



North Tonawanda City Schools

Achieving Excellence

2020-21 Budget Hearing

Board of Education Meeting
June 2, 2020



In the budget hearing tonight there will be a review of the proposed 2020-21 budget presented in the administrative, capital, and program components as required by education law.

Meeting Agenda



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1. 2020-21 Budget Update
2. General Fund Budget
 1. Administration \$ 7,459,026
 2. Capital \$ 13,666,579
 3. Program \$ 59,891,336
 4. Revenues \$ 81,016,940
3. 2020-21 Budgetary Items
4. Proposition #1
General Fund Budget
5. Proposition #2
Capital Reserve
6. Proposition #3
Energy Performance Project
7. Introduction of Candidates



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2020-21 Budget Goals

“Fiscally responsible and
meeting program goals”

GOAL

- ✓ Stay within the tax cap
- ✓ Allocate resources to support District initiatives and strategic plans

PROPOSED BUDGET

- ✓ **NO TAX LEVY INCREASE**
– proposed levy 0 %
- ✓ Maintain programs to support students, staff, and families



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2020-21 Budget Goals

**“Fiscally responsible and
meeting program goals”**

GOAL

- ✓ Keep pace with Technology and improve services
- ✓ Continue to reduce maintenance and utility costs
- ✓ Implementing Fleet replacement – no tax levy increase

PROPOSED BUDGET

- ✓ Comprehensive Technology Plan implementation
- ✓ Energy Performance Project
- ✓ Use of Reserves – Fiscal Stability

Initial Budget Parameters



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❖ Budget Increase

- Keep increase to 1% and 3%

❖ CPI (consumer price index)

- Cost of doing business across the country - rate trending at an increase of about 2% (basis for growth factor on levy)

General Fund Budget Summary

2019-20 Budget

\$ 79,431,300

2020-21 Proposed
Budget

\$ 81,016,940

\$ 1,585,640 increase

**2.00% increase
over
2019-20 Budget**

**previous year
increase of 1.98%**



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**0 % increase
over
2019-20 Budget**

**previous year
increase of .96%**



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Tax Levy Summary

2019-20 Budget

\$ 28,875,625

**2020-21 Proposed
Budget**

\$ 28,875,625

\$ 0 increase

General Fund Expenditure Budget



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	PROPOSED
BUDGET	BUDGET
2019-20	2020-21
ADMINISTRATION	
\$6,774,764	\$7,459,026
CAPITAL	
\$13,879,903	\$13,666,579
PROGRAM	
\$58,776,633	\$59,891,336
TOTALS	
\$79,431,300	\$81,016,940

ADMINISTRATION



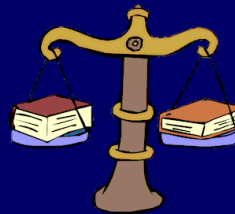
Board of Education

- District Clerk
- Election
- Legal Notices
- Training



Administrative Staff

- Superintendent
- Finance
- Human Resources
- Special Education
- Instructional Admin



Special Items

- Insurance
- Legal
- BOCES Admin



Administration of Benefits

Central Services

- Printing
- Equipment
- Supplies and Materials

Administrative Budget Summary



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Component Detail		19-20	20-21
Board of Education	↑	\$48,051	\$51,474
Chief School Admin	↑	\$245,491	\$254,117
Finance Administration	↑	\$452,691	\$483,858
Personnel Admin	↓	\$518,901	\$488,645
Central Services	↑	\$679,189	\$772,112
Special Items	↑	\$748,164	\$788,011
Instructional Admin	↑	\$1,698,274	\$1,967,907
Employee Benefits	↑	\$2,384,003	\$2,652,902
ADMINISTRATIVE TOTAL		\$6,774,764	\$7,459,026

	Component Detail	19-20	20-21
<p>In general, increases are due to contractual agreement increases, rising cost of BOCES services and decreases are due to retirements or shifts in staffing. Specifically the increase in the benefits budget lines are based on anticipated increases in medical claim expenses and expenses related to pharmaceuticals along with third party management fees.</p>			\$51,474
			\$254,117
			\$483,858
			\$488,645
			\$772,112
			\$788,011
			\$1,967,907
			\$2,652,902
Achieving Excellence	ADMINISTRATIVE TOTAL	\$6,774,764	\$7,459,026

CAPITAL



Operations of Plant

- Utilities
- Equipment
- Supplies and Materials
- Training



Special Items

- 100k Project
- Transportation









Facilities Staff

- Director's Office
- Maintenance
- Custodial
- Grounds

Capital Budget Summary








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Component Detail	19-20	20-21
Special Items 	\$72,828	\$72,828
Buildings & Grounds 	\$5,144,109	\$4,153,702
District Transportation 	\$110,000	\$1,330,500
Capital Improvements 	\$100,000	\$600,000
Principal and Interest Payments 	\$6,940,736	\$6,429,523
Employee Benefits 	\$1,512,230	\$1,080,026
CAPITAL TOTAL	\$13,879,903	\$13,666,579

Capital Budget

School Bus
Purchase - Aided

Component Detail	19-20	20-21
Special Items 	\$72,828	\$72,828
Buildings & Grounds 	\$5,144,109	\$4,153,702
District Transportation 	\$110,000	\$1,330,500
Capital Improvements 		
Principal and Interest Payments 	\$6,940,736	\$6,429,523

Capital Projects -
Aided

Completed Projects
- Aided

Energy efficiency project is creating the **operating expense reductions** and the increase in purchase of capital equipment and improvements will **generate aid** next year.

Energy Performance Project

eliminating waste – being efficient

PROJECT OVERVIEW

- \$5.3MM Cost
- \$176k Annual Energy Savings
- \$170k Utility Rebate
- Operational/Maintenance Savings

1,098,892 Annual kWh Saved

Equivalent GHG
Emissions:



Carbon
Sequestered by:



18,772 Annual Therms of Natural Gas Saved

Equivalent GHG
Emissions:



Carbon
Sequestered by:



Project Proposals

Capital Improvements – State Aided



\$100,000 Capital Outlay Project

- Est. by NYSED Department of Facilities Planning
 - Method to maintain facilities
 - Modest upgrades, and improvements
 - Up to \$100,000 between larger capital projects
- Generate state aid for the school district
 - Approx. 16% of the costs - local funds
 - State will aid at approximately 84%
- Funding to reduce the local cost to taxpayers
- Proposing to use these funds for a project to address **Control Rooms and associated site work** in/at school buildings.

PROGRAM



Student Program Needs

- Supplies and Materials
- Technology
- Equipment
- Teachers Training



Special Items

- SWD summer
- Transportation



Instructional Staff

- Classroom
- SWD
- Occupational
- Library
- Guidance
- Health
- Psychological
- Social Work
- Athletics
- Co-Curricular



Program Budget
Summary



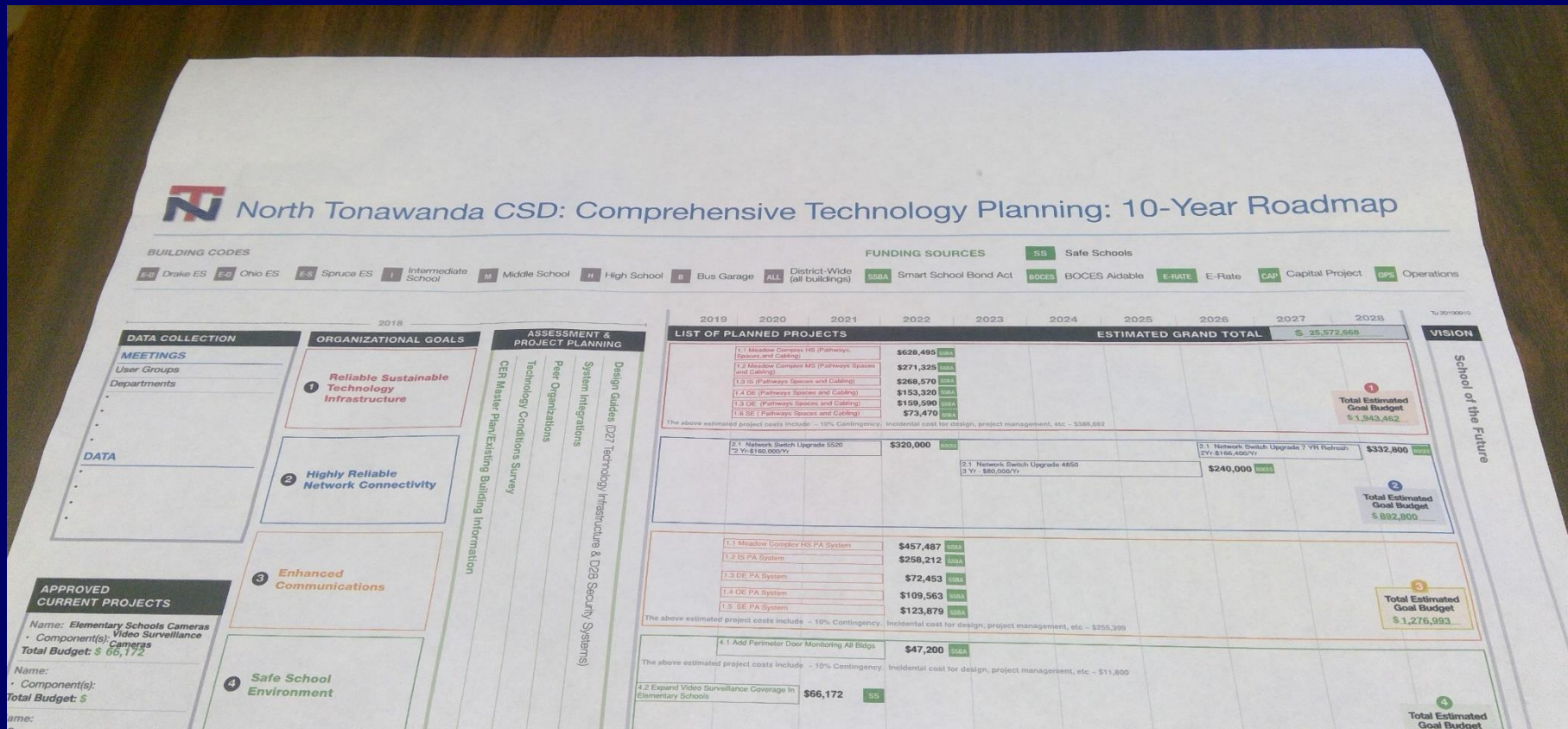
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Component Detail		19-20	20-21
Teaching	↑	\$20,096,291	\$20,247,840
Special Education	↑	\$14,633,303	\$14,840,317
Occ Education	↑	\$1,422,473	\$1,422,565
Instructional Media	↑	\$1,572,017	\$2,032,325
Pupil Services	↑	\$3,137,854	\$3,386,066
Transportation	↑	\$2,980,662	\$3,220,150
Employee Benefits	↓	\$14,809,033	\$14,617,073
Transfers	—	\$125,000	\$125,000
PROGRAM TOTAL		\$58,776,633	\$59,891,336

	Component Detail	19-20	20-21
<p>In general, increases are due to contractual agreement increases, rising cost of BOCES services and decreases are due to retirements or shifts in staffing. Specifically the large increase in the instructional media budget is related to implementation of the long-range technology plan. The District is committed to providing students with technology to enhance learning opportunities and improve the IT infrastructure to support associated devices and applications.</p>			\$20,247,840
			\$14,840,317
			\$1,422,565
			\$2,032,325
			\$3,386,066
			\$3,220,150
			\$14,617,073
			\$125,000
Achieving Excellence	Transfers	\$125,000	\$125,000
	PROGRAM TOTAL	\$58,776,633	\$59,891,336

Comprehensive Technology Plan

Addressing the backbone, security, and capacity of the District network



**Summary of Positions
to Support New
Initiatives and
Programs**

\$107,500



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Staff/Program	Building	Cost	
Social Worker	District	Federal Grant Funded	
Lax Coach	District	\$2,500	
Micro computer Specialist	District	\$50,000	BOCES retirement
1.0 Counselor	Support Center	\$55,000	
Total		\$107,500	

The addition of the Micro Computer Specialist is offset by a reduction in the BOCES service expense of using a BOCES specialist

EXPENDITURES

General Support: 3.59%

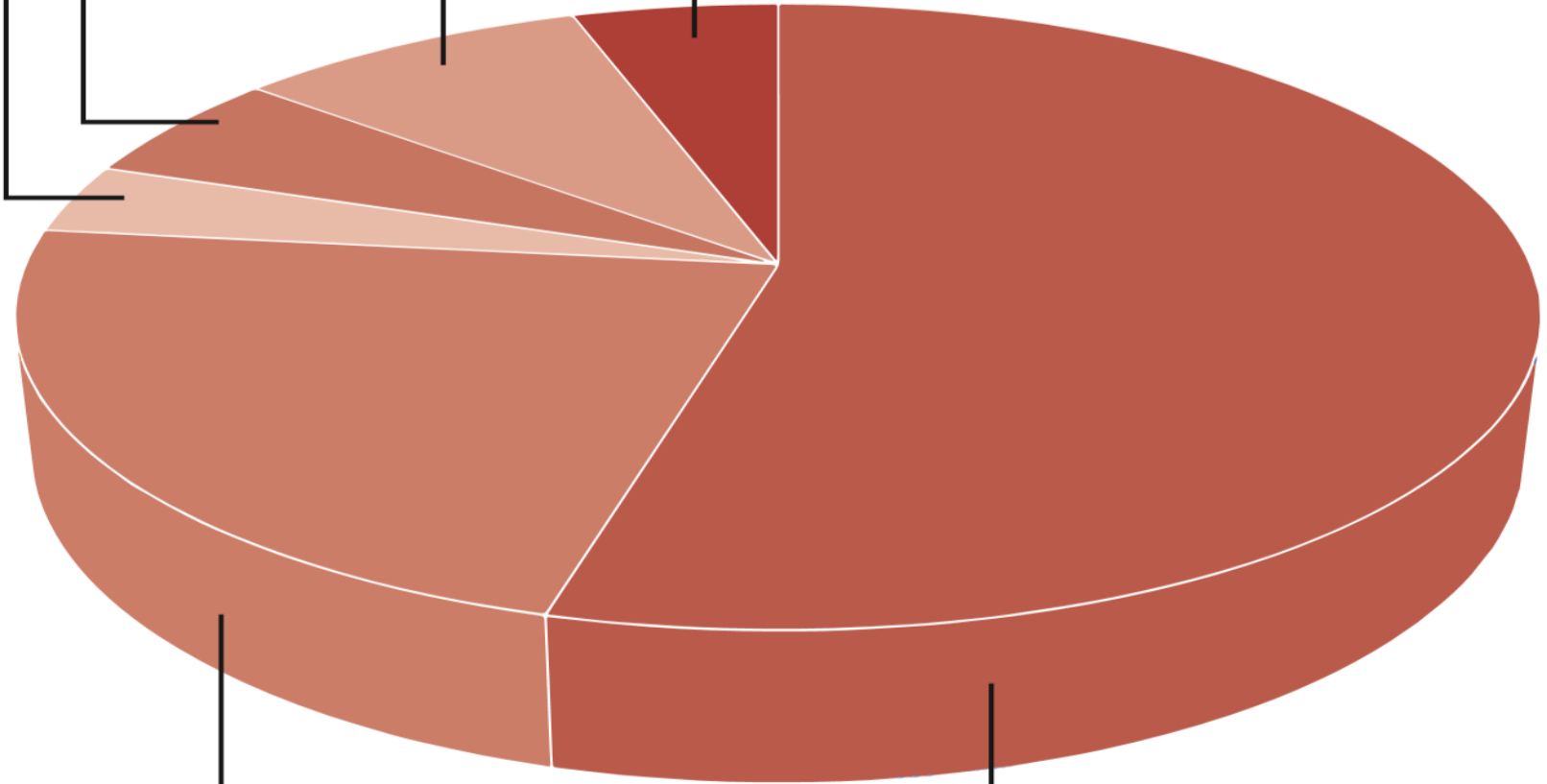
Transportation: 5.62%

Debt Service/Fund Transfers: 8.83%

Operations & Maintenance: 5.13%

Instruction: 54.18%

Employee Benefits: 22.65%

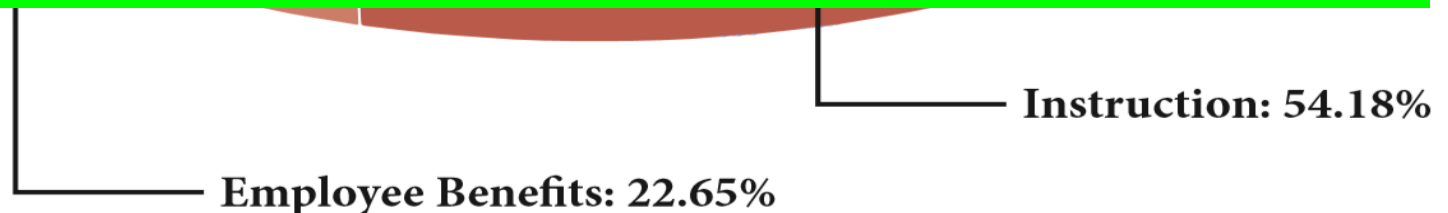


EXPENDITURES

Gene

In 20-21 there is also a distinct possibility that this budget plan may require significant shifts in the plan due to a necessary response to a potential response to COVID-19 mandates prior to the start of the school year or even during the school year.

The Budget reflects the best plan to address what we know now on June 2nd, 2020.



Revenue Budget Summary



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		REVENUES 2019-20	ESTIMATED REVENUES 2020-21
STATE / FEDERAL AID	↑	\$43,450,993	\$43,452,270
OTHER INCOME	↑	\$2,104,682	\$2,139,045
RESERVES and FUND BALANCE	↑	\$5,000,000	\$6,550,000
TAX LEVY	—	\$28,875,625	\$28,875,625
TOTAL REVENUES		\$79,431,300	\$81,016,940

The District is proposing a ZERO percent levy increase largely due to the use of RESERVES (District savings) to fund capital purchases. STATE

AID IS ESSENTIALLY FLAT - NO INCREASE

Prior to the COVID-19 adjustment that is currently known the District was in line for a potential \$473,000 increase in state aid payable. That loss of aid was addressed with budget cuts and use of ADDITIONAL RESERVES.

ESTIMATED
REVENUES
2020-21

\$43,452,270

\$2,139,045

\$6,550,000



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TAX LEVY

\$28,875,625

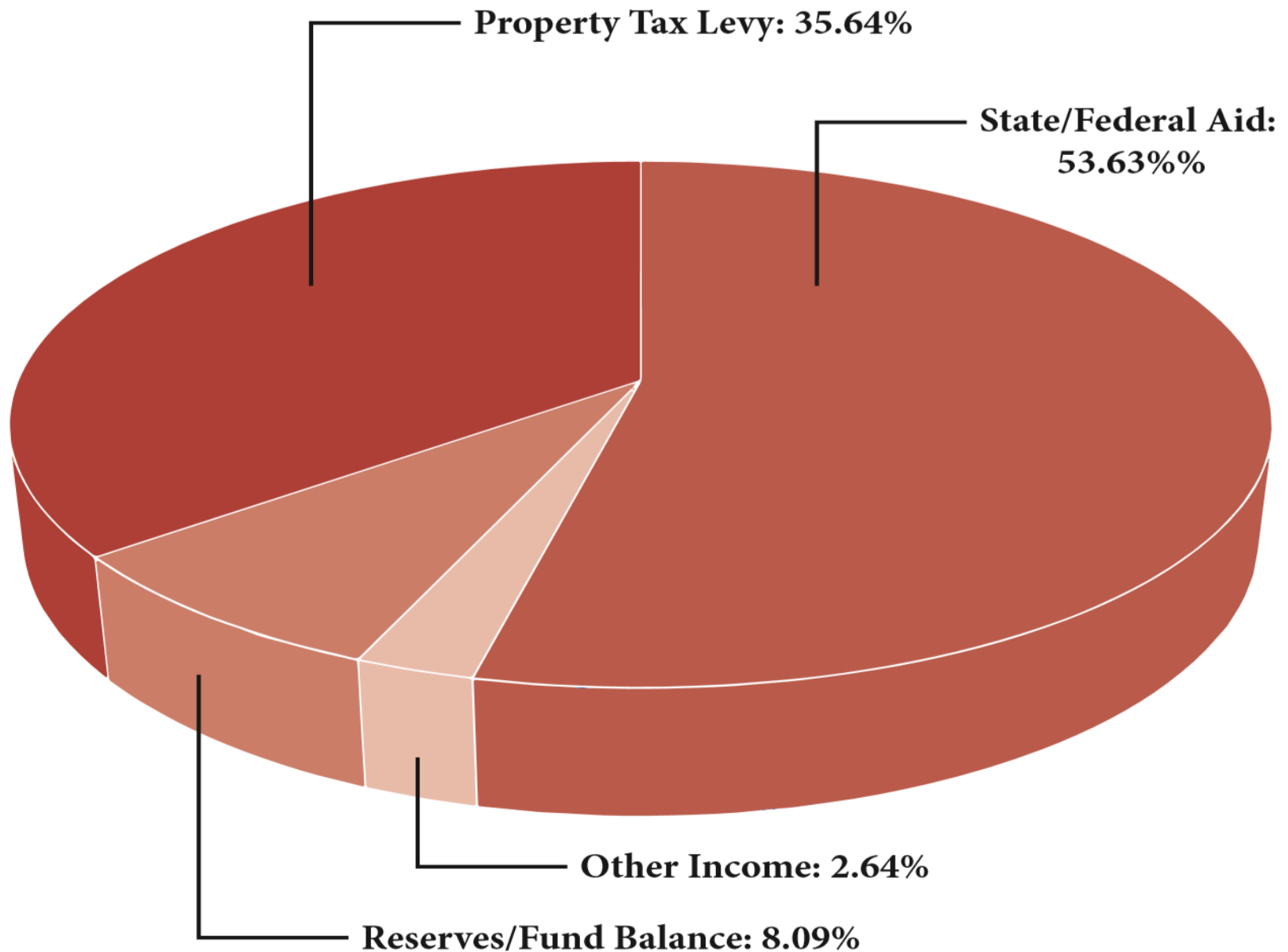
\$28,875,625

TOTAL REVENUES

\$79,431,300

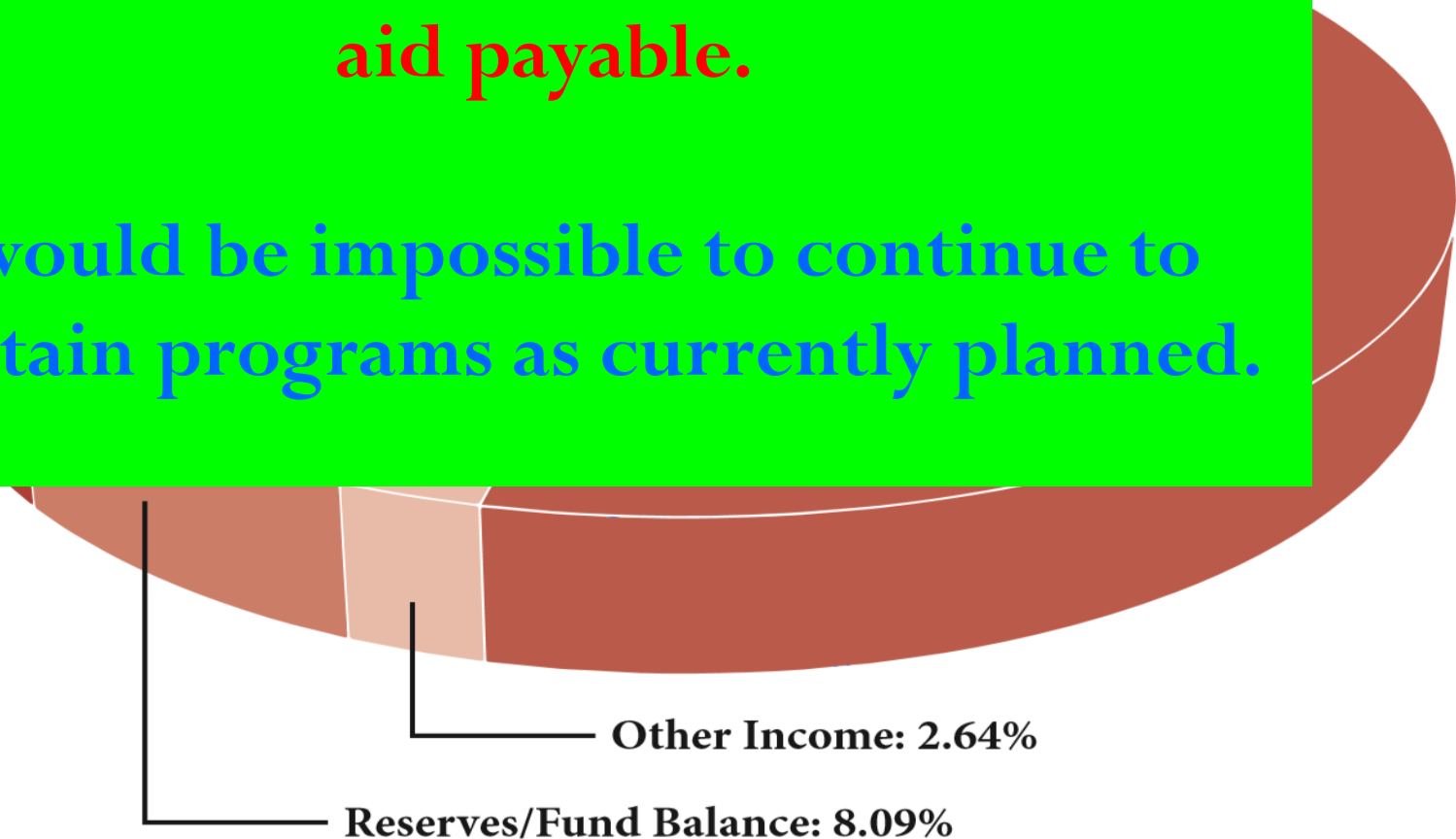
\$81,016,940

PROJECTED REVENUES



There is a risk of FURTHER significant mid-year budget cuts or a substantial use of fund balance due to FURTHER potential COVID-19 adjustments in state aid payable.

It would be impossible to continue to maintain programs as currently planned.



Tax Levy And Rates

**STAR
PROGRAM**



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	19-20	20-21	Change
Tax Levy	\$28,875,625	\$28,875,625	\$ 0
Tax Levy Rate	\$ 22.79	\$ 22.79	\$ 0

Estimated Impact on Taxes

Increase on 100,000 household	\$ 0.00/YEAR	Estimated
Increase on 100,000 household With STAR	\$ 0.00/YEAR	Estimated
Increase on 100,000 household With Enhanced STAR	\$ 0.00/YEAR	Estimated

**Proposed Tax Levy Rate
Increase 0 %**

Proposition #1

General Fund Budget

*The proposed budget is presented to the voters of the district at \$81,016,940 which represents a **0 % proposed tax levy increase.***

Proposition #2

TRANSFER OF CAPITAL RESERVE FUNDS (ACQUISITION OF SCHOOL BUSES)

RESOLVED, that the Board of Education of the City School District of the City of North Tonawanda, Niagara County, New York (the “District”) be authorized to appropriate funds from the District’s “Capital Reserve Fund-2019” in the maximum amount of \$1,200,000 and to expend these funds for the following purposes: (1) twenty-one large 66 passenger Type C school buses; (2) two Type A school buses; and (3) one small Type A wheel chair school bus?

Transportation Capital Expenditure

In the 2020-2021 budget year, the district is proposing to purchase twenty-one large **66 passenger Type C school buses**; two small **Type A school buses**; and one small **Type A wheel-chair school bus** for the purpose of transporting students as part of home to school services. This planned purchase is part of a comprehensive long-term fleet rotation plan.



\$ Aided Expense \$

#2

SERVE FUNDS

SCHOOL BUSES)

Education of the City

with Tonawanda,

Niagara County, New York (the "District") be

authorized to appropriate

Use of Savings to fund bus

purchases not taxes

- For every \$1 spent, about \$.79 will come back in State Aid. (Acquiring Buses)

The best part of this is that the savings will come back to the District in the form of transportation aid on the buses over several years.



Proposition # 3

ENERGY PERFORMANCE IMPROVEMENTS PROJECT, 2020 (OBTAINING ADDITIONAL STATE BUILDING AID)

Voter approval of the energy project will allow the District to get an additional 10% state aid on the cost of the project. This extra aid along with the energy and maintenance savings from the new LED lights and boilers at NTI and Ohio will help the District keep taxes low in future budgets. This is also part of the long-term financial plan to continue to cut operational costs.

EXPENDITURES

Proposition # 3

ENERGY PERFORMANCE IMPROVEMENTS PROJECT, 2020
(OBTAINING ADDITIONAL STATE BUILDING AID)

\$ Aided Expense \$

Voter approval of Proposition #3 will allow the District to receive an additional 10 % with the passage of this proposition by the voters on the cost of the energy and LED lights and boilers at the District. This will help the District keep taxes low in future budgets. This is also

This is critical to the long-term financial health of the District especially with state foundation aid being potentially slashed in 20-21 & 21-22

BUDGET CHALLENGES

APPROPRIATIONS

- **COVID-19 (unknown)**
- Benefits-(Retirement, Health)
- Contractual Increases
- Staff costs -negotiated contracts
- Tuition costs – BOCES /out of district programs

REVENUE

- Federal and State Aid
 - **Mid-Year Cuts?**
- Keeping Tax Levy Low
 - Tax Cap
- Appropriation of Fund Balance and use of Reserves
 - Planned spending of savings

Should the budget fail

Contingency Budget and Tax Cap

- Go directly to a Contingency Budget **or**
- Conduct a Second vote
(Same Budget, Amended Budget or Contingency with propositions)
- A failed second vote and/or contingency budget means
- **\$1,727,064 in** cuts to be compliant with current contingent budget rules.

What do we stand to lose?

- Contingent Budget

- 0 % increase
- Board evaluates ordinary contingent expenses
- Removes capital and equipment expenditures

- What do these support?

- Student equipment – program needs (science and music programs)
- Safety measures – cameras, doors, etc.
- Transportation – Bus Purchases
- 100k Capital Outlay and Improvement Project
- Public use of building use will be limited

What do we stand to lose?

- Contingent Budget

- 0 % increase - Lose the advantage of state aid which is driven by these capital expenditures
- Board expenses
- Remove expenditures
- For every dollar spent we get

- What do we stand to lose? money back from the state to aid the operations of facilities.

- Student (science and music)

Keep Local Taxes Low

- Safety measures – cameras, doors, etc.
- Transportation – Bus Purchases
- 100k Capital Outlay and Improvement Project
- Public use of building use will be limited

In closing...

- \$ Budget increase of 2 % with a 0 % tax levy increase.
- \$ Proposition # 2 - uses District savings to keep levy at 0 %.
- \$ Proposition # 3 – Additional funding for energy performance project that drives state aid to keep levy low and future reduction in maintenance costs and utilities.

Thank You



Annual Election & Budget Vote

To be conducted by absentee ballot. In order to be counted, the ballot must be received by the Clerk of the Board of Education, 176 Walck Road, North Tonawanda, NY not later than 5:00 p.m. – June 9, 2020. (Election Day)



Comments/Questions

- Board Members
- Public

Election of Board Members

Voters will elect two board members based on the top two vote getters for a three-year term from July 1, 2020 through June 30, 2023. Names are listed as they will appear on the Ballot.

Jeremy Geartz

Matthew Kennedy

Zachary Niemiec

Jacob Quinn