

# 2015-16 Budget Development



**Galway CSD**  
**April 23, 2015**

# Budget Update Agenda

- Revenue Budget Summary
- Expenditure Budget Summary
- Gap Analysis
- Capital Reserve
- Bus Proposition
- Important Dates & Conclusion





# State Aid Summary

## State aid projections (by category):

Foundation Aid	\$ 22,519
BOCES	\$130,080
Excess Cost	\$ 6,562
IMA	(\$ 3,841)
Transportation	\$100,290
GEA Restoration	\$352,406
Building	<u>\$ 34,935</u>
TOTAL	\$642,951



# Total Impact of GEA:

2010-11	\$1,498,136
2011-12	\$1,653,523
2012-13	\$1,541,100
2013-14	\$1,145,795
2014-15	\$ 920,128
2015-16	<u>\$ 567,722</u>
<b>TOTAL</b>	<b>\$7,326,404*</b>

\*2015-16 Projected Total State Aid: \$8,195,904





# Property Tax Levy Limit

Current Tax Levy Limit: 1.84%

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Increase in Property Tax Revenue: \$179,511

**Estimated** Overall Tax Rate

(on True Value, per \$1,000): \$14.73

(\$14.42 in 2014-15)



# Revenue Budget Summary

State Aid Revenue: \$ 642,951

<u>Tax Levy Increase</u>	<u>Tax Revenue</u>	<u>Total Revenue</u>
0.25%	\$ 24,376	\$ 667,327
0.50%	\$ 48,751	\$ 691,702
0.75%	\$ 73,127	\$ 716,078
1.00%	\$ 97,503	\$ 740,454
1.25%	\$ 121,878	\$ 764,829
1.50%	\$ 146,254	\$ 789,205
1.75%	\$ 170,630	\$ 813,581
<b>1.84%</b>	<b>\$ 179,511</b>	<b>\$ 822,462</b>
2.00%	\$ 195,005	\$ 837,956





# Revenue Summary

Current State Aid Proposal	\$642,951
Current Tax Levy Limit	\$179,511
Change in Other Revenues	(\$ 13,400)
Adjust Appropriated Fund Balance	<u>(\$ 60,800)</u>
Estimated Revenue Increase	\$748,262



# Reconciliation of Required Exp.

Initial Expenses to Meet Required	\$966,298
Transportation Contract & Budget	(\$68,800)
Employee Benefits	(\$11,403)
BOCES 0.5 Literacy Specialist	(\$49,000)
Substitute Salaries	(\$25,000)
Reduction of 1.0 Aide	(\$11,850)
PPS Breakage	(\$18,700)
Current Expenses to Meet Required	\$781,545





# Gap Analysis

Total Estimated Revenues	\$748,262
Expenses to Meet Required	<u>\$781,545</u>
Current Budget Gap	(\$33,283)

Additional Expenditures Requested	\$ 65,715
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- Reading Modules	\$37,650
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- Increase 0.5 Reading (ES) to 1.0	\$28,065
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Revised Budget Gap	(\$ 98,998)
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# Closing the Gap

Option #1: Additional Reduction of Expenditures

Option #2: Levy Additional Property Taxes

(Exceed local tax levy limit)

Option #3: Appropriation of Fund Balance

Option #4: Planned Use of Reserves





# Tax Levy Analysis

Estimated Gap to Meet Required (\$33,283)

Additional Tax Levy (0.34%) = \$ **33,283**

Current Levy Limit (1.84%) = \$179,511

Total to Meet Required (2.18%) = \$212,794

Total to Meet Additional (2.86%) = \$278,509



# Balance Sheet

Appropriated Fund Balance	\$1,100,000
Reserve for Repairs	\$89,465
Reserve for Unemployment	\$150,000
Reserve for Retirement	\$600,000
Employee Benefit Liability Reserve	\$188,140
Total Reserved	<b>\$2,127,605</b>
Unappropriated Fund Balance	\$1,508,402
Adjustment to FB (from close-out of prior capital project)	\$249,913
Total Unreserved	<b>\$1,758,315</b>





# Capital Reserve

- Purpose: To offset the local share of a capital improvements project and to minimize the impact on taxes levied for related debt service payments.
- Funding Source(s): Proposition put before voters must specify purpose, maximum dollar amount able to be deposited into reserve(s), probable term or life of reserve, and source of funds to be deposited into the reserve.



# Capital Reserve (cont.)

- Recommendation

- Establish a reserve for the express purpose of a capital improvements project.
- Authorize up to \$1.75m to be deposited into the reserve
- Allow for a 10 year life of the reserve
- Funding Sources:
  - Unappropriated Fund Balance
  - Retirement Reserve
  - Unemployment Reserve





# Capital Reserve (cont.)

## **SAMPLE** CALCULATION

Project Proposition #1: \$18.0m (highest priority)

Project Proposition #2: \$ 4.0m (other priorities)

Project Proposition #3: \$ 2.0m (other priorities)

Total **SAMPLE** Project: \$24.0m

Building Aid (current ratio): \$18.9m

**SAMPLE** Local Share: \$5.1m

FOR ILLUSTRATIVE  
PURPOSES ONLY



# Capital Reserve (cont.)

FOR ILLUSTRATIVE  
PURPOSES ONLY

## **SAMPLE** CALCULATION

<b>SAMPLE</b> Local Share:	\$5.1m
Proposed Capital Reserve:	<u>(\$1.75m)</u> (if fully funded)
Net Local Share:	\$3.35m
Divide by 15 Years:	\$223,333 per year*

\*Net Change in Debt/Bldg Aid in FY 2020-21: (\$130,850)





# Capital Debt Schedule

Fiscal Year Ending: 6/30	Principal	Interest	TOTAL PAYMENTS	Change from PY
2014	\$735,000.00	\$198,225.00	\$933,225.00	
2015	\$750,000.00	\$178,700.00	\$928,700.00	-\$4,525.00
2016	\$770,000.00	\$158,600.00	\$928,600.00	-\$100.00
2017	\$790,000.00	\$137,950.00	\$927,950.00	-\$650.00
2018	\$770,000.00	\$116,750.00	\$886,750.00	<b>-\$41,200.00</b>
2019	\$750,000.00	\$96,550.00	\$846,550.00	<b>-\$40,200.00</b>
2020	\$775,000.00	\$77,450.00	\$852,450.00	\$5,900.00
2021	\$355,000.00	\$60,875.00	\$415,875.00	<b>-\$436,577.00</b>
2022	\$365,000.00	\$53,775.00	\$418,775.00	\$3,100.00
2023	\$370,000.00	\$46,018.76	\$416,018.76	\$2,756.24



# Bus Proposition

4 New Buses:	\$358,131
2 Used Buses:	\$ 63,360
Less trades:	<u>(\$ 12,800)</u>
Total Costs:	\$408,691
Less Trans Aid:	<u>(\$220,693)</u>
Net Local Costs:	\$187,998
Divide by 5 Years:	<b>\$ 37,600/year</b>





# Transportation Debt Schedule

	FYE 6/30/13 \$260,000		FYE 6/30/14 \$386,000		FYE 6/30/15 \$687,000		FYE 6/30/16 \$410,000		FYE 6/30/17 \$250,000				
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	TOTAL
2013-14	\$50,000	\$4,736									\$50,000	\$4,736	\$54,736
2014-15	\$50,000	\$2,820	\$66,000	\$2,618							\$116,000	\$5,438	\$121,438
2015-16	\$50,000	\$2,228	\$70,000	\$7,956	\$132,000	\$17,080					\$252,000	\$27,264	\$279,264
2016-17	\$55,000	\$1,678	\$80,000	\$6,233	\$135,000	\$13,836	\$80,000	\$10,346			\$350,000	\$32,093	\$382,093
2017-18	\$55,000	\$935	\$85,000	\$4,238	\$135,000	\$10,471	\$80,000	\$8,352	\$50,000	\$6,233	\$405,000	\$30,229	\$435,229
2018-19			\$85,000	\$2,119	\$140,000	\$7,105	\$80,000	\$5,942	\$50,000	\$4,986	\$355,000	\$20,152	\$375,152
2019-20					\$145,000	\$3,615	\$85,000	\$4,238	\$50,000	\$3,740	\$280,000	\$11,593	\$291,593
2020-21							\$85,000	\$2,119	\$50,000	\$2,493	\$135,000	\$4,612	\$139,612
2021-22									\$50,000	\$1,247	\$50,000	\$1,247	\$51,247



# Open Items

- Final Expenditure Budget
- Tax Levy Determination
- 3 Year Financial Plan  
(moved to 5/7/15 meeting)





# Important Dates

- 4/24 – Deadline to Adopt Budget
- 5/7 – Budget Hearing
- **5/19 – Budget Vote**

