

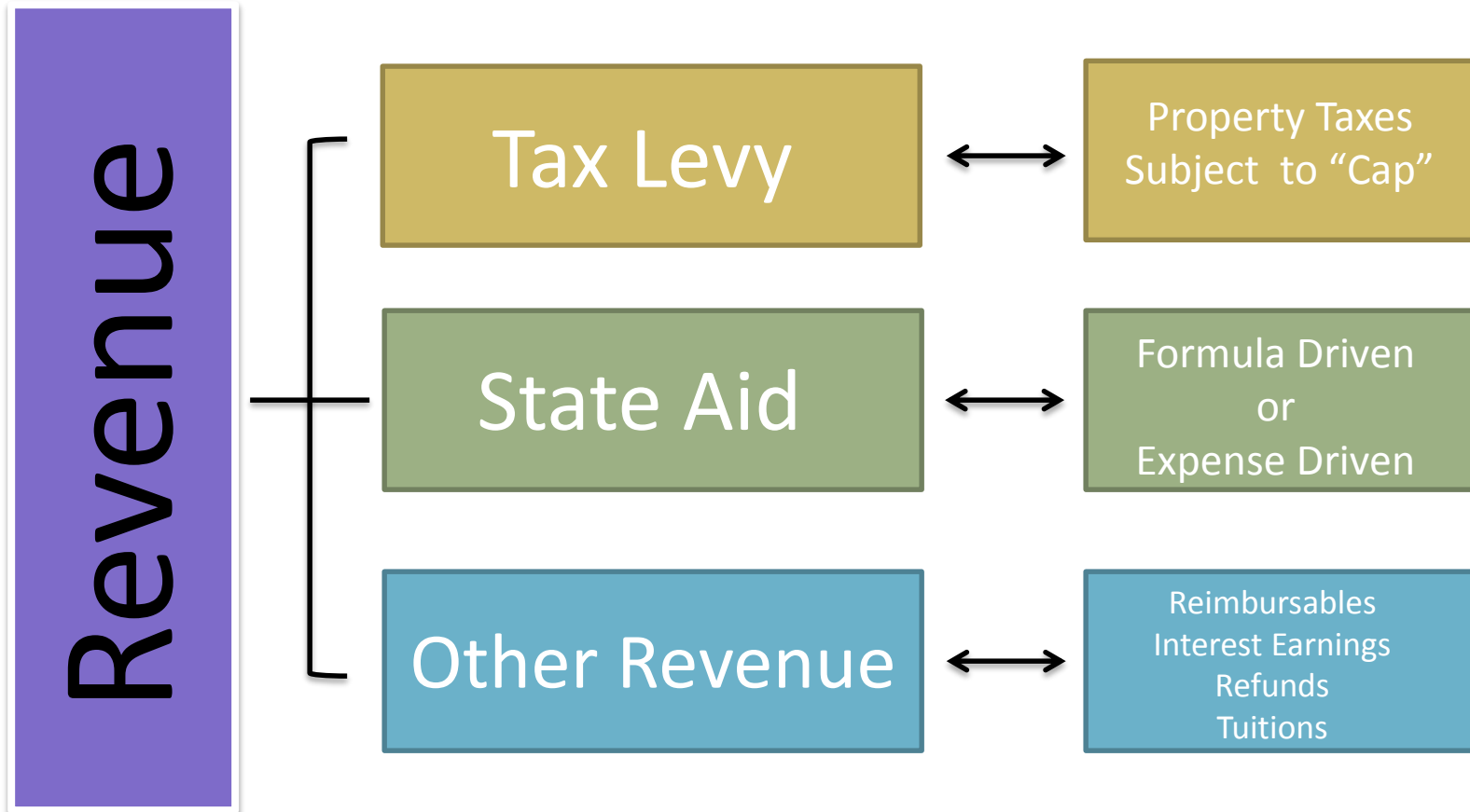
The background of the slide features a large, circular seal. The seal has a gold outer ring and a grey inner ring. Inside the inner ring is a stylized illustration of a sailing ship with a striped sail, set against a dark blue background. The ship is positioned in the lower half of the seal.

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

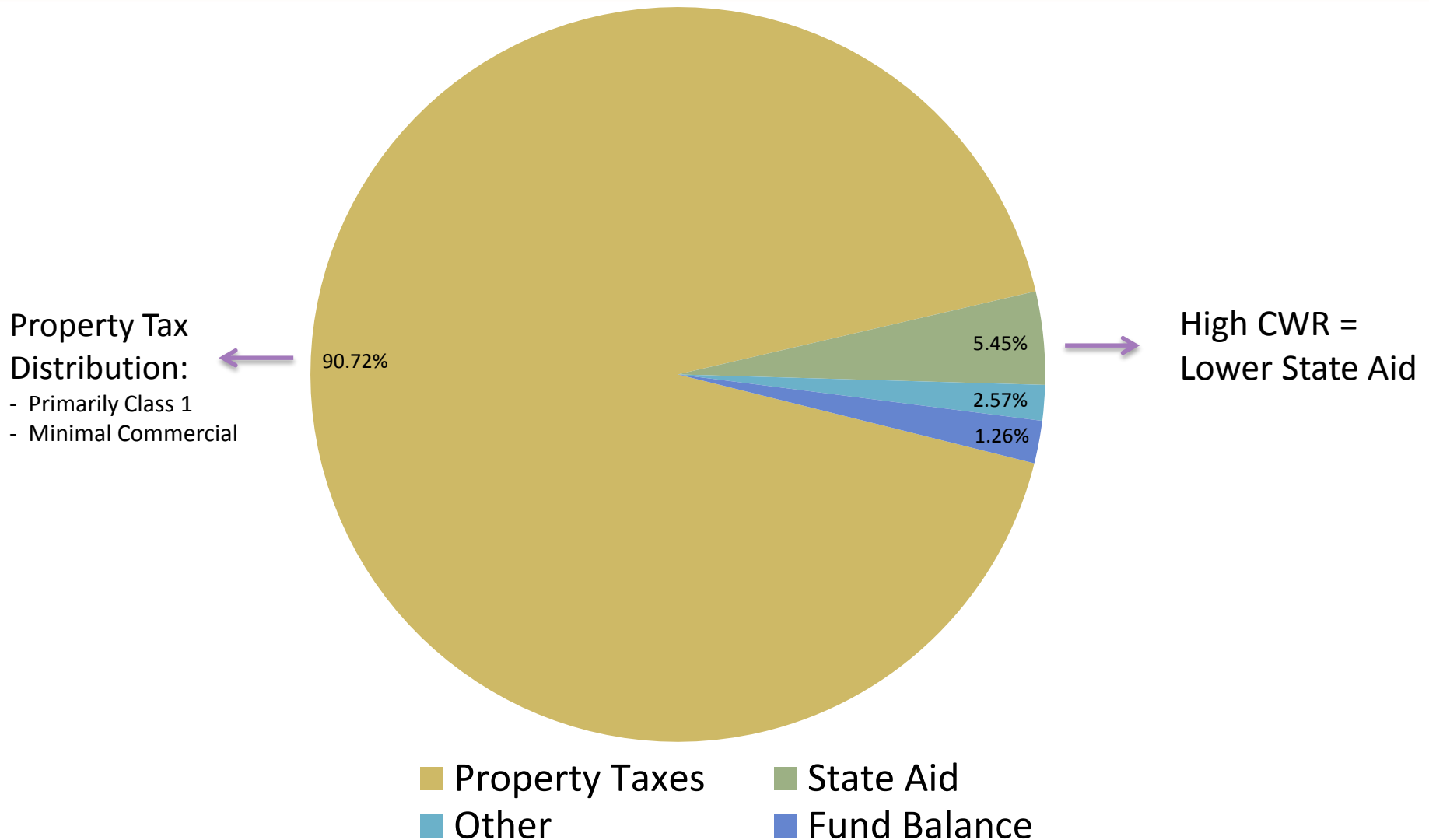
Budget Workshop #4

March 15, 2016

School Budget Revenues



OBEN Funding Profile



Budget Development

Projected Tax Levy Limit % AS OF 3-1-16



2015 - 16 TAX LEVY	\$50,488,586	
X	X	
TAX BASE GROWTH FACTOR	1.0003	
+	+	
LIPA PILOT	\$714,556	
-	-	
TAX LEVY TO PAY FOR DEBT SERVICE	\$2,442,476	
X	X	
ALLOWABLE LEVY GROWTH FACTOR	1.012	→ CPI
-	-	
LIPA PILOT RECEIVABLE	\$699,824	
=	=	
TAX LEVY LIMIT BEFORE ADDED EXCLUSIONS	\$48,134,520	
+	+	
TAX LEVY TO PAY FOR SOME PENSION CONTRIBUTION COSTS	\$0	
+	+	
TAX LEVY TO PAY FOR DEBT SERVICE	\$2,428,175	
=	=	
MAXIMUM ALLOWABLE TAX LEVY	\$50,562,695	→ 0.15% Increase
	<i>This is OBEN "Cap"</i>	SUBMITTED TO COMPTROLLER MARCH 1ST

Proposed State Aid

as per Governor's Budget 2016-17



	FINAL BUDGET	PRELIMINARY*	
STATE AID	2015-16	2016-17	Chg \$
FOUNDATION AID	\$1,621,880	\$1,621,880	\$0
GAP ELIMINATION ADJUSTMENT	(189,554)	(132,688)	\$56,866
HIGH TAX AID	122,398	122,398	\$0
BOCES	549,932	690,341	\$140,409
EXCESS COST AID	122,699	119,040	(\$3,659)
SOFTWARE, TEXTBOOK & LIBRARY	162,860	171,230	\$8,370
BUILDING AID	171,238	201,037	\$29,799
TRANSPORTATION	155,895	162,481	\$6,586
UNIVERSAL PRE-K AID	79,415	80,440	\$1,025
TOTAL STATE AID	\$2,796,763	\$3,036,159	\$239,396

** State Aid budget expected to be finalized and approved by April 1*

State Aid Information

as per Governor's Budget 2016-17



Foundation Aid: Formula-Driven

- Primary State Aid category
- Remains relatively unchanged since 2008-09 for OBEN
 - **Gap Elimination Adjustment (GEA)**
 - \$189,554 still owed to OBEN
 - Governor proposing restoration this year of \$56,866
 - Still owed \$132,688 – possibility of legislation to restore all this year

High Tax Aid: Formula-Driven

- Provided when majority of tax levy burden is on Class 1
 - Frozen at 2008-09 levels

State Aid Information

As per Governor's Budget 2016-17



Instructional Materials Aid: *Expense-Driven*

- Provided to partially offset costs for textbooks, software, library materials
- Per pupil amounts have not changed in years

Building Aid: *Expense-Driven*

- Re-calculation of interest rates paid on building aid

Other Expense-Based Aids: *Expense-Driven*

- Provided to partially offset BOCES, transportation, special education costs
- No significant changes to the formula

Other Revenue Sources

Projected 2016-17 Revenue Budget



	FINAL BUDGET	PRELIMINARY*	
OTHER REVENUE	2015-16	2016-17	\$ CHANGE
SPECIAL ED REIMBURSABLE BILLINGS	350000	317076	-32924
NON RESIDENT TUITION	70000	70000	0
RESIDENTIAL TUITION AID FROM SED	100750	100750	0
INTEREST INCOME	55000	55000	0
MEDICAID ASSISTANCE	45000	45000	0
USE OF FACILITIES	35000	60000	25000
PRIOR YEAR REFUNDS	40000	40000	0
TEXTBOOK & OTHER LOSSES	1500	1500	0
VENDING COMMISSIONS	2400	2400	0
SALE OF EQUIPMENT	0	0	0
RENTAL OF VOTING MACHINES	350	350	0
CPSE REIMBURSEMENT	40000	40000	0
TOTAL	740000	732076	-7924

Assigned Fund Balance

“Appropriated Fund Balance”



Budget Year	Approp. FB	% of Budget
2012-13	\$ 500,000	1.04%
2013-14	\$ 800,000	1.61%
2014-15	\$1,000,000	1.83%
2015-16	\$1,000,000	1.81%
2016-17	\$ 700,000*	1.26%

* Recommended Appropriated Fund Balance

Summary of Preliminary Revenue Budget



	2016-17*
SOURCE	PRELIMINARY
STATE AID	3,036,159
OTHER REVENUES	732,076
APPROPRIATED FUND BALANCE	700,000
TAX LEVY	50,562,695
LIPA Pilot	699,824
TOTAL REVENUE	55,730,754

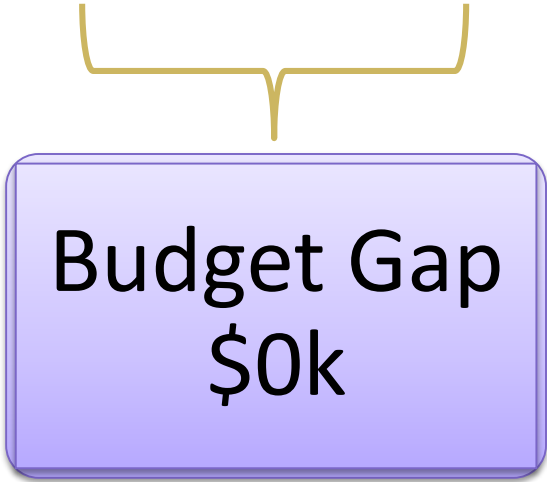
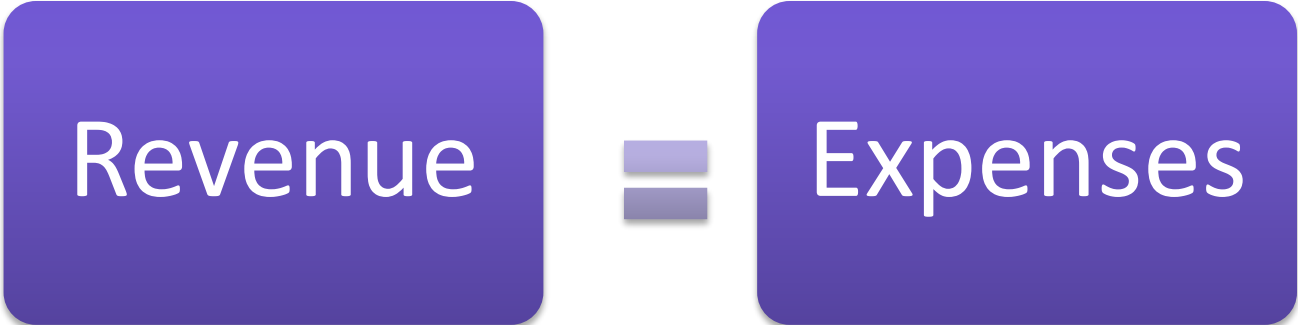
Budget Development



What We Know	What Is Still Unknown
Tax Base Growth Factor	Final State Aid Figures
Allowable Levy Growth Factor (Consumer Price Index)	Gap Elimination Adjustment (GEA) Restoration
No Pension Exclusions	

Budget "Gap"

As of 3/15/2016



Increase

Decrease



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. \$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
2) Vernon Classroom Lighting 1-6,13,15-17,22 & Mod Wing	\$161,000*
3) TR Room 11 Bathroom Construction & ADA Renovation	\$170,000
4) TR Playground Surface Replacement & Swing Sets	\$160,000
5) HS 4 th Floor Flooring Replacements	\$ 80,000
6) Vernon Butler Bldg Padding	\$ 50,000
7) Memorial Stadium Locker Room Floor	\$ 30,000
8) New Truck with snow plow & sander	\$ 43,885
9) HS LED classroom lighting	\$312,000*
10) <u>TR LED Lighting</u>	<u>\$117,000*</u>
Total	\$1,473,885

* All prices are for LED and cost to district after PSEG rebates

Capital Reserve Balance as of 6/30/15 - \$2,613,696

If all projects approved, remaining balance without year end transfer = \$1,139,811

Estimated end of year transfer to Capital Reserve of \$1.6M-2.5M 2015-2016 as of 2/16

Roosevelt Bathroom Construction & Renovation



Proposed total cost

\$170,000

Construction of **New** bathroom in classroom

\$93,522.50

- Cost is for brand new bathroom in a room that currently does not have one
- All new piping and electric must be built
- Includes all tiling & fixtures

Renovation of two hall bathrooms to make American Disabilities Act (ADA) compliant

\$76,477.50

- 1 boys & 1 girls multi-use bathroom to be renovated
- New ADA compliant fixtures installed
- Tile work and partitions needed

Estimate includes all design fees. Project would be bid out as per law with project awarded to lowest responsible bidder.

Goal is to add classroom flexibility in the short and long term to the overall building in order to accommodate potential future student needs

District-wide LED Lighting Upgrade



LED LIGHTING UPGRADE COMPARISON					
OBEN HS		VERNON		ROOSEVELT	
Cost/Savings Replacing Fixtures		Cost/Savings Replacing Fixtures		Cost/Savings Replacing Fixtures	
Annual Energy Cost	\$ 171,626.62	Annual Energy Cost	\$ 67,502.92	Annual Energy Cost	\$ 57,905.58
Annual Proposed Savings	\$ 86,334.28	Annual Proposed Savings	\$ 38,498.08	Annual Proposed Savings	\$ 28,027.90
Total Energy Cost Savings	\$ 85,292.34	Total Energy Cost Savings	\$ 29,004.84	Total Energy Cost Savings	\$ 29,877.68
Annual Sensor Cost Savings	\$ 328.09	Annual Sensor Cost Savings	\$ -	Annual Sensor Cost Savings	\$ 14.61
Annual Maintenance Savings	\$ 7,098.00	Annual Maintenance Savings	\$ 3,874.11	Annual Maintenance Savings	\$ 2,776.81
Annual HVAC Savings	\$ 8,069.62	Annual HVAC Savings	\$ 2,750.63	Annual HVAC Savings	\$ 2,833.40
Total Annual Savings	\$ 100,788.05	Total Annual Savings	\$ 35,629.58	Total Annual Savings	\$ 35,502.50
TOTAL DISTRICT ANNUAL SAVINGS					\$ 171,920.13
Energy Reduction	50%	Energy Reduction	43%	Energy Reduction	52%
Payback (Years)	3.09	Payback (Years)	4.51	Payback (Years)	3.28
PROJECT COSTS		PROJECT COSTS		PROJECT COSTS	
Initial Cost	\$ 402,032.42	Initial Cost	\$ 147,693.74	Initial Cost	\$ 209,611.98
Rebate	\$ 90,689.40	Rebate	\$ 31,165.20	Rebate	\$ 48,934.80
Cost After Rebate	\$ 311,343.02	Cost After Rebate	\$ 116,528.54	Cost After Rebate	\$ 160,677.18
TOTAL DISTRICT COST					\$ 588,548.74

District-wide LED Lighting Upgrade



LED LIGHTING UPGRADE COMPARISON					
OBEN HS		VERNON		ROOSEVELT	
Cost/Savings Replacing Bulbs Only		Cost/Savings Replacing Bulbs Only		Cost/Savings Replacing Bulbs Only	
Annual Energy Cost	\$169,664.91	Annual Energy Cost	\$ 82,711.94	Annual Energy Cost	\$ 57,101.41
Annual Proposed Savings	\$ 86,075.85	Annual Proposed Savings	\$ 36,576.03	Annual Proposed Savings	\$ 27,731.30
Total Energy Cost Savings	\$ 83,589.06	Total Energy Cost Savings	\$ 46,135.91	Total Energy Cost Savings	\$ 29,370.11
Annual Sensor Cost Savings	\$ 303.42	Annual Sensor Cost Savings		Annual Sensor Cost Savings	\$ 14.61
Annual Maintenance Savings	\$ 7,098.00	Annual Maintenance Savings	\$ 3,874.11	Annual Maintenance Savings	\$ 2,776.81
Annual HVAC Savings	\$ 7,927.03	Annual HVAC Savings	\$ 2,426.70	Annual HVAC Savings	\$ 2,731.99
Total Annual Savings	\$ 98,917.51	Total Annual Savings	\$ 52,436.72	Total Annual Savings	\$ 34,893.53
TOTAL DISTRICT SAVINGS ANNUAL SAVINGS					\$186,247.76
Energy Reduction	49%	Energy Reduction	56%	Energy Reduction	51%
Payback (Years)	2.00	Payback (Years)	1.51	Payback (Years)	2.19
PROJECT COSTS		PROJECT COSTS		PROJECT COSTS	
Initial Cost	\$249,345.86	Initial Cost	\$ 99,866.71	Initial Cost	\$ 96,008.79
Rebate	\$ 51,050.00	Rebate	\$ 20,720.00	Rebate	\$ 19,546.00
Cost After Rebate	\$198,295.86	Cost After Rebate	\$ 79,146.71	Cost After Rebate	\$ 76,462.79
TOTAL DISTRICT COST					\$ 353,905.36

Roosevelt Playground Project



Replacement of 3 surface areas under the two swing sets and the “oldest” existing playground

West Swing Area (1,664 SF)

- Remove existing underlay materials
- Create new concrete perimeter curb
- Create new drainage & crushed stone base
- Pour-in-place rubber safety surface
- Total price \$54,500
- New 5”swing set \$ 5,500

- Total price including swing set \$60,000

East Swing Area (1,836 SF)

- Remove existing underlay materials
- Create new concrete perimeter curb
- Create new drainage & crushed stone base
- Pour-in-place rubber safety surface
- Total price \$59,500
- New 5”swing set \$ 5,500

- Total price \$65,000

Central Playstructure Area (1,020 SF)

- Remove existing underlay materials
- Create new concrete perimeter curb
- Create new drainage & crushed stone base
- Pour-in-place rubber safety surface
- Total price \$35,000

Capital Project Process



- Step 1** - Identify the project to be completed through meetings with staff and building walks with BOE
- Step 2** - Contact professionals to discuss scope of the project and receive estimate of the cost (usually includes all fees, if any)
- Step 3** - Identify funding source; either General Fund (A) or Capital Reserve (H)
- Step 4** - Obtain Board approval or community approval as applicable to proceed with project
- Step 5** - Finalize scope of project, complete plans for State Education Department (SED) submission and approval
- Step 6** - Plans revised if SED requires; project numbers received from SED
- Step 7** - Prepare bid, publish legal notice and send to various contractors
- Step 8** - Open bids and “vet” for adherence to specifications and contractor references verified

Capital Projects Process (cont.)



Step 9 - Award bid to lowest responsible bidder (project bids may come in under proposal and over the proposal); bids *in excess of* proposal are rejected and project is *re-bid*

Examples:

- Kitchen Hood replacement – proposal \$300,000; bid awarded \$153,656
- West Stairwell replacement – proposal \$200,000; bid awarded \$176,000
- HS Tennis Courts – proposal \$650,000; bid awarded \$361,000
- Athletic Field Improvements - proposal \$300,000; bids awarded to date \$109,984 and last project bid is due in March 18 and will be in the \$100k range; project will be below proposal – *“savings” of approximately \$80,000 - \$90,000 from proposal*
- District wide improvements (windows, mechanical upgrades & electrical upgrades) - proposal \$740,000 – lowest bid \$815,192 - **REJECTED**; Re-bid and bid award \$594,700

Step 10 - Obtain all required insurance and bonds for insurance company and legal counsel to approve

Step 11 - Coordinate timeline and “project kick-off” meetings

Step 12 - Various individuals oversee project during construction phase

Step 13 - Project issues are addressed with contractors as they arise

Step 14 - Punch-list created and coordination of follow-up

Step 15 - Architects review all bills and required paperwork for all payments to adherence to legal requirements; bills then sent for Assistant Superintendent review and payment

Step 16 - Architects assist in project closeout and final cost reporting completed by District

Recent Projects Review



With Architect Consultation

(requires SED approval and has mechanical, electrical, plumbing aspect/trades involved)

- 1) Tennis court reconstruction
- 2) HS bathroom renovations
- 3) Vernon capital improvements
- 4) Vernon & TR masonry repairs
- 5) HS & TR window replacement
- 6) HS façade repairs
- 7) HS west side stair replacement
- 8) HS kitchen hood replacement

Without Architect Consultation

(generally will not require SED approval)

- 1) District wide technology upgrades
- 2) District wide lighting upgrade to LED
- 3) Phone system upgrade
- 4) District wide purchase of vehicles
- 5) Stadium floor replacement
- 6) HS fire alarm panel replacement
- 7) District wide field replacements
- 8) Butler Building Padding

Note – Any renovation, reconstruction or new construction to a building requires SED approval and architectural review to comply with code requirements

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.**



Questions?