

The background of the slide features a large, circular seal. The seal has a gold outer ring and a grey inner ring. Inside the inner ring is a stylized illustration of a sailing ship with a striped sail, set against a dark blue background. The ship is positioned in the lower half of the seal.

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

Budget Workshop #2

February 9, 2016

Topics of Discussion



1. Board Mission & Goals
2. Budget Development
3. Projected 2015-16 Fund Balance
4. 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*

Budget Development

Projected Tax Levy Limit % AS OF 2-09-16



2015 - 16 TAX LEVY	\$51,203,142
X	X
TAX BASE GROWTH FACTOR	1.0003
-	-
TAX LEVY TO PAY FOR DEBT SERVICE	\$2,442,476
X	X
ALLOWABLE LEVY GROWTH FACTOR	1.012
=	=
TAX LEVY LIMIT BEFORE ADDED EXCLUSIONS	\$48,834,558
+	+
TAX LEVY TO PAY FOR SOME PENSION CONTRIBUTION COSTS	\$0
+	+
TAX LEVY TO PAY FOR DEBT SERVICE	\$2,428,175
=	=
MAXIMUM ALLOWABLE TAX LEVY	\$51,262,733

This is OBEN "Cap"

0.12% Increase

Board of Education:

Direction on Levy Limit



Option 1:

Stay within the estimated levy limit?

Approximately 0.12%

OR

Option 2:

Exceed levy limit requiring 60% super majority voter approval?

Budget Development



- Prepare “1ST PASS” budget
- Identify budget trends
- Obtain projected data:
 - CPI% .12%
 - Health Ins. 9.0%
 - TRS 11.75%
 - ERS 15.5%
 - Transportation ??
- Administrators provide input
- Central Office review & adjustments made
- BOE to review budget in public sessions

Budget Development



Positive factors impacting 2016-17 Budget

- Teachers Retirement System & Employee Retirement System Rate Reductions approximate \$541,677 savings
- Tax Anticipation Note (TAN) Interest Rate estimated @ .006%
- Jul-Dec 2016 Health Insurance Premiums increase of 7.4%
- New collective bargaining agreements – with increased health insurance contributions

Budget Development



- Dec Create preliminary expenditure budget
- Jan Meet with Supervisors & Admin to review
needs and programs
Create Revenue budget and preliminary tax
levy limit
- Feb/Mar Updated TRS & ERS, Health Ins %, BOCES
rates
- Prelim. Expenditure Budget = .58%***
Prelim. Tax Levy Limit = .12%

Budget Development



What We Know	What Is Still Unknown
Tax Base Growth Factor	Final State Aid Figures
Allowable Levy Growth Factor (CPI)	Gap Elimination Adjustment (GEA) Restoration
No Pension Exclusions	Kindergarten Enrollment
Healthcare cost increase for 2016	Healthcare cost increase 2017 (partially offset by increased contributions)
	As of 2/09/2016

Projected 2015-16 Fund Balance



Preliminary Estimate

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

\$500K - \$1.8M

More accurate estimate to be presented March 1st

Budget Reduction Areas



- **REDUCED 1 FULL TIME EQUIVALENT AT VERNON (due to enrollment)**
- **DECREASE IN HEALTH DECLINATION PAYMENT**
- **EVENT SUPERVISION**
- **TEACHER RETIREMENT SYSTEM CONTRIBUTION**
- **EMPLOYEE RETIREMENT SYSTEM CONTRIBUTION**
- **SALARIES DUE TO RETIREMENTS**
- **ENERGY SAVINGS**
- **DISTRICT WIDE SUPPLIES & MATERIALS**

Budget Increase Areas



❖ ***SECURITY***

❖ ***TRANSPORTATION***

❖ ***HS SUMMER SCHOOL (BOCES)***

Potential Additions



- ***INSTRUMENTS***
- ***5/6 VERNON DRAMA ENRICHMENT***
- ***MIDDLE LEVEL CREW***
- ***ADDITIONAL ROBOTICS SUPPLIES***
- ***KINDERGARTEN DESKS***
- ***ADDITIONAL STUDENT COMPETITIONS***
- ***DISTRICT WIDE UPGRADED DOOR LOCKS***

2016-17 Budget Discussion



Timeline

Dec 1	Jan 5	Mar 1	Apr 5	May 3
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 15	Feb 9	Mar 15	Apr 19	May 17
Budget Fundamentals	<u>BOE direction:</u> <ul style="list-style-type: none">• Levy Limit 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.**



FACILITIES: *Ongoing Needs*

Maintenance of Existing Facilities

- General Fund “transfer to capital” appropriation
- Use of Capital Reserve

Future Needs/“Big Ticket” Items:

- Vernon gym ceiling & lighting
- Vernon classroom lighting
- Butler Building wall padding
- TR Stadium locker room floor
- TR playground surface
- TR room 11 bathroom
- OBEN HS hallway & classroom lighting
- OBEN HS 4th floor replacement
- Adm emergency generator
- District Wide Cafeteria Noise proofing
- New Truck with snowplow/sander



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. \$12.389M transferred into reserve
- 6/30/2015 Balance = \$2,613,696 (includes interest earnings)
- Approx. \$9.775M 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, ceilings, lighting

All work completed at no additional cost to the taxpayer

Potential Capital Reserve Expenditures



Projects for 2016-2017 consideration

<u>Project</u>	<u>Proposed Cost</u>
1) Vernon Gym Ceiling & Lighting	\$350,000.00
2) Vernon Classroom Lighting 1-6,13,15-17,22 & Mod Wing rebate & price is for LED lighting)	\$164,500.00 (before
3) TR Room 11 Bathroom Construction & ADA Renovation	\$170,000.00
4) TR Playground Surface Replacement, Swing Sets & Slide	\$166,500.00
5) DW Cafeteria Noise Absorption Proofing	\$90,000.00
6) HS 4 th Floor Flooring Replacements	\$80,000.00
7) Vernon Butler Bldg Padding	\$50,000.00
8) Memorial Stadium Locker Room Floor	\$30,000.00
9) New Truck with snow plow & sander	\$60,000.00
10) HS hallway & classroom lighting	\$200,000.00
11) <u>Administration Building Generator</u>	<u>\$175,000.00</u>
Total	\$1,536,000.00

Capital Reserve Balance as of 2/09/15 - \$2,613,696

If all projects approved, remaining balance without year end transfer = \$1,077,696

Estimated end of year transfer to Capital Reserve of \$500K – \$1.8 2015-2016



Questions?