



Sag Harbor UFSD

2015-2016 Budget Workshop

Review of Budget Draft #2

Review of Preliminary Efficiency Plan

April 14, 2015

Sag Harbor UFSD Preliminary Efficiency Plan

Efficiency Plan Target - 1% of \$33,223,918 = \$332,239.18

Draft #2 - Tax Levy Increase = \$826,082

#	Efficiency Actions Since July 1, 2012	Projected Savings or Revenue That Offsets the Tax Levy	Can Be Used in Efficiency Plan Yes/No	Savings		
				2015/2016	2016/2017	2017/2018
Target Savings:				\$ 332,239.18	\$ 332,239.18	\$ 332,239.18
1	Director of Facilities - New Model	\$ 121,019.76	Yes	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
2	Issue RFPs and reduce unmandated professional services (Audit, Legal, Architect, and Engineers)	\$ 40,000.00	Yes	30,000.00	30,000.00	30,000.00
3	Self-contained class for current and incoming special education students	\$ 100,000.00	Yes	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
4	Hiring a bus mechanic vs. Sharing one with Southamptton	\$ 70,000.00	Yes	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00
5	Purchasing Fuel from Southamptton vs. Shell	\$ 15,000.00	Yes	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
6	Purchasing Buses vs. Contracting Out	\$ 75,000.00	Yes	\$ 47,239.18	\$ 47,239.18	\$ 47,239.18
7	Director of Physical Education - New Model	\$ 69,725.23	No	\$ -	\$ -	\$ -
8	Transporting Students for Bridgehampton and Wainscott	\$ 65,000.00	No	\$ -	\$ -	\$ -
9	Sharing Sports with Bridgehampton	\$ 20,000.00	No	\$ -	\$ -	\$ -
10	Tuition from Sagaponack Students	\$ 234,134.00	No	\$ -	\$ -	\$ -
11	Tuition from Non-Residents	\$ 272,427.00	No	\$ -	\$ -	\$ -
Total Efficiencies or Additional Revenue:		\$ 1,082,305.99		\$ 332,239.18	\$ 332,239.18	\$ 332,239.18

Budget Draft #1 vs. Budget Draft #2

Budget Draft #1 - \$37,434,137

- Budget to Budget Increase – 1.53%
- Property Tax Levy Limit – 2.6847%
- Projected Tax Levy Increase – 2.6520%

Budget Draft #2 - \$37,552,566

- Budget to Budget Increase – 1.85%
 - Property Tax Levy Limit – 2.5335%
 - Projected Tax Levy Increase – 2.4864%
or **\$826,082**
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Budget Draft #1 vs. Budget Draft #2

Revenues and Other Financing Sources

- **Additional State Aid** – On March 31, 2015, the NYS School Aid Runs were finally released. According to the State Aid Runs, Sag Harbor will receive \$66,954 more than originally projected. This is a \$129,981 or 7.94% increase from the current year.
- **Additional Tuition and Transportation Revenue** – We have increased our projection by \$95,000. This is the result of accepting non-resident students into our Pre-k program and transporting more students for neighboring districts.
- **Lower Tax Levy** – The tax levy needed to support next year's budget has decreased by \$55,000. This is because we are holding off on the tennis court/all purpose play area till next year and receiving additional revenue from other sources.
- **Additional Funds Appropriated from the ERS Reserve** – We needed an additional \$11,475 from this reserve to close our budget gap. This is still \$235,000 less than what was appropriated from this reserve to support current year operations.

2015-16 Draft #2

Property Tax Levy Limit

Projected 2015-2016 Property Tax Cap - Worksheet for Determining Tax Levy Limit		
Tax levy for 2014-2015 - School Only		33,223,918
(multiplied by) Tax base growth factor		1.0166
(add) PILOTs receivable for 2014-2015		152,159
(subtract) Capital tax levy for 2014-2015:		
General Fund Capital Tax Levy	2,050,469.00	
(less) Building Aid	(139,882.00)	
(less) Transportation Aid	(4,904.00)	1,905,683
(multiplied by) Levy growth factor (lesser of 2% or the change in the rate of inflation)		0.0162
(subtract) PILOTs receivable 2015-2016		140,000
Projected 2015-2016 Tax Levy Limit (before exclusions):		\$ 32,400,666
(add) Capital tax levy for 2015-2016:		
General Fund Capital Tax Levy	1,828,388.00	
(less) Building Aid	(158,658.00)	
(less) Transportation Aid	(4,751.00)	1,664,979
Projected 2015-2016 Tax Levy Limit (after exclusions):		\$ 34,065,645
Difference between 2015-2016 tax levy and 2014-2015 tax levy:		841,727
2015-2016 Allowable Tax Levy % Increase(after exclusions):		2.5335%

2015-16 Draft #2

Proposed Capital Projects and Transportation Equipment

2015-16 Proposed Capital Projects and Transportation Equipment Purchases	Cost Estimate as of April 14, 2015
Interest on \$1.9 Million BAN FOR CAPITAL PROJECT	\$25,000.00
10/15/2015 2006 SERIAL BONDS	\$1,006,225.00
12/15/2015 2011 SERIAL BONDS	\$24,594.00
4/15/2016 2006 SERIAL BONDS	\$93,975.00
6/15/2016 2011 SERIAL BONDS	\$289,594.00
Purchase of a Big Bus	\$102,000.00
SHES Library and Computer Flooring	\$65,000.00
SHES Entryway Tile Replacement	\$44,000.00
Computer Data Closet A/C Units	\$28,000.00
Kitchen Cooktop and Upgrades Needed for Installation	\$150,000.00
Total 2015-2016 General Fund Tax Levy Exclusions:	\$1,828,388.00

PROPOSED BUDGET REVENUE AND OTHER FINANCING SOURCES 2015-2016: Draft #2

	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 PROPOSED @3/31/2016	Change	
SUMMARY OF STATE AID					
Foundation Aid	\$1,173,932	\$1,183,910	\$1,188,290	\$4,380	0.37%
Building Aid	\$138,913	\$139,882	\$158,658	\$18,776	13.42%
Transportation Aid	\$52,868	\$44,609	\$44,401	(\$208)	-0.47%
BOCES Aid / Special Services Aid	\$110,034	\$82,120	\$107,636	\$25,516	31.07%
Software / Library / Textbook Aid	\$86,307	\$86,021	\$83,012	(\$3,009)	-3.50%
High Cost Excess Cost / Private Excess Cost Aid	\$62,158	\$107,008	\$136,872	\$29,864	27.91%
High Tax Aid	\$165,430	\$165,430	\$165,430	\$0	0.00%
State Aid Reduction / Projection Adjustment	(\$241,395)	(\$171,395)	(\$116,733)	\$54,662	-31.89%
	\$1,548,247	\$1,637,585	\$1,767,566	\$129,981	7.94%
Payments in Lieu of Taxes (PILOTS)	\$117,000	\$117,000	\$140,000	\$23,000	19.66%
Out-of-District Tuition/Transportation	\$475,000	\$550,000	\$525,000	(\$25,000)	-4.55%
Charges for Services/Facilities Usage	\$50,000	\$85,000	\$85,000	\$0	0.00%
Grants, Interest, Miscellaneous Revenue	\$79,000	\$111,000	\$75,000	(\$36,000)	-32.43%
General Fund Tax Levy	\$32,739,375	\$33,223,918	\$34,050,000	\$826,082	2.4864%
Appropriation from ERS Reserve	\$0	\$645,000	\$410,000	(\$235,000)	-36.43%
Appropriated Fund Balance	\$500,000	\$500,000	\$500,000	\$0	0.00%
	\$35,508,622	\$36,869,503	\$37,552,566	\$683,063	1.85%

State Aid Estimate Based on 3/31/2015 State Aid Runs

\$34,065,645 2.5335% Tax Levy Limit

Budget Draft #1 vs. Budget Draft #2

Expenditures and Capital Projects

- **Efficiency Plan Savings** – \$22,500 was removed from the Contractual Audit Appropriation Code. We have included \$10,000 for any additional auditing services requested throughout the year by the Audit Committee. We reduced our Legal Fees overall by \$4,000. The savings would have been more if we did not have to increase our services with our Bond Counsel, who handle all the legal aspects of our TAN, BAN, and future Bonds. Additional savings from Legal, Architect, Engineering and other professional services will be reflected as surplus at the end of the year.
 - **BOCES**– Our total projected BOCES expenses reflected in Draft #2 increased by \$31,531. This was due to making adjustments for actual not projected BOCES cost increases and also using BOCES to score our assessments. We used to perform this in-house using subs to fill in for the teachers while they were grading but we found that it is more cost-effective to use BOCES for these service.
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Budget Draft #1 vs. Budget Draft #2

- **Transfer to Capital** – The transfer to Capital to support next year’s capital projects declined by \$40,000 to \$287,000. This is \$30,000 less than what was transferred for the current year (\$317,000). We originally set aside \$40,000 to repair, reseal and restripe the tennis court/play area but have since been told that the repairs will not last long because of the brutal winters we have been having. We received two very high estimates (\$107,000-\$148,000) to replace the whole area and felt that we needed more time to determine how we should proceed. We will revisit this next year or we may be able to use reserve funds to pay for it.
- **Additional Changes**
 - We removed overtime and extra pay for non-instructional staff (mainly clerical) from all the contract salary lines to two new appropriation codes, so we can keep better track of the expense going forward.
 - In the past our Health Insurance and Dental account also paid for Medicare reimbursements to retirees and health insurance opt-out payments. We have now separated this one account into four different accounts to better keep track of these rising costs going forward.
 - Increased appropriations for snow removal

2015-16 Budget Draft #2 Expenditures by Function

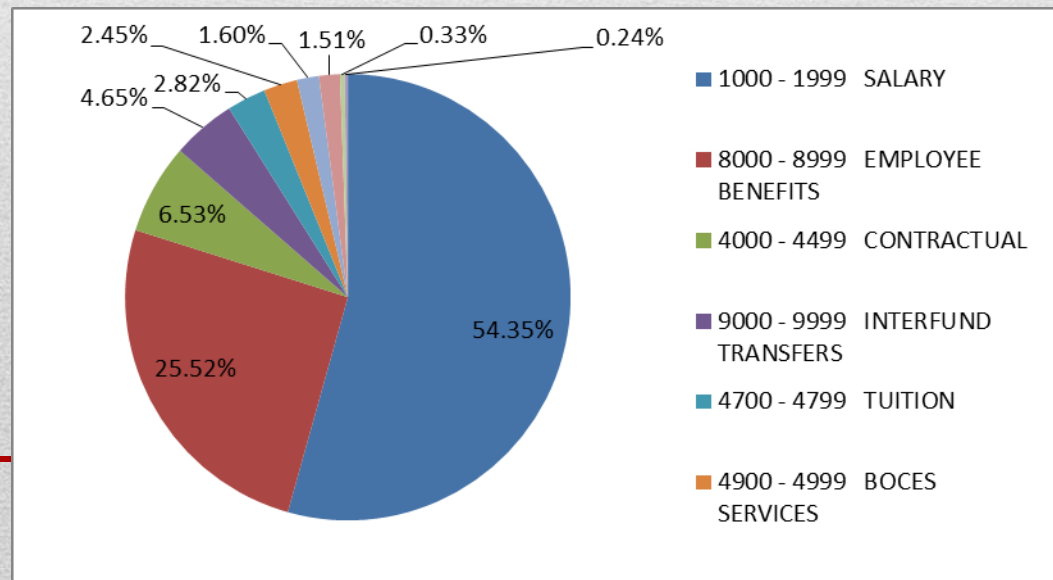
ACCOUNT GROUP BY FUNCTION	2014-15 BUDGET	2015-16 BUDGET DRAFT #2	BUDGET TO BUDGET \$ CHANGE	BUDGET TO BUDGET % CHANGE	% OF BUDGET
1000 - 1999 GENERAL SUPPORT	\$4,079,470.00	\$4,063,459.91	(\$16,010.09)	-0.39%	10.82%
2000 - 2999 INSTRUCTION	\$20,424,959.00	\$21,056,611.53	\$631,652.53	3.09%	56.07%
5000 - 5999 TRANSPORTATION	\$750,932.00	\$799,716.05	\$48,784.05	6.50%	2.13%
7000 - 8999 COMMUNITY SERVICES	\$185,540.00	\$178,300.42	(\$7,239.58)	-3.90%	0.47%
9000 - 9099 EMPLOYEE BENEFITS	\$9,487,382.00	\$9,582,340.59	\$94,958.59	1.00%	25.52%
9700 - 9799 DEBT SERVICE	\$135,000.00	\$125,000.00	(\$10,000.00)	-7.41%	0.33%
9900 - 9999 INTERFUND TRANSFERS	\$1,806,220.00	\$1,747,137.50	(\$59,082.50)	-3.27%	4.65%
GRAND TOTALS	\$36,869,503.00	\$37,552,566.00	\$683,063.00	1.85%	100.00%

- **General Support** - includes appropriations for the Board of Education, District Clerk, the Superintendent's Office, the Business Office, and Facilities.
- **Instruction** - includes appropriations for all regular elementary and secondary instruction as well as expenditures for special education programs, extracurricular activities (clubs, intramurals, etc.) and interscholastic athletics.
- **Transportation** - includes appropriations for all student transportation, either with our own buses or by contract with private companies.
- **Community Services** - includes appropriations for security guard salaries and YARD.

2015-16 Budget Draft #2 Expenditures by Object

ACCOUNT GROUP BY OBJECT	2014-15 BUDGET	2015-16 BUDGET DRAFT #2	BUDGET TO BUDGET \$ CHANGE	BUDGET TO BUDGET % CHANGE	% OF BUDGET
1000 - 1999 SALARY	\$19,749,720.00	\$20,408,559.91	\$658,839.91	3.34%	54.35%
8000 - 8999 EMPLOYEE BENEFITS	\$9,487,382.00	\$9,582,340.59	\$94,958.59	1.00%	25.52%
4000 - 4499 CONTRACTUAL	\$2,707,899.00	\$2,453,997.50	(\$253,901.50)	-9.38%	6.53%
9000 - 9999 INTERFUND TRANSFERS	\$1,806,220.00	\$1,747,137.50	(\$59,082.50)	-3.27%	4.65%
4700 - 4799 TUITION	\$1,206,500.00	\$1,059,500.00	(\$147,000.00)	-12.18%	2.82%
4900 - 4999 BOCES SERVICES	\$787,957.00	\$919,686.35	\$131,729.35	16.72%	2.45%
4500 - 4599 MATERIAL & SUPPLIES	\$581,047.00	\$599,270.63	\$18,223.63	3.14%	1.60%
2000 - 2999 EQUIPMENT	\$329,673.00	\$568,518.09	\$238,845.09	72.45%	1.51%
7000 - 7999 DEBT SERVICE - INTERES	\$135,000.00	\$125,000.00	(\$10,000.00)	-7.41%	0.33%
4800 - 4899 TEXTBOOKS	\$78,105.00	\$88,555.43	\$10,450.43	13.38%	0.24%
GRAND TOTALS	\$36,869,503.00	\$37,552,566.00	\$683,063.00	1.85%	100.00%

Salaries and benefits make up 79.87% of the total budget.



2015-2016 Projected School Tax Increase

PROJECTED DURING 2015-2016 BUDGET DEVELOPMENT - BASED ON 2014-2015 Assessed Values

Town	Market Value Average Home in District	Equalization Rate	Taxable Assessed Value	Actual 2014-2015 Rate Per \$1000 Assessed Value	Projected 2015 - 2016 Rate Per \$1000 Assessed Value	Actual 2014-2015 School Tax in Real Dollars	Projected 2015-2016 School Tax in Real Dollars	Dollar Increase in Taxes	Percent Increase in Taxes	Monthly Impact
Southampton	\$500,000	100.00%	\$500,000	\$5.22	\$5.34	\$2,610.37	\$2,670.00	\$59.63	2.28%	\$4.97
	\$1,000,000	100.00%	\$1,000,000	\$5.22	\$5.34	\$5,220.74	\$5,340.00	\$119.26	2.28%	\$9.94
East Hampton	\$500,000	0.73%	\$3,650	\$715.17	\$731.85	\$2,610.37	\$2,671.25	\$60.88	2.33%	\$5.07
	\$1,000,000	0.73%	\$7,300	\$715.17	\$731.85	\$5,220.74	\$5,342.51	\$121.76	2.33%	\$10.15

The 2015-2016 projected Tax Levy is \$34,050,000, which is a tax levy increase of 2.49% but a projected tax rate increase of 2.28% - 2.33%.

This projection assumes that 2015-2016 Assessed Values will stay the same as the 2014-2015 Assessed Values. If Assessed Values continue to increase the Tax Rate and yearly impact will DECLINE.

Also, if the District implements an Efficiency Plan for the 2015-16, 2016-17 and 2017-18 fiscal years, taxpayers will be eligible for a Freeze Credit which is equal to the greater of the homeowner's year-to-year growth in property taxes or the allowable levy growth factor (1.62% for 2015-16) under the tax cap multiplied by the homeowner's prior year tax bill.

Planning for the Funding of Future Repairs

Proposed Proposition for May 19, 2015:

Proposition 3 – The establishment and funding of a Repair Reserve.

Repair Reserve (GML, Section 6-d)

The Repair Reserve Fund is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually.

The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members.

Voter approval is required to fund this reserve (See Opinion of the State Comptroller 81-401).

Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

Purpose – This reserve is used to pay for unanticipated, non-recurring repairs to district capital improvements, facilities and equipment.

Funding Methods – Voter approval is required to fund this reserve. In accordance with the proposition, if approved by the voters, this reserve would be funded by unanticipated revenues and unexpended funds from the annual budget.

Use of Reserve – In accordance with the law, a public hearing must be held in order to use funds from this reserve, except in an emergency. Funds used without holding a public hearing must be repaid to the fund over two years. Use is restricted to the purpose stated above.

*Elementary School
Remove and Replace
All Purpose Play Area:
\$107,000-\$148,000*



Elementary School Boilers



2015-16 Budget Workshop Calendar

- **April 22** Adopt 2015-2016 Budget and
Property Tax Report Card
 - **May 5** Board of Education Budget Hearing
 - **May 19** Annual Budget Vote and Election
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