



## **2018-2019 Budget Planning**

*February 26, 2018  
Board of Education Meeting*

*Working Budget Topics:  
Tax Levy Limit Calculation, Debt Service & Bus Proposition*



## Tax Levy Limit

- This is the 7<sup>th</sup> year of the tax levy limit or “cap”
- Based on the state’s formula, our maximum allowable limit is a 4.63 percent increase over the current year’s tax levy.
  - ✓ As you can see, *it’s not 2 percent*
  - ✓ This figure is a threshold that determines what level of voter support is needed
    - If the proposed tax levy increase is within the threshold, a simple majority (more than 50 percent) is needed.
    - If the proposed increase exceeds the threshold, 60 percent voter approval is required.





## Exclusions in the Formula

- Taxes that school districts levy to pay for certain expenses are exempt from the tax levy limit calculation.
- After a school district calculates its limit, it is then required to add these exclusions to that amount to get to the maximum allowable tax levy.
- Exclusions in the formula include:
  - ✓ **Voter-approved local capital expenditures**
  - ✓ Increases in the state-mandated employer contribution rates for teacher and employee pensions that exceed two percentage points.
  - ✓ Court orders/judgments resulting from tort actions of any amount that exceeds 5 percent of a district's current tax levy. Tax certioraris are not exempt.





## Exclusions in the Formula

- The ***only exclusion available to Mohonasen*** for 2018-19 is the Capital Tax Levy Exclusion
  - Amount of the exclusion is the difference between voter approved Capital Expenses (construction projects and bus purchases) and the aid received for those same expenses.
  - *ESTIMATED* - total approved Capital Expenses in 2018-19 are \$5,939,801.
  - *ESTIMATED* - total aid to be received related to these expenses is \$4,384,444.
  - **\$1,555,357 is the allowable exclusion that is be factored into the tax levy limit calculation.**



# Mohonasen



## Bonds, BANS and Building Aid

### BOND

- A bond is the permanent borrowing for a project. This is similar to a mortgage for your home in that it includes a principal and interest components. The term for a bond can run between 15 and 30 years depending on if the work done was a renovation to an existing building or a completely new building.

### BOND ANTICIPATION NOTE (BAN)

- A BAN is a short-term, typically one year, borrowing to fund in progress construction costs. BANS are typically paid as interest only. However, if a BAN is renewed for multiple years there is a small principal reduction payment required.

### Building Aid

- Building Aid is calculated by multiplying your building aid ratio (74.6%) by the overall “aidability” of the project.
- Ex. #1 – 100% aidable x 74.6% building aid ratio = 74.6% aidable
- Ex. #2 – 80% aidable x 74.6% building aid ratio = 59.7% aidable



# Project Phasing and Borrowing Schedule

## Phases A and B

- Phase A - Included renovations to Bradt, Pinewood, Draper, Turf Field and the auditorium floor at the High School
- Phase B - Center for Advanced Technology and New Transportation Facility
- Both Phases completed, along with permanent borrowing (BOND)

## Phase C

- High School additions to the locker room and the five (5) classrooms near LGI parking lot , renovations to various other areas
- 99% complete, will be doing second short-term borrowing (BAN) in March 2018 and permanent borrowing (BOND) in June 2018

## Phase D

- This final phase includes expansion of Bradt vestibule, renovation of Pinewood bathrooms, replacement of Pinewood boilers, replacement of ceiling tiles and flooring at the High School and paving at various areas throughout the district. The projects are currently at SED for review. Due to the backlog of projects at SED a majority of this work will most likely be completed in summer 2019.





## Calculating the Capital Exclusion

	2017-18	2018-19	Net Changes
Capital Debt	\$4,647,789	\$5,464,709	\$816,920
Bus Debt	\$433,418	475,092	\$41,674
<b>Total Debt</b>	<b>\$5,081,207</b>	<b>5,939,801</b>	<b>\$858,594</b>
Building Aid	\$3,163,874	4,096,898	\$933,026
Bus Aid	\$263,344	\$287,546	\$24,202
<b>Total Aid</b>	<b>\$3,427,218</b>	<b>\$4,384,444</b>	<b>\$957,228</b>
<b>Capital Exclusion</b>	<b>\$1,653,989</b>	<b>\$1,555,357</b>	<b>(\$98,634)</b>



# PROJECTED Mohonasen Tax Levy Limit Calculation

Prior year tax levy	\$26,472,475
Tax base growth factor (if any)*	X 1.0042
Payments in lieu of taxes (PILOTs) receivable during prior year	+ \$0
Taxes levied for exemptions during prior year (not ERS & TRS)	- \$953,989
<b>Adjusted Prior Year Tax Levy</b>	<b>= \$25,629,670</b>
Allowable levy growth factor (lesser of 2% or CPI)	X 1.02
Payments in lieu of taxes (PILOTs) receivable in coming year	- 0
Available carryover (if any)	+ 0
<b>Tax Levy Limit</b>	<b>= \$26,142,264</b>
Coming School Year Exclusions	+ \$1,555,357
<b>Maximum Allowable Tax Levy (requiring simple majority approval of more than 50% of voters)</b>	<b>= \$27,697,621</b>
<b>Maximum allowable tax levy increase (percentage)</b>	<b>4.63%</b>

\*provided by NYS Tax & Finance Dept.







## Use of Debt Service Account

	Actual 2017-18	Proposed 2018-19	Projected* 2019-20	Projected* 2020-21
Calculated Capital Exclusion	\$1,653,989	\$1,555,357	\$1,550,000	\$1,550,000
Calculated Tax Levy Limit	6.07%	4.63%	3.69%	2.86%
<b>Use of Debt Service**</b>	<b>\$700,000</b>	<b>\$375,000</b>	<b>\$150,000</b>	<b>\$0</b>
Updated Capital Exclusion	\$953,989	\$1,180,357	\$1,400,000	\$1,550,000
Updated Tax Levy Limit	2.83%	3.21%	3.15%	2.86%
<b>Impact of Project</b>	<b>.79%</b>	<b>.79%</b>	<b>.73%</b>	<b>.44%</b>

\* Projected figures are based on the assumption that the state and local growth factors will remain the same as this year, 2% state and .42% local. However, the impact of the project will not change.

\*\* Final amounts approved by the Board of Education



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Payments in lieu of taxes (PILOTs) receivable in coming year	- 0
Available carryover (if any)	+ 0
<b>Tax Levy Limit</b>	<b>= \$26,142,264</b>
Coming School Year Exclusions	+ \$1,180,357
<b>Maximum Allowable Tax Levy (requiring simple majority approval of more than 50% of voters)</b>	<b>= \$27,322,621</b>
<b>Maximum allowable tax levy increase (percentage)</b>	<b>3.21%</b>

\*provided by NYS Tax & Finance Dept.





## Impact on Taxpayers

	Levy Limit Calculation 18-19 - estimated	Tax Based Growth Factor	“True Impact” - estimated
Percentage	3.21%	.42%	2.79%
*Dollar Impact	\$86.00		\$74.75

*\*Estimates are based:*

- \$150,000 full value home
- No change in assessed values or equalization rates. **Assessed values of property are determined by the town and equalization rates are determined by the state.**





## Pupil Transportation

### 2018-19 PROPOSED Bus Purchase Requests

Factors to consider:

- Maintenance costs of buses, larger cost for older buses
- Increased potential for large repair costs with older buses
- New buses are more efficient, environmentally conscious
- Move to gasoline for larger buses will be neutral for mileage costs, but save on maintenance
- New buses have better, more comprehensive camera systems and newer safety features, including LED strobe lights and child check safety feature
- Bus fleet replacement schedule





## Pupil Transportation

### 2018-19 PROPOSED Bus Purchase Requests

3 - Full size 72 passenger buses - Gasoline

3 – 33 passenger buses - Gasoline

Proposition Amount = \$470,000

Less State Share of Trans. Aid 69.7% = (\$327,590)

Est. Budget Impact – District Share over 5 years = \$142,410

(approx. \$28,482 per year)

- ✓ **No impact to 2018-19 budget - Debt/bond payments and state aid payments begin school year following a bus purchase, in this case 2019-20. Since the bond amount is similar to the bond amount expiring in 2019-20 the budgetary impact will be minimal, less than \$1,000.**





## Board of Education Vacancies

- Three (3) “at large” seats
- Three-year terms
- At least **25** signatures required on petition
- Petitions are currently available in District Office
- Petitions are due back to the District by Monday, April 16 at 5 p.m.





## Questions and Discussion





## Next Steps

- **Next BOE Meeting: March 5, 2018, 7 p.m.**
  - ✓ General Support (Operations & Maintenance, Transportation)
  - ✓ Working budget presentations will continue through March
- **April 16, 2018: Adoption of budget proposal**
- **May 15, 2018: Annual Budget Vote & BOE Election**

