a way to get the word out.

Mr. Giamundo: With reference to financing and tax relief, brought up at last night's hearing on a comprehensive plan; what impact might that have if it goes through as suggested or amended?

Mr. Globerman: When we looked at the old plan and where we are today, the majority of the Town Board realized that we lack commercial property to support the School Board. We decided we needed to find some places in town where we could have commercial ratable.

Ms. Palma: If you look at towns similar to ours. What are the average commercial ratables?

Mr. Globerman: Other towns are around 5%. Our town is around 1%. We try to find something where the traffic is broken up. It could take up to 7-10 years.

Mr. Brockmeyer: My view on the commercial ratable as an effective means for lowering our taxes on the long term is that I am unconvinced. Over the long term it will do nothing to help our tax problems, and will indeed compound our problems. I do not believe at this point in time that the commercial development projects we propose are going to do what people who support this hope it will do. It is a controversial subject.

Ms. Hublard Hershman: What areas are you looking at?

Mr. Brockmeyer: The most controversial is in the Croton Falls area for a conference center. Behind Outhouse Orchards.

Mr. Lucas: This is the problem we have in all areas; nobody wants it in their area. Hardscrabble Road has the highest traffic in the area.

Ms. Palma: I realize the need for studies. We can't control anything beyond the local.

Mr. Globerman: PepsiCo and IBM are helping pay for the Somers school bond. It is undeniable.

Mr. Lucas: It is a balancing act.

Mr. Brockmeyer: That question begs the question. Somers has grown because of IBM and PepsiCo.

Mr. Globerman: Towns with large retail ratable need more police.

Mr. Belcastro: We need to be careful in what we get behind and support. We are not in the business of defining businesses. We want people in town to provide services locally. One we have been really behind is the Golf Course-Conference Center. We have tried to get behind that kind of development so it will fit nicely in the kind of town we want to have. The Town Board has to be able to stand up and say we have done everything we can to help raise the tax

base for schools. We've come to you and screamed to you.

Mr. Globerman: It would be helpful if the school board would pass a resolution to support our increasing commercial ratable.

Ms. Martell: I heard something about housing.

Mr. Lucas: We had to find a certain amount of multi-family low income, 5-6 sites. If you built out on all the sites plus the optional sites, it would be 5-600. An additional 20% of lots for free (moderate income). About 15 would be "affordable" units. It will be a complete disaster. In most of these areas, it is four to the acre. There are areas that the Town controls the price of the property. The affordable homes pay taxes based on the prices we set so we get less tax there too. You can actually zone senior citizen housing so you don't have so many additional students. I'm not a big fan of the build-out. We have (affordable) rental apartments in Town that if you outgrow the income, you have a year to move out. But, if they buy an affordable house, they can keep it even as a summer home.

Mr. Belcastro: The County allotment to us is 187 units. We are still directed by the courts to provide zoning for affordable housing. When the County makes a recommendation it becomes an expectation. We share in that responsibility to provide affordable housing.

Ms. Palma: Whenever there is new construction, there is recreation impact. We should also have a school impact requirement as well.

Mr. Lucas: Even if you have the enabling legislation for the transfer tax, you have to set it up and implement it locally. We'd be more than happy to back that. The State code may say that a city can do this, but we'd need to have it added for towns. We need to pick something that isn't offensive to a lot of people so you can get it done. You are not going to go in and get the State to switch from real estate to income tax. It's not going to happen. We could take 10% of the property on new development or the money.

Mr. Brockmeyer: There are a million ways to tax. What we need to do is figure out what the most reasonable way to do this is.

Ms. Palma; Re communications: Re search areas – tax certiorari What is coming up?

Mr. Globerman: We don't know what we are getting until people file.

Mr. Lucas: The value of a residential lot is consistent. The value of a business property is based on the value of the business.

Ms. Palma: From our position we need to have some gauge on what our tax certiorari reserve should be.

Mr. Lucas: If it is going to be a big number it is usually done over a couple of

years. On the large ones, we know well upfront what is happening.

Guest: When you talk about affordable housing, what price are you talking?

Mr. Lucas: A few years ago it was about \$150,000. Now it would probably be \$190,000 (around two times the average income).

Guest: If the conference center is passed, do we have a clear idea of what we are getting back from it?

Mr. Lucas: It is based on what they are going to build. The group hasn't been back to us since last August. There may still be some interest. 300 some acres; paying now about \$100,000. If they would build, it would be possibly \$750,000.

Guest: What is the amount of money that we spend per student?

Ms. Palma: About \$25,000.

Guest: Isn't that a bit high for a district our size.

Ms. Palma: Yes we had a CAC this year to study the driving forces behind our budget. School districts we benchmarked against were around \$23-24,000.

Mr. Brockmeyer: We have a smaller school population than those to which we are being compared. We have more services and activities.

Ms. Palma: Larger towns have better economies of scale. It is not easy to provide exact scheduling for everyone. We are talking about the difficulty of being in a small district. Our sports program is not all that different. We participate in "shared teams" with John Jay. At the end of the day, the kids all go on one bus. It is very cost efficient, but adds 5 or 6 teams to our roster. Those are the kinds of things we try to leverage all the time. On the average we like to run AP sessions of 10, 15, to 20 students per class. We don't want to shortchange the students. These are the kinds of things we are looking at very carefully.

Mr. Giamundo: **Mr. Brockmeyer,** there is a segment in the community that is concerned about the cost per pupil. We have addressed it by this second budget. Some districts like Brewster and Mahopac have just put up the same budget the second time. The amount of misinformation in the community is scary. Getting the participation of people to come and have input is critical.

Ms. Palma: The SAT scores: The State Report Card – it has grown remarkably. The kids are doing great. Their programs are really great. The SAT scores are one measure. There are lots of debates around that. There is a direct correlation between the income and the scores. Look at our students and where they are going to colleges. Our State Report card – we are very proud of our students.

Mr. Brockmeyer: This kind of segues into merging school districts. Some parents say, "Sure we should do this," others view it as the end of the world. Also, shared administrative services, which is maintaining local autonomy but

sharing back office expenses.

Mr. Giamundo: The concept is good. Whether you can do it legally; without a negative impact... I'm not sure.

Mr. John White: The administrative fees were a surprise. Larger school administrative costs grow exponentially. Regarding misinformation: What the State of CT does is they pay for the benefits, etc. It is hard to find people to team with. We are at the bottom of the aid pole. The formula is really set against us. Long Island got an exception. The State aid formula is broken. We get less than we got 10 years ago. We need to take every opportunity to encourage local representatives to try to fix it. Brewster gets three times as much aid per student.

Lady: Someone should look at how they got that exemption. **Ms. Palma,** what is the percentage per town?

Ms. Palma: NS is at 65%. When schools consolidate the economics come when you can close and sell off buildings. We have shared sports teams. **Ms. Hauser** can better speak to the specialized special education services we share.

Ms. Hauser: The costs to send a child to a neighboring district is less than BOCES would cost. We share transportation with other districts.

Dr. Litchka: I hope we don't leave Washington DC out of the conversation. The ADA was supposed to be 40% federally funded. Now it is around 46%. The No Child Left Behind Act federal funding has been cut every year as well. The State then can give us less and so we have to tax more. Let's not let Washington off the hook.

Mr. O'Meara: Regarding Ben's question about the cost per student: This was brought to our attention several months ago. The committee analyzed each piece of the program. The cost of transportation is out of line because of the distance students are transported. That report arrived about three weeks after the initial budget was set. The number of teachers per student was high; You can take any given class ... you have to break it down further. One area is the AP side. The other is on Special Education or Other Services. That is the kind of thing I expect to see based on further study. You can see very hard working boards struggling with some difficult issues. To get these guys excited, talk about "Ratable". One issue that wasn't mentioned is BOCES. It is a separate board of education. We get all kinds of services that would cost more if we had to buy them ourselves. When we talk about a joint committee, in July we should also approach the other constituent districts. One thing we should talk to State and Federal Government about is unfounded mandates. I don't think this district should close down and become part of another district. I think this district is the reason a lot of people choose our community. It also reflects on the values of our homes. We are intrinsically linked together. As a member of this board, I would analyze the issue if it were brought forward.

Mr. Belcastro: All of us have an interest in the school district. Shared services ought to be extended. Is there some way you can group your heating oil. Can

you bid out your maintenance, food services? Those could be cost effective. How many ways are there to cut grass? Those are mechanics. I would like NS to stay NS.

Mr. O'Meara: Those are some of the things we are currently looking at.

Lady2: When I think of shared services, I think of shared services between the Town and the School District.

Dr. Litchka: In April we had a safety summit. One of the things that came out of it was that we can share some of the services and we can become more aggressive in pursuing these grants to make our district and town safer. That is an example.

Mr. O'Meara: One of the things to point out has been blessed by shared services for years, like recreation. We use cross support of facilities. We can put onto the list of things for this Committee to seek new ways to share services.

Mr. Lucas: We have an engineer who spends half his life writing grants. I don't know if there are similar grants available for school. Contact Sue Kelly's office for a list of available grants.

Dr. Litchka: We are a relatively wealthy district, so if we are competing with a rural district we won't fare well. Grants tend to dry up. Then what do we do with the new personnel we hired under the grant?

Mr. Lucas: New types of programs. I am guessing we probably do 10 or 15 grants per year.

Ms. Palma: If the grant is an initiative, we tend to lose out because we are a high level district.

Mr. Globerman: What about through BOCES? Do they have a grant writer?

Dr. Litchka: If we buy services through BOCES, we get some money back the following year. There are considerable grants for schools that are not performing well, or low income, or both.

Mr. Belcastro: People don't necessarily file for the grants, and if you file, you might get it, or part of it.

Ms. Martell: It is one thing to be sharing BOCES services, and athletics. I think we have a good district. I don't think sharing administration would work. We should be very proud of the schools our students are getting into. We get news clips from various districts. The websites show what colleges our students are going to. The SAT tests are not based on 2400 rather than 1600. The Princeton course is over \$1000. The medium income for NS \$109,468. When you do comparisons, take a lot of things into perspective.

Mr. White: The State uses average, not medium income.

Ms. Palma: Taking a look at the agenda and the time, items c and d on page 2. We haven't touched on agricultural exemption.

Mr. Belcastro: If you have seven acres and choose to take on an agricultural activity, even growing trees, you are entitled to an exemption for that part of the property. They are required to show gross revenue of \$10,000 to stay eligible. These are tax dollars that are dramatically lost to us. The residence is not exempt. It is not 100% in all cases. The assessor has to look at each individually.

Mr. Lucas: Historically the total value of the Town has been going up 1.5 to 2% per year. In 1978, around \$150,000,000. It doesn't take too many agricultural exemptions to take away. State law governs the ag district as well. If you do the agricultural things, you save on your taxes.

Mr. Belcastro: Don't confuse the agricultural district and agricultural exemption. The County was looking to try to establish significant green areas. The exemption law takes away tax dollars.

Mr. Brockmeyer: This has been a very divisive issue in Town. There are certainly benefits. Some things are lost in the debate. **Mr. Lucas** alluded to one. It does indeed help prevent more housing and more children on property that is now exempt. The people who do have the exemptions are often paying \$70-\$100,000/year and sending no children to school. We are talking about 20 exemptions in town.

Mr. Lucas: When you get a total assessed valuation for the town, we break it out. The people get a higher hit than you think it will be. We divvy it out based on who has and who has not exemptions.

Mr. Globerman Relative to the size of the Town, most other small towns don't have this much land under agricultural exemptions.

Mr. Belcastro: The only issue is that agricultural exemptions are lost tax dollars.

Mr. Globerman: The State looks at them and approves them.

Mr. Belcastro: If you have the acreage, you can put in a hay field relatively easily.

Mr. Globerman: The turnover is accelerating because of the acreage change. When they flip over that quickly you don't have the time to do a slow adjustment.

Mr. Lucas: Trees have nothing to do with the Ag District.

Man: Regarding the Agricultural Exemption, it is a loss of revenue for the School Board. I have seen the School Board work very hard to do their budget and they should be commended. The Town Board needs to take a look at it.

Mr. Globerman: We believe that a large segment of this town is agreeable with commercial ratable.

Mr. Lucas: We are not looking at this Ratable bringing in 20% of the school budget. If you bring in an additional \$1,000,000 it may reduce your taxes by 1%. Senior housing may bring in increased tax money with less increased costs for the school district.

Mr. Belcastro: The agricultural exemption doesn't directly affect the school district. Whatever their budget is, we have to assess the taxes to cover it.

Mr. Globerman: When you are short of tax dollars you have to find alternatives to raise them. What we do locally with our zoning in this Town is solely in our own hands. The legislators will ask us "What have you done in your own Town to try to address these problems?"

Lady 1: What about if we got those 5-600 houses. They would generate around 500 students. Rather than closing down students, what if we revert the school to the NS school. If the taxes get too high, we will become a transient town. People will move in to educate their children, but the elderly will be gone. You've got to balance here. If you turned this into a NS school.

Mr. Lucas: We can't tell other town residents to go to another district. They have to vote to do that.

Mr. Brockmeyer: If the non-NS part of the district goes and we supplement that with the 5-600 new homes, most households in Town are not paying \$24,000 in taxes for each student they bring into the schools. The moderate-income houses would bring in less tax per homeowner.

Mr. Lucas: Those lots are zoned. If someone wants to come in and build on it, there is nothing we can do about it.

Ms. Palma: NS was the first district formed in the State.

Man 2: The school is as much the heart of the communities of Southeast, Carmel and Somers as it is to North Salem. The people in these other towns are just as much a part of it as those in NS.

Mr. Lucas: If I look at the teams in Town and the scout leaders, there are just a large number of volunteers from the other communities.

Mr. Brockmeyer: There is a section of NS that goes to Katonah-Lewisboro schools.

Ms. Palma: I think we've covered most of the agenda items. A good idea would be to have a joint task force. School impact tax for new construction, looking to support 1% sale mortgage surcharge. The need for another method to bring in more taxes. Commercial Ratable issue. Certs, development in Town; Long

Island exemption; unfounded mandates; TV station avenue; request for NSSD to support Senior Housing. We didn't go into much detail on the school safety plan. We have talked about NSSD becoming an emergency site. That might provide money for emergency generators, etc.

Ms. Martell: We want to have Drew Outhouse as part of our school safety program.

Mr. Belcastro: When we appointed **Drew**, we planned to have him work with the school too.

Ms. Palma: Does anyone have any expertise in roofing? Last meeting there was a discussion around having a Town Board meeting with the other town boards.

Mr. Giamundo: I hope this evening's forum is the beginning of cooperation between the Town and School Boards to solve issues. Last year **Dr. Litchka** and I attended a Town Board meeting. I think you people said it was the first time a school superintendent had come before the board to give a presentation.

Mr. Lucas: I appreciate being given first-hand information

Mr. Brockmeyer: I hope this builds momentum that we continue pushing forward. The first step is the task force. This is great.

Ms. Hublard Hershman: I would like to see some cooperation between the Finance Committee and the Task Force.

Ms. Palma: Both boards need to designate at least two people. We usually do this around September.

Ms. Hublard Hershman made a Motion to Adjourn. **Mr. O'Meara** seconded; Unanimous. Meeting ended at 10:04 PM