



Sag Harbor UFSD

2015-2016 Budget

Workshop Presentation

April 22, 2015

2015-16 Proposed Budget

Proposed Budget - \$37,552,566:

- Budget to Budget Increase – 1.85%
 - Property Tax Levy Limit – 2.5335%
 - Projected Tax Levy Increase – 2.4864%
or **\$826,082**
-

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

2015-16 Budget Draft #2 Expenditures by Function

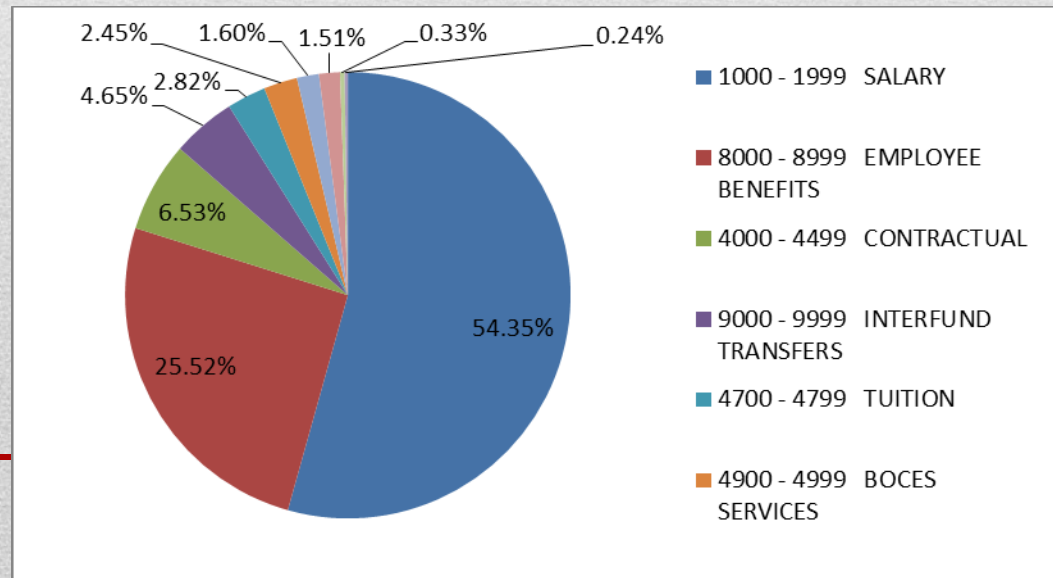
ACCOUNT GROUP BY FUNCTION	2014-15 BUDGET	2015-16 BUDGET DRAFT #2	BUDGET TO BUDGET \$ CHANGE	BUDGET TO BUDGET % CHANGE	% OF BUDGET
1000 - 1999 GENERAL SUPPORT	\$4,079,470.00	\$4,063,459.91	(\$16,010.09)	-0.39%	10.82%
2000 - 2999 INSTRUCTION	\$20,424,959.00	\$21,056,611.53	\$631,652.53	3.09%	56.07%
5000 - 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.



2015-16 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.

2015-16 Property Tax Report Card

580305 - Sag Harbor UFSD

Contact Person: Jennifer Buscemi
 Telephone Number: (631)725-5300 ext. 425

	Budgeted 2014-15 (A)	Proposed Budget 2015-16 (B)	Percent Change (C)
Total Budgeted Amount, not Including Separate Propositions	\$ 36,869,503	\$ 37,552,566	1.85%
A. Proposed Tax Levy to Support the Total Budgeted Amount ¹	\$ 33,223,918	\$ 34,050,000	
B. Tax Levy to Support Library Debt, if Applicable			
C. Tax Levy for Non-Excludable Propositions, if Applicable ²			
D. Total Tax Cap Reserve Amount Used to Reduce Current Year Levy, if Applicable			
E. Total Proposed School Year Tax Levy (A + B + C - D)	\$ 33,223,918	\$ 34,050,000	2.49%
F. Permissible Exclusions to the School Tax Levy Limit	\$ 1,905,683	\$ 1,664,979	
G. School Tax Levy Limit , <u>Excluding</u> Levy for Permissible Exclusions ³	\$ 31,329,479	\$ 32,400,666	
H. Total Proposed Tax Levy for School Purposes, <u>Excluding</u> Permissible Exclusions and Levy for Library Debt, Plus Prior Year Tax Cap Reserve (E - B - F + D)	\$ 31,318,235	\$ 32,385,021	
I. Difference: (G - H); (negative value requires 60.0% voter approval) ²	\$ 11,244	\$ 15,645	
Public School Enrollment	\$ 1,011	\$ 1,041	2.97%
Consumer Price Index			1.62%

¹ Include any prior year reserve for excess tax levy, including interest.

² Tax levy associated with educational or transportation services propositions are not eligible for exclusion under the School Tax Levy Limit and may affect voter approval requirements.

³ For 2015-16, includes any carryover from 2014-15 and excludes any tax levy for library debt or prior year reserve for excess tax levy, including interest.

	Actual 2014-15 (D)	Estimated 2015-16 (E)
Adjusted Restricted Fund Balance	\$ 5,820,324	\$ 6,820,324
Assigned Appropriated Fund Balance	\$ 678,449	\$ 675,000
Adjusted Unrestricted Fund Balance	\$ 1,474,779	\$ 1,502,103
Adjusted Unrestricted Fund Balance as a Percent of the Total Budget	4.00%	4.00%

Propositions on the Ballot

Proposition 1 – Approval of the 2015-2016 Budget

Resolved that the Board of Education of the Sag Harbor Union Free School District, Sag Harbor, New York, be and is hereby authorized to expend the sums set forth in the proposed budget for the 2015-2016 school year in the total amount of \$37,552,566 and to levy the necessary tax therefor.

Proposition 2 – Establishment of a Repair Reserve Fund

Shall the Board of Education of the Sag Harbor Union Free School District, pursuant to General Municipal Law Section 6-d, be authorized to establish a reserve fund to pay for certain repairs that do not recur annually or at shorter intervals; that the reserve fund should not be in an amount not to exceed \$2,500,000; that the probable term of the reserve fund shall be (10) years; and that the reserve fund **shall be funded in any year during the probable term, with such funds to be obtained from end of budget year surplus funds** and/or budget appropriations.

Planning for the Funding of Future Repairs

NO ADDITIONAL TAX IMPACT

Repair Reserve Fund (GML Section 6-d)

Purpose: To pay for certain repairs to capital improvements or equipment. The type of repairs must not recur annually or at shorter intervals.

How to Create and Use: A resolution appropriating moneys from a repair reserve fund is subject to a public hearing and at least five days must elapse between the publication of the notice of hearing and the date specified for the hearing. In an emergency, moneys in a repair reserve fund may be expended without giving notice and without holding a public hearing. To make such an emergency expenditure, the governing board must pass a resolution approved by at least a two-thirds vote. In addition, at least one-half of the expenditure must be repaid in the next fiscal year and the balance repaid by the end of the fiscal year after that.

Source of Funds: Budgetary appropriations, revenues that are not required by law to be paid into any other fund or account (e.g., transfers from unexpended balances of existing appropriations, surplus moneys).

Planning for the Funding of Future Repairs

NO ADDITIONAL TAX IMPACT

Repair Reserve Fund (GML Section 6-d)

Quote from the NYS Comptroller's Office about the importance of planning for future capital needs, *“district governing boards prepare budgets every year that estimate, to the best of their ability, the revenues and expenditures they expect for the coming year. In addition to budgeting for such expenditures as salaries, benefits, utilities and other typical annual costs, prudent management also means planning ahead and saving for capital projects and infrastructure maintenance. Planning today and saving incrementally for future needs using a reserve fund can help reduce the financial impact of major, nonrecurring or unforeseen expenditures on your annual operating budget. Establishing and funding allowable reserve funds for a clear purpose can help smooth out spikes not only in the annual budget, but in the real property tax levy as well. In addition, saving for future capital needs can reduce or eliminate interest and other costs associated with debt issuances.*

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



Elementary School Boilers



Elementary School Boilers

The manufacture date of the SHES boilers is November 1986, which makes them roughly 27-28 years old. These types of boilers are manufactured to order because of their size, so they were probably installed within a year of that date, most likely during the summer of 1987.



Elementary School Boilers – Replacement Cost

Replace two existing boilers.

Cost includes the replacement of two existing Weil McClain series 88 cast iron sectional steam boilers and burners. Cost also includes replacement of problematic main boiler valves, a new lead/lag panel, carbon monoxide detection system, installation of an eyewash/shower station as recommended by SEO, lighting replacement, painting and a chimney allowance as required by SEO.

Estimated Cost\$513,600

Cost would include a Manufacturer's warranty for 10 years on the heat exchanger (the boiler) and 1 year on all of the smaller associated parts from the time of installation. The burner has a 15 month manufacturer's warranty from the time of shipment. In addition, the Contractor has a 2 year material and 2 year labor warranty from the date of final payment.



BEST CLIMATE CONTROL CORP.

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FAX (631) 218-8023

April 9, 2015

Sag Harbor School District
200 Jermain Avenue
Sag Harbor, NY 11963
Attn: Jennifer Buscemi

Re: 15-8050 *Sag Harbor Elementary School*; Steam Heating System Repairs

Ms. Buscemi,

As a result of a thorough review of the Boiler, Condensate, and Steam systems at Sag Harbor Elementary School, the following service needs were observed:

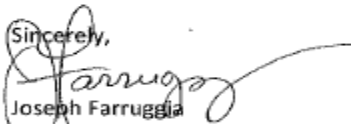
1. Furnish and Install new Condensate and Boiler Feed Tank and associated equipment. Includes the tank, piping, and electrical.
2. Furnish and Install a new Oil Pump Set where oil lines enter the building. Includes piping and electrical.
3. Furnish and Install new gaskets for (2) Weil McLain 688 Boilers.
4. Furnish and Install a new Receiver Tank. Includes relocation from the pit to floor-level and associated piping and electrical modifications.
5. Tune Burners and Water Heater. Includes Combustion Analysis, Burner Tuning, and miscellaneous maintenance parts. Major parts, if required, will be provided at additional cost.
6. Furnish and Install new replacement steam traps. Includes all Steam Trap Elements throughout the building, and all pipe/ valves/ fittings required for installation of the traps.

For the scope of work outlined above we are pleased to provide the following "not-to-exceed estimate:

Base Time and Materials Price:	\$ 99,300.00
10 % Contingency (for unforeseen circumstances):	\$ 9,930.00
Maximum Project Total:	\$ 109,230.00

Please note that all pricing is in accordance with Bid/ Service Agreement #EH/SAG-14-901.

Thank you for the opportunity to be of service. Please feel free to contact me with any questions.

Sincerely,

Joseph Farruggia

The repairs may give us another five to twenty years out of the boilers. Some of the components are being replaced, such as the oil pump set, condensate and boiler feed system, the receiver tank and pumps. This can all be deducted from the \$513,600 replacement cost in the future

Fund Balance and Reserves

Sag Harbor Union Free School District						
Assigned:	Fund Balance	Balance @ June 30, 2013	Interest Earned & Δ in Encumbrances 2013/2014	Balance @ June 30, 2014 Before Transfers to Reserves	Transfers to Reserves	Year-end Balance @ June 30, 2014
	Reserved for Encumbrances (Unappropriated Fund Balance)	\$ 129,485	\$ 48,963	\$ 178,449		\$ 178,449
Reserved for:						
	Employee Benefit Accrued Liability Reserve (EBALR)	\$ 310,358	\$ 137	\$ 310,496	\$ -	\$ 310,496
	Retirement Contribution Reserve (ERS)	\$ 2,193,061	\$ 2,538	\$ 2,195,599	\$ 1,000,000	\$ 3,195,599
	Facilities Capital Reserve	\$ 628,227	\$ 595	\$ 628,822	\$ 500,000	\$ 1,128,822
	Fleet Replacement Reserve	\$ 390,142	\$ 434	\$ 390,575	\$ 10,000	\$ 400,575
	Insurance Reserve	\$ 33,000	\$ 25	\$ 33,025	\$ 151,378	\$ 184,403
	Unemployment Reserve	\$ 100,075	\$ 168	\$ 100,243	\$ -	\$ 100,243
	Worker's Compensation Reserve	\$ 245,000	\$ 186	\$ 245,186	\$ 255,000	\$ 500,186
Non-Spendable Reserves:						
	Advances (to School Cafeteria Fund)	\$ -				
Unreserved - Designated for Subsequent Year Expenditures:						
	Appropriated Fund Balance	\$ 500,000		\$ 500,000		\$ 500,000
Unreserved - Undesignated:						
	Unassigned Fund Balance	\$ 1,420,345		\$ 1,420,345	\$ 54,434	\$ 1,474,779
Year End Totals:		\$ 5,949,693	\$ 53,046	\$ 6,002,740	\$ 1,970,812	\$ 7,973,552

2015-16 Budget Workshop Calendar

- **May 5, 2015** Board of Education Budget Hearing

 - **May 19, 2015** Annual Budget Vote and Election
 - Site: Pierson High School Gym
 - Start Time: 7:00 AM
 - End Time: 9:00 PM
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