

2021-22 Budget Planning

Tax Levy, Debt Service, Capital Project Timeline
and Bus Proposition

Tax Levy Limit Calculation

Components

- Consumer Price Index - Statewide factor used by all districts
 - 1.23%, lowest since 2016-17
- Allowable Growth Factor - Local factor specific to Mohonasen
 - 0.3%, lowest since 2013-14
- PILOTS (Payment in Lieu of Taxes)
 - Consistent from 2020-21 to 2021-22
- Capital Exclusion - Net cost of debt payments from building projects and bus purchases, minus the building aid received
 - One old project's debt and building aid finished in 2020-21
 - No new project costs coming on the levy in 2021-22
 - Building Aid ratio increase from 79.3% to 80.3%
 - Reduction in the Capital Exclusion of \$111,000

History of Tax Levy Limit Calculation

Year	Levy Calculation	CPI	Local Growth Factor
2013-14	4.21% (adopted 3.95%)	2.00%	0.25%
2014-15	3.43%	1.45%	0.47%
2015-16	2.13%	1.62%	0.38%
2016-17	2.21%	0.12%	0.60%
2017-18	2.83%	1.26%	0.81%
2018-19	3.21%	2.00%	0.42%
2019-20	3.82%	2.00%	1.14%
2020-21	2.88%	1.81%	1.33%
2021-22	1.14%	1.23%	0.30%

Impact of Levying Below the Cap

Year	Levy Calculation	Annual Difference	Cumulative
2013-14	4.21% (adopted 3.95%)	\$62,240	\$62,240
2014-15	3.43%	\$64,375	\$126,615
2015-16	2.13%	\$65,746	\$192,361
2016-17	2.21%	\$67,199	\$259,560
2017-18	2.83%	\$69,101	\$328,661
2018-19	3.21%	\$71,319	\$399,980
2019-20	3.82%	\$74,043	\$474,024
2020-21	2.88%	\$76,176	\$550,199
2021-22	1.14%	\$77,059	\$627,259

Projecting the Capital Exclusion

- It is important to time debt payments and building aid so that there is a minimal impact on the taxpayers
- Failure to time debt appropriately will result in large increases and decreases in the tax levy
- Due to the timing of an older project (prior to the Tax Levy Limit Calculation) we will have an increase to our Capital Exclusion in 2022-23 of approximately \$250,000
- We will have decreases of approximately \$230,000 and \$260,000 in 2025-26 and 2027-28 respectively

Projected Changes in Capital Exclusion - Impact on Levy

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Change in Capital Exclusion	\$250,000	\$2,000	-\$5,000	-\$230,000	-\$1,500	-\$260,000
Percent Change in Levy	0.812%	0.007%	-0.015%	-0.686%	-0.004%	-0.741%

Timing of Next Major Capital Project - \$23 Million

- Based on the projected changes in the District's Capital Exclusion now is the time to start planning the next Capital Project
- Project Timeline
 - Building Conditions Survey (BCS) to assess needs - Summer 2021
 - 2021-23 develop scope of project, plan and design
 - 2023-24 Capital Project Vote
 - 2024-25 Phase A Construction
 - 2026-27 Phase B Construction

Immediate Health and Safety Needs

- Previous \$48.2 million Capital Project was approved by voters in 2013
- There are several health and safety items which have been identified since that project which need to be addressed prior to a larger project being approved

\$3.5 Million Capital Project Scope

Health and Safety Needs Identified

- Fire alarm systems at Bradt and Draper
- HVAC items at Bradt and Draper, including Building Management System upgrades
- Roof repair at Pinewood
- Information Technology upgrades to main Network Operations Center and adding backup emergency generators to power the network and phone systems for continuity of operations
- Upgrade of PA systems at Draper and High School
- High School hot water system replacement
- High School bleacher replacement
- Replacement of pool filter and heating system

\$3.5 Million Capital Project Timeline

- March 22, 2021 - adopt resolution to add to ballot on May 18th
- May 18, 2021 - public will vote on project
- May-June 2021 - finalize plans to be submitted to New York State Education Department (NYSED)
- Fall/Winter 2021-22 - receive approval from NYSED and begin bid process
- 2021-22 School Year - Bond Anticipation Note (BAN) to fund project, a short-term borrowing
- Fall 2021 - Summer 2022 - construction
- 2022-23 School Year - permanently borrow funds in the form of a Bond
- 2023-24 School Year - begin annual payments

Impact of Projects on Capital Exclusion

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Change in Capital Exclusion	\$250,000	\$2,000	-\$5,000	-\$230,000	-\$1,500	-\$260,000
\$3.5 Million Project Impact	\$50,000 (BAN)	\$70,000	\$0	\$0	\$0	\$0
\$23 Million Project Impact	\$0	\$0	\$100,000 (BAN)	\$200,000	\$100,000 (BAN)	\$200,000
Net Impact	\$300,000	\$72,000	\$95,000	-\$30,000	\$98,500	-\$60,000
Net Percentage on Levy	0.974%	0.229%	0.295%	-0.083%	0.291%	-0.166%

Review of Tax Levy for 2021-22

Estimated Tax Levy Limit Calculation - 1.14%

- Would increase revenue to be used toward non-capital expenses of \$425,000

Proposal to exceed the Calculation by 3.5%, raising it to 4.64%

- Would increase revenue by an additional \$1 million in 2020-21
- This addition would create a new starting point for future Tax Levy Limit Calculations

Impact of Exceeding the Cap by 3.5% in 2021-22

Year	Levy Calculation	Annual Difference	Cumulative
2021-22	4.64%	\$1,021,415	\$1,021,415
2022-23	2.5%	\$1,046,951	\$2,068,366
2023-24	2.5%	\$1,073,124	\$3,141,491
2024-25	2.5%	\$1,099,953	\$4,241,443
2025-26	2.5%	\$1,127,451	\$5,368,894
2026-27	2.5%	\$1,155,638	\$6,524,532
2027-28	2.5%	\$1,184,529	\$7,709,061
2028-29	2.5%	\$1,214,142	\$8,923,203
2029-30	2.5%	\$1,244,495	\$10,167,698

Bus Proposition

Three Full size 70-Passenger buses with full 3-point seat belts

Two 24-Passenger/5-Wheelchair Type A buses

One 33-Passenger Type A bus

Proposition Amount	\$633,000
<u>Less Transportation Aid (74.2%)</u>	<u>\$469,686</u>
District/Taxpayer Share over 5 Years	\$163,314
Annual Taxpayer Share	\$32,662

Due to Transportation Debt of dropping off there will be less than a \$10,000 impact per year on the tax levy

Note: Need for buses is determined by the Mohonasen Bus and Vehicle Replacement/Obsolescence Schedule

STAR (School Tax Relief) - Exemption vs. Credit

STAR Exemption - Reduces the homeowner's school tax bill through "exempting" a portion of your bill.

STAR Credit - The homeowner pays the entire bill, then receives a check back for the amount of STAR Credit

Why switch? - STAR Credit can increase by as much as 2% per year, while the STAR Exemption can no longer increase

More information - <https://www.tax.ny.gov/star/default.htm> , this link is also available on www.mohonasen.org

Next Steps

BOE Petitions now available, due back by 5:00pm on April 19, 2021

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|----------------|---|
| March 1, 2021 | Tax Levy Calculation due to State Comptroller |
| March 8, 2021 | BOCES, Employee Benefits and General Support Presentation |
| March 22, 2021 | Instruction, Revenue and Budget Recap Presentation |
| April 1, 2021 | State Budget Due |
| April 12, 2021 | Budget Adoption |
| May 10, 2021 | Budget Hearing and Meet the Candidates |
| May 18, 2021 | Budget Vote |