

The seal of the Oyster Bay – East Norwich Central School District is a circular emblem. It features a central figure of a Native American man in traditional dress, holding a bow and arrow. The figure is set against a background of horizontal stripes, suggesting a flag or a stylized landscape. The entire seal is enclosed within a double-lined circular border, with the inner line being grey and the outer line being gold.

**OYSTER BAY – EAST NORWICH
CENTRAL SCHOOL DISTRICT**

Budget Workshop #3

March 3, 2015

Topics of Discussion



- I. Board Mission & Goals
- II. 2015-16 Budget Development Timeline
- III. Projected 2015-16 Tax Levy Limit
- IV. Preliminary 2015-16 Expenditures
- V. Capital Planning: Short & Long Term

BOE Mission & Goals



We maximize each student's personal potential for tomorrow's world in a cost effective manner.

- 1. Ensure that the curricular program is relevant, rigorous, and incorporates appropriate instructional technologies in order to enhance learning opportunities and achievement of all students*
- 2. Improve facilities with efficient management of resources*
- 3. Enhance two-way communication with all stakeholders through various means including appropriate technologies*
- 4. Update and maintain appropriate Board policies aligned with educational goals and sound educational practices*
- 5. Provide a learning environment that is safe, professional, and respectful*

2015-16 Budget Discussion



Timeline

Nov 18	Jan 6	Mar 3	Mar 31	May 5
Budget Development Calendar	<u>Facilities Update:</u> <ul style="list-style-type: none">• Capital Reserve• Security	<u>Expenditure Budget:</u> <ul style="list-style-type: none">• Review• Discussion	Budget Review <u>Impact of a Failed Budget:</u> <ul style="list-style-type: none">• 0% Tax Levy increase	Budget Hearing
Dec 16	Feb 10	Mar 17	Apr 21	May 19
Budget Fundamentals	Preliminary "Gap" <u>BOE direction:</u> <ul style="list-style-type: none">• Levy Limit <u>Expenditure Budget:</u> <ul style="list-style-type: none">• Review/Discussion Fund Balance Projection Use of Capital Reserve	<u>Revenue Budget:</u> <ul style="list-style-type: none">• State Aid• Use of Reserves• Other Revenue Sources Fund Balance Projection	Budget Review Fund Balance Projection BOE Budget Adoption	Budget Vote 7am-9pm OBHS

**VOTER REGISTRATION: District Clerk's Office (516-624-6507); 1 McCouns Lane, Oyster Bay
Monday through Friday: 8:00 a.m. to 1:00 p.m. & 2:00 p.m. to 4:00 p.m.**

Budget Development

Projected Tax Levy Limit % AS OF 3-3-15



2014 - 15 TAX LEVY	\$50,736,549	
X	X	
TAX BASE GROWTH FACTOR	1.0014	
-	-	
TAX LEVY TO PAY FOR DEBT SERVICE	\$2,442,289	
X	X	
ALLOWABLE LEVY GROWTH FACTOR	1.0162	
=	=	
TAX LEVY LIMIT BEFORE ADDED EXCLUSIONS	\$48,843,522	
+	+	
TAX LEVY TO PAY FOR SOME PENSION CONTRIBUTION COSTS	\$0	
+	+	
TAX LEVY TO PAY FOR DEBT SERVICE	\$2,445,020	
=	=	
MAXIMUM ALLOWABLE TAX LEVY	\$51,285,998	<i>1.68% Increase</i>
	<i>This is OBEN "Cap"</i>	

Tax – Freeze Legislation



District Must Save

1%/year for
next 3 years

1st year Savings

\$511,759

Achieved by

District
Efficiencies
Cooperative
Agreements
Shared
Services

HOMEOWNER RECEIVES REFUND OF
DIFERENCE IN INCREASE OF SCHOOL
TAXES FROM PRIOR YEAR

Budget Development



- Prepare “1ST PASS” budget
- Identify budget trends
- Obtain projected data: CPI%, Health Ins., TRS, ERS, etc.
- Administrators provide input
- Central Office review
- BOE to review budget in public sessions

Budget Development



Positive factors impacting 2015 - 16

- TRS & ERS Rate Reductions approximate \$832,000 savings
- Tax Anticipation Note (TAN) Interest Rate estimated @ .005%
- Jul-Dec 2015 Health Insurance Premiums Inc of 4.5%
- New collective bargaining agreements – with increased health insurance contributions

Majority of items will also result in 2014-15 Fund Balance

Budget Development

Preliminary 2015-16 expenditure budget

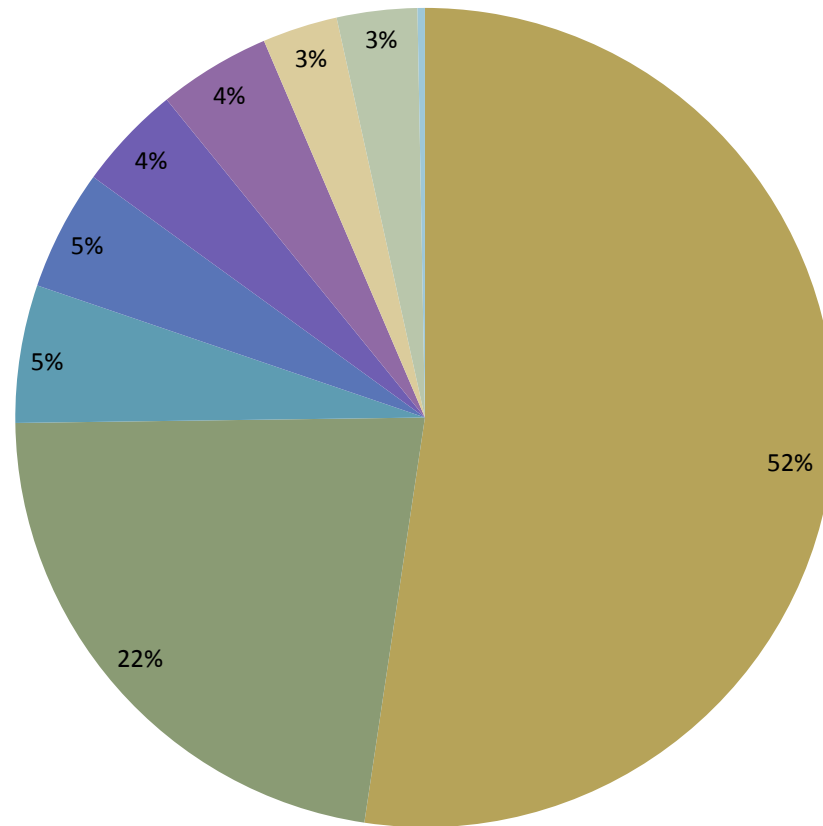


	2014-15	2015-16	
	ADOPTED	PROPOSED	
<u>Expenditure Type</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>DIFF</u>
Salaries & Wages	28,272,579	28,971,729	\$699,150
Benefits	12,871,122	12,406,268	(464,854)
Transportation	3,092,664	3,008,506	(84,158)
Debt Service & TAN	2,633,993	2,634,179	186
BOCES	1,936,484	2,298,779	362,295
Contracted Services	2,545,905	2,449,936	(95,969)
Support/Materials/Equip	1,389,392	1,640,771	251,379
Facilities	1,674,339	1,754,150	79,811
Interfund Transfers	162,000	162,000	-
Total \$	\$54,578,478	\$55,326,318	\$747,840
Total Increase %			1.37%

OBEN Expenditure Profile



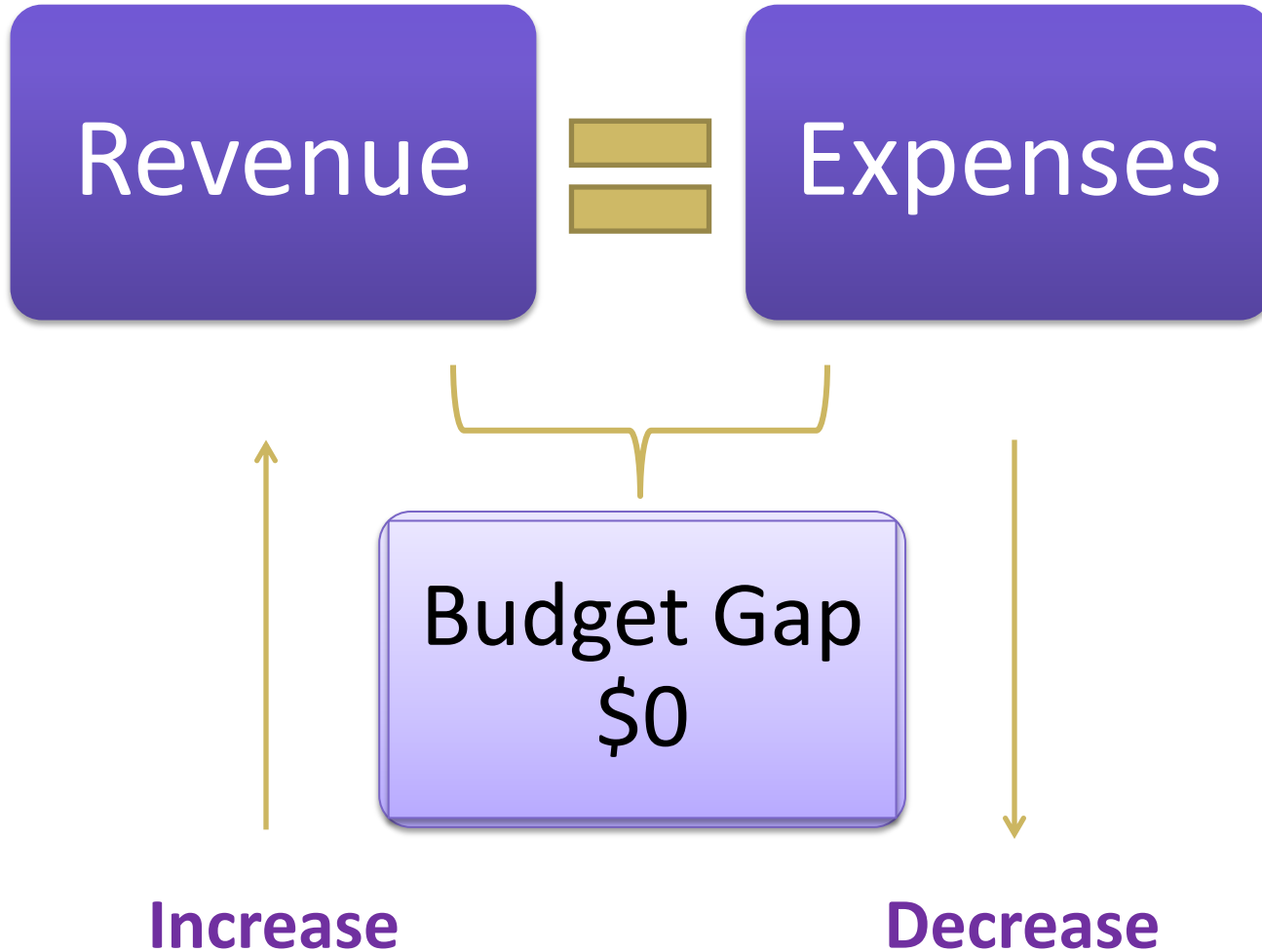
Expenditure Type



- Salaries
- Benefits
- Transportation
- Debt Service
- BOCES
- Contractual Services
- Support Materials
- Buildings & Grounds
- Other

Budget "Gap"

As of 3/3/2015



Budget Development



What We Know	What Is Still Unknown
Tax Base Growth Factor	State Aid Figures
Allowable Levy Growth Factor (CPI)	Gap Elimination Adjustment (GEA) Restoration
No Pension Exclusions	Kindergarten Enrollment
	Smart Schools Grant
	Tax Freeze Regulations
	Affordable Care Act Impact – Jan '16
	English As New Language (ENL) Program Enrollment Data

Budget Increase Areas



TECHNOLOGY
MANDATED PART 154
REGULATIONS
HS SUMMER SCHOOL
STEM/LEGO ROBOTICS
ATHLETICS – CREW & FOOTBALL
EQUIPMENT

Budget Reduction Areas



***EVENT SUPERVISION
TRS CONTRIBUTION
ERS CONTRIBUTION
DISTRICT WIDE SUPPLIES &
MATERIALS***

Budget Increase Considerations

Areas to Explore if Revenue is increased



Budget Items to Explore	Projected Amounts \$	Comment
2 Add't HS Literacy TA's	\$70,000	State Aid Dependent
Technology Equipment	\$75,000	State Aid Dependent
Building Security Improvements	\$50,000	As per 5-Yr Plan
Desks @ Vernon	\$20,000	State Aid Dependent
HS Library Renovations	\$80,000	State Aid Dependent

Projected 2014-15 Fund Balance

Based on seven (7) months of actual results



The sum of current year excess revenues and remaining appropriations; amount “left-over”

- Analyze existing Purchase Orders (PO's)
- Review unencumbered budgets
- Predict additional sources of revenue
- Use historical data
- Identify trends
- Review existing accruals

\$1.2M - \$2.0M



Potential Use of Capital Reserve



Existing Capital Reserve

- **Established 2006, Amended 2011 & 2013**
 - For Capital Items: Construction & Equipment
 - Term of 20 years, expires June 2026
 - Max \$2m transferred into fund per year
 - Max \$20m transferred into fund over term
 - To date, approx. \$11.215M transferred into reserve
- **6/30/2014 Balance = \$3,859,481** (includes interest earnings)
- **Approx. \$7.615M committed/expended**
Ext windows, roofs, parking lots, b-ball courts, track, masonry, fencing, field house reno, bathrooms, sidewalks, marquee, drainage, lockers, tennis courts, bucket loader, technology

All work completed at no additional cost to the taxpayer



Open Project Update

13/14 & 14/15 projects

JV/TR Boiler Room Upgrades
TR Windows/Misc Items
OBHS Windows

Re-Bid 2/15 to be awarded 3/15*
Re-Bid 2/15 to be awarded 3/15*
Re-Bid 2/15 to be awarded 3/15*

*These projects need additional funding to complete entire project bid scope

HS West Stairwell
project with BBS to design and then bid as of 3/4/15

Estimate to re-build/repair \$100k

HS Bathroom Renovations
demo on the next to commence upon completion of first (approx. 3/10/15)

1st of 7 to be completed by 3/9/15

HS Tennis Courts
HS Front Plaza Concrete

TBD based on weather
Additional \$12,685 new total
\$141,860 TBD (org. est. \$129,175)



Facilities, Capital Projects

Bid results for remaining 13/14 projects

TR Masonry Project, complete, remaining funds available			25,000
TR/JV Boiler room upgrades			
13/14 reserve allocation budget	210,000		
Low Bidder 2/24/15	(190,000)		
Estimated remaining	20,000		20,000
TOTAL EST. REMAINING BALANCE TO APPLY TO OTHER PROJECTS			45,000
TR Windows, 13/14 reserve allocation budget	300,000		
Remaining balance from above	45,000		
Low Bidder, base bid, add alts #1 and #2	(327,000)		
Estimated remaining	18,000		18,000
TOTAL EST. REMAINING BALANCE TO APPLY TO OTHER PROJECTS			18,000
OBHS windows, 13/14 reserve allocation budget	80,000		
Remaining balance from above	18,000		
Low Bidder, base bid, add alt #1	(88,000)		
Estimated remaining	10,000		
REMAINING TR WINDOW ADD ALTERNATES #3-5, LOW BIDDER			151,000
REMAINING OBHS WINDOW ADD ALTERNATE #2, LOW BIDDER			45,000
ESTIMATED SOFT COSTS (ARCHITECT, ABATEMENT, CO'S, ETC.)			104,000
ESTIMATED REMAINING FUNDS NEEDED TO COMPLETE PROJECT			300,000

Capital Reserve or Potential Bond Expenditures



Projects for 2015-2016

Capital Reserve Recommendations

Technology Needs	\$1,650,000
TR&HS Window Replc	\$ 300,000
HS Kitchen Hood	\$ 150,000
Total	\$2,100,000

Proposed Bond

Art/Music Expansion	\$6,200,000
A/C HS/Vernon/TR	\$1,000,000
Total	\$7,200,000

Additional Projects – Capital Reserve or Bond??

<u>Priority</u>		<u>Recommended</u>	
Vernon 4 th Gr Repairs/Roof	\$228,385	HS Sc Rms/Ceilings	\$100,000
ADM Generator	\$100,000	ADM Bathroom	\$ 40,000
TR Rm 16 Reconfiguration	\$ 50,000	Butler Padding	\$ 30,000
Total			\$548,385

Capital Reserve Balance as of 3/3/15 - \$3,859,481

Estimated end of year transfer to Capital Reserve of \$1MM – \$1.5MM in 2014 - 15

Capital Reserve or Potential Bond Expenditures

Projects for 2015-2016



Additional Projects – Capital Reserve or Bond??

<u>Priority</u>		<u>Recommended</u>	
Vernon 4 th Gr Repairs/Roof	\$228,385	HS Sc Rms/Ceilings	\$100,000
ADM Generator	\$100,000	ADM Bathroom	\$ 40,000
TR Rm 16 Reconfiguration	\$ 50,000	Butler Padding	\$ 30,000
Total			\$548,385

Scenarios

Scenario 1

Starting Bal	\$3,859,481
Minus Usage	\$2,100,000
<u>Transfer 6/30/15</u>	<u>\$1,000,000</u>
Balance	\$2,759,481

Scenario 2

Starting Bal	\$3,859,481
Minus Usage	\$2,648,385
<u>Transfer 6/30/15</u>	<u>\$1,000,000</u>
Balance	\$2,211,096

Scenario 3

Starting Bal	\$3,859,481
Minus Usage	\$2,478,385
<u>Transfer 6/30/15</u>	<u>\$1,000,000</u>
Balance	\$2,381,096



Bond Timelines

Preliminary; as of March 3, 2015

Item

Facilities Planning Committee
SEQRA/Architect Prelim Specs
Referendum (Vote)
Construction Manager Selection
Architect Design
SED Submission
Bonds Issued
Bid Project(s)
Work to commence
Debt Repayment Begins

Approx. Dates

Summer 2014 - Winter 2015
Summer 2014 - Fall 2015
Early December 2015
Summer 2015 - Fall 2015
Winter 2015 - Summer 2016
Summer 2016
Spring 2017
Winter 2017 - Spring 2017
Summer 2017
Fall 2017 or Spring 2018

BOE updates to be provided throughout process



Questions?