



# North Tonawanda City Schools

## **2021-22 Budget**

STUDY SESSION #3

**Board of Education Meeting**  
**March 3, 2021**



**The presentation tonight will provide some updates and a draft of the 2021-22 budget. In this session we will also:**

- Identify the expense and revenue structure of the budget.**
- Review state budget proposals impact on future budgets**
- Evaluate measures to close the current budget gap.**



## Budget Builders

- Revenues
- Expenditures
- Mandates
- Fund Balance and Reserves

# 2021-22 Recommended Budget Goals

- ✓ Stay within the tax cap
- ✓ Allocate resources to support District initiatives and strategic plans
- ✓ Keep pace with Technology
- ✓ Improve Operational Efficiency (Facilities)
- ✓ Continue to enhance safety and security measures throughout the District
- ✓ Reduce Appropriated Fund Balance amount
- ✓ Additional BOE Directives



# Expenditures

## 2021 – 22 proposed

### Expenditure

### Budget

**\$ 82,584,546**

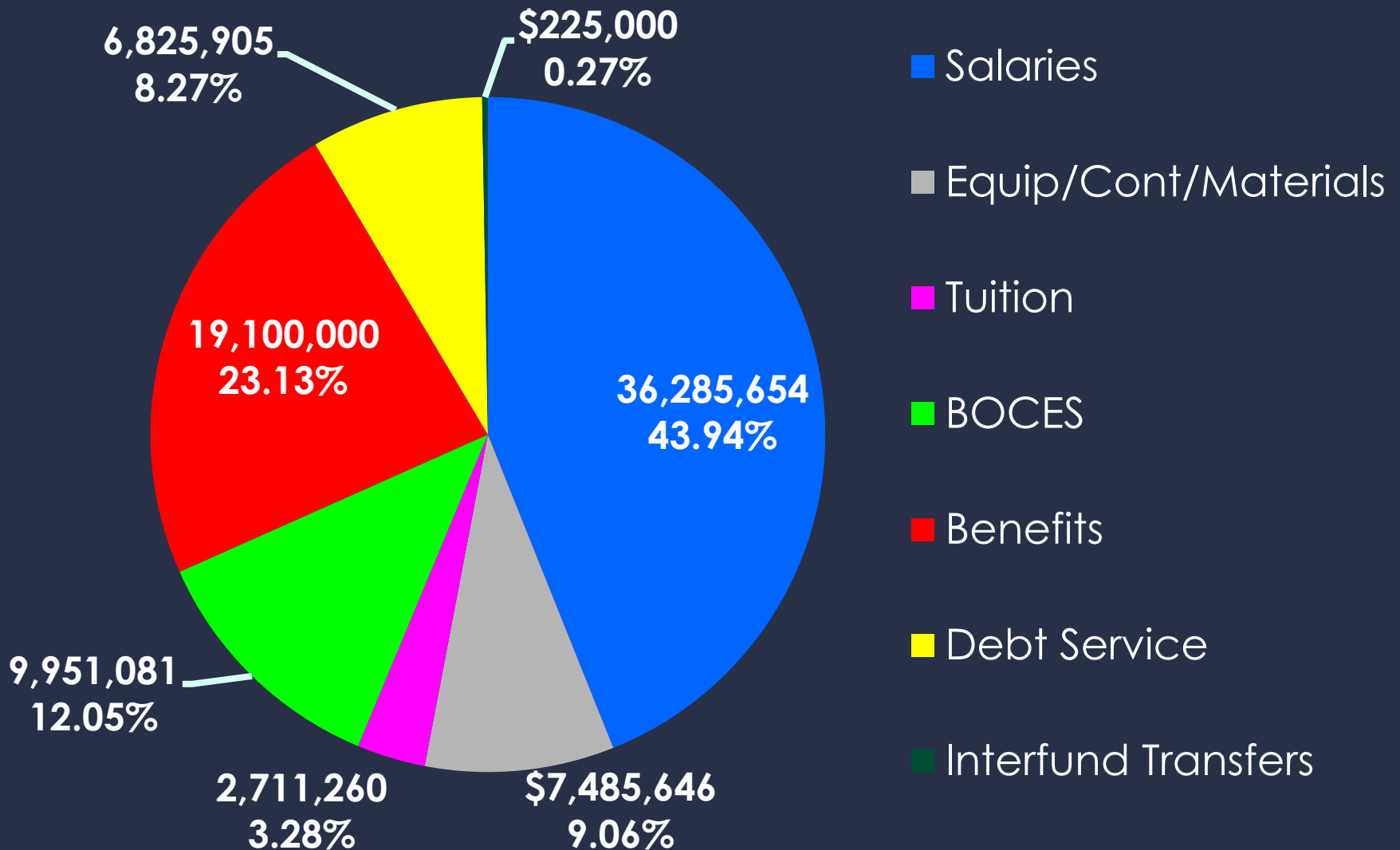
**\$1,567,606** increase over  
2020-21 Budget

Previous year over 19-20  
**\$1,585,640 or 2.0%**

**1.93 % increase  
over  
2020-21 Budget**

# Expenditures

2021 - 22 Proposed First Draft Budget \$82,584,546





# SUMMARY

2021-22 Proposed  
Budget Expenditures

	2020-21	2021-22	Change
Salaries	\$34,461,500	\$36,285,654	\$1,824,154
Equipment	\$1,662,000	\$1,321,500	(\$340,500)
Contractual	\$4,537,100	\$4,772,830	\$235,730
Materials	\$1,068,719	\$1,391,316	\$322,597
Tuition	\$2,425,625	\$2,711,260	\$285,635
BOCES	\$11,357,473	\$9,951,081	(\$1,406,392)
Benefits	\$18,350,000	\$19,100,000	\$750,000
Debt Service	\$6,429,523	\$6,825,905	\$396,382
Transfers	\$725,000	\$225,000	(\$500,000)
Totals	\$81,016,940	\$82,584,546	\$1,567,606

# Salaries

<b>2020-21 Budget</b>			<b>\$34,461,500</b>
<b>Increase</b> in Appropriations - Contractual / Projections		<b>\$2,707,453</b>	
<b>Decrease</b> in Appropriations - Retirement Breakage (est)		<b>(\$883,299)</b>	
<b>Net Change</b>			<b>\$ 1,824,154</b>
<b>21-22 Proposed Budget</b>			<b>\$36,285,654</b>

# Salaries

## Possible Additions

- ❑ School Resource Officer – Nti
  - ❑ Reallocation of resources from “security” salaries budget line.
- ❑ Gifted and Talented Programs
  - ❑ Reallocation from phased out programs



# Equipment

<b>2020-21 Budget</b>			<b>\$1,662,000</b>
<b>Increase</b> in Appropriations <ul style="list-style-type: none"><li>- Replacement Plans</li><li>- Buildings and Grounds</li><li>- Technology/Security</li><li>- COVID</li></ul>		<b>\$200,000</b>	
<b>Decrease</b> in Appropriations <ul style="list-style-type: none"><li>- Fleet Plan</li></ul>		<b>(\$530,500)</b>	
<b>Net Change</b>			<b>(\$340,500)</b>
<b>20-21 Proposed Budget</b>			<b>\$1,321,500</b>

# BOCES

<b>2020-21 Budget</b>			<b>\$11,357,473</b>
<b>Decrease</b> in Appropriations - Operations and Admin		<b>(\$16,862)</b>	
<b>Decrease</b> in Appropriations - SWD programs and professional services.		<b>(\$1,389,530)</b>	
<b>Net Change</b>			<b>(\$1,406,392)</b>
<b>21-22 Proposed Budget</b>			<b>\$9,951,081</b>

One word of caution is that expense  
driven aid will decrease in following year

# BOCES

20 The loss of aid is dwarfed the operational 7,473

efficiencies, trimming of little utilized programs, and improved services being provided to students In-District (least restrictive environment)

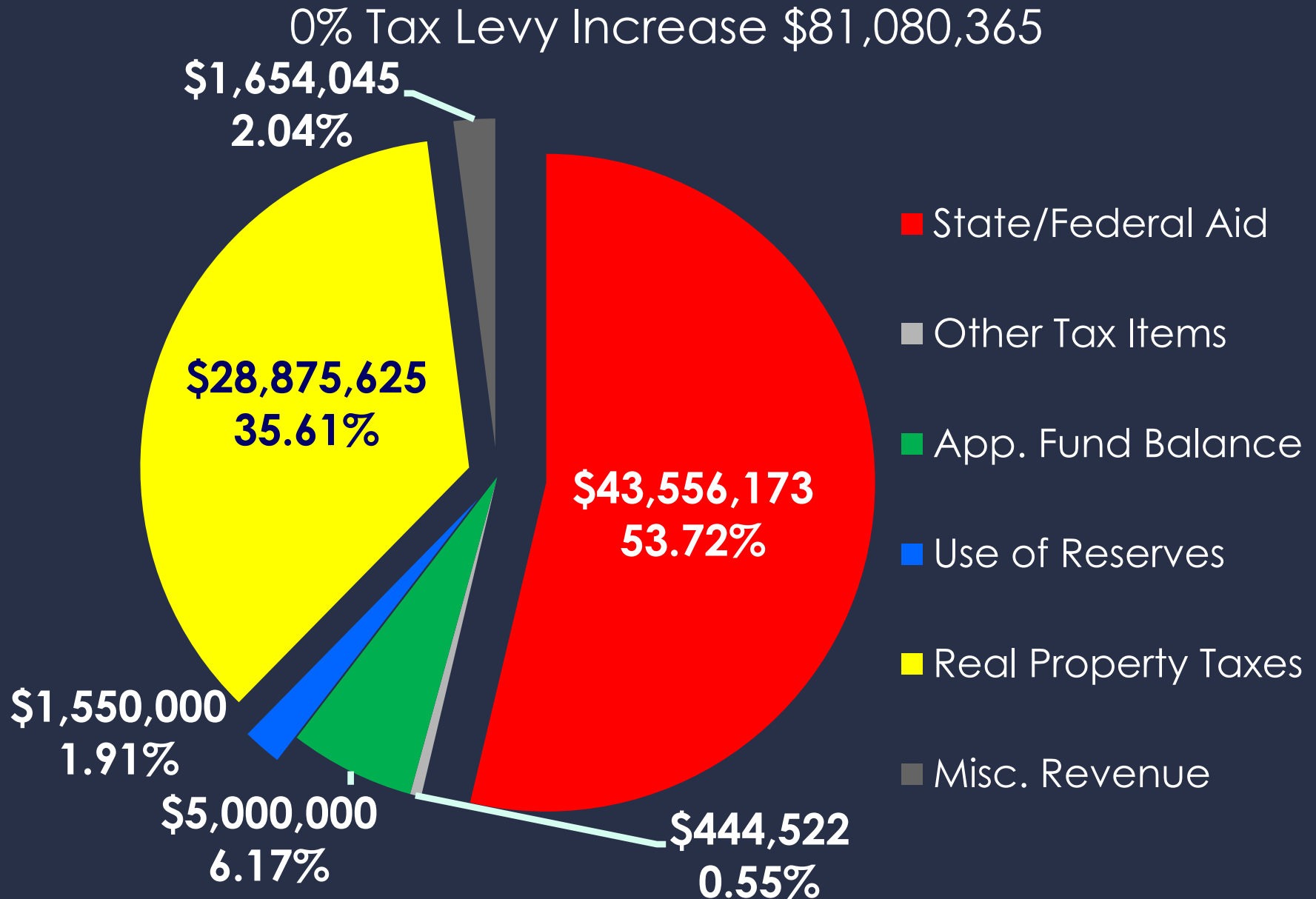
21 Most of the aid loss will not be tied to BOCES it will HIGH COST student aid. 392) 081

One word of caution is that expense driven aid will decrease in following year

# Benefits

<b>2020-21 Budget</b>			<b>\$18,350,000</b>
<b>Increase</b> in Appropriations -Net increases of benefits to TRS/ERS, FICA, etc.		<b>\$250,000</b>	
<b>Increase</b> in Appropriations - Projected increase claims (COVID lag)		<b>\$500,000</b>	
<b>Prior budgets held the line on claims (no increase in budget) – risk with continuation of this strategy</b>			
<b>Net Change</b>			<b>\$ 750,000</b>
<b>21-22 Proposed Budget</b>			<b>19,100,000</b>

# Revenue (Gov's Proposal)





ASBO  
NEW YORK

## STAR Programs And How They Impact Schools

The New York State School Tax Relief (STAR) Exemption program was established in 1997. This program, along with its successor the STAR Credit program, provides property tax relief for most owner-occupied, primary residences in New York State.

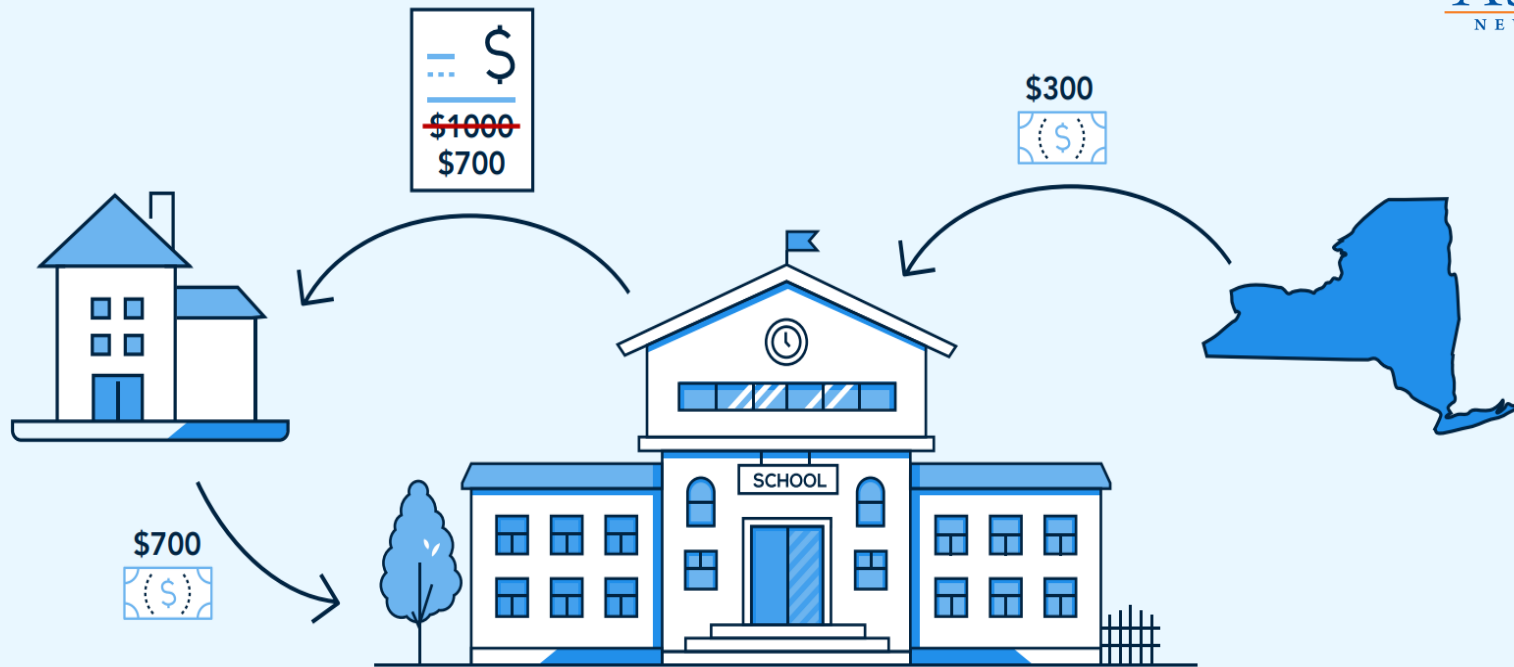
# Understanding STAR

## and the Detrimental Impact of the Proposed STAR Exemption Reimbursement Cut



**Before STAR:** School districts sent levy bill to taxpayers. In this case, if the district needed \$1,000 it would send a bill for that for that amount to the taxpayer.

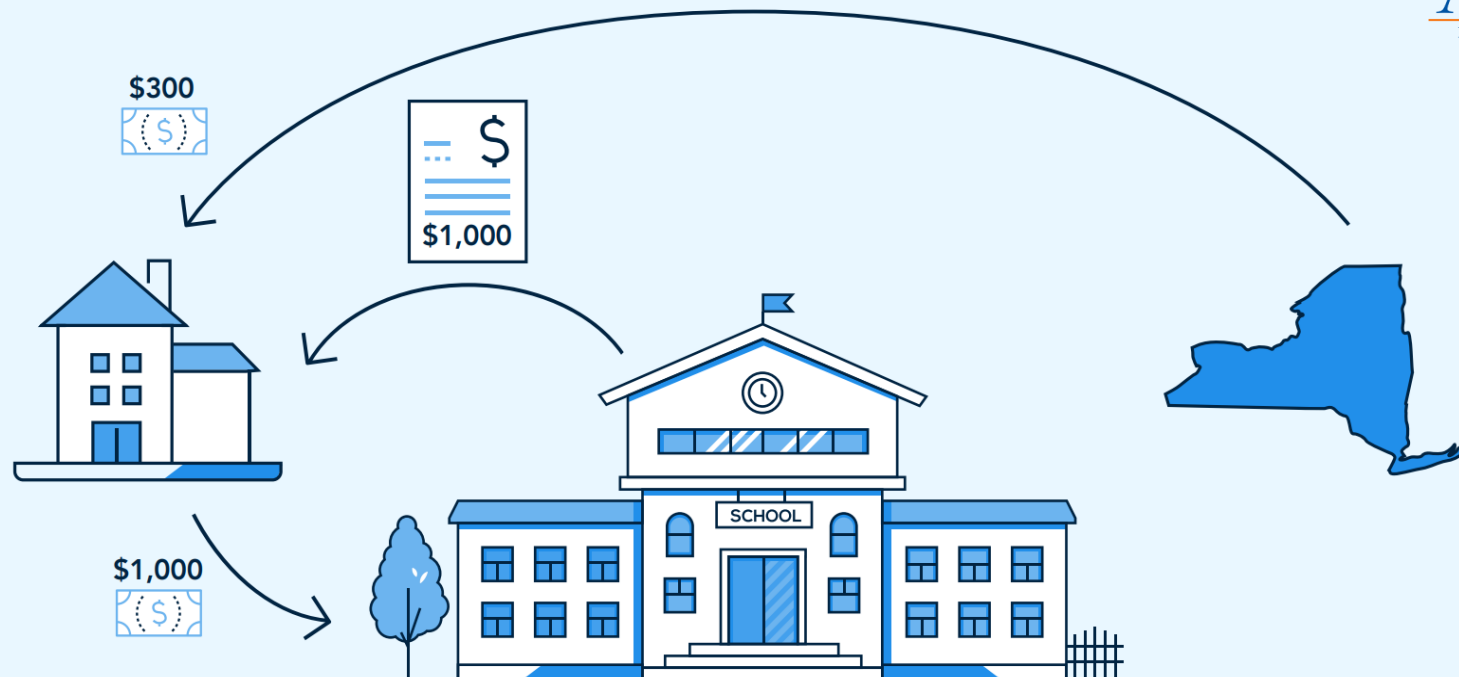
STAR proposal has the potential to impact **future budgets** by putting in jeopardy the reimbursement of exempt tax levy funds when federal funding runs out.



**STAR Exemption:** The state will send districts money so they can reduce tax bills. If the district needs \$1,000, the bill to the taxpayer is for \$700 and the state sends the difference (\$300). The taxpayer sees a smaller bill and the school district receives the same funds.

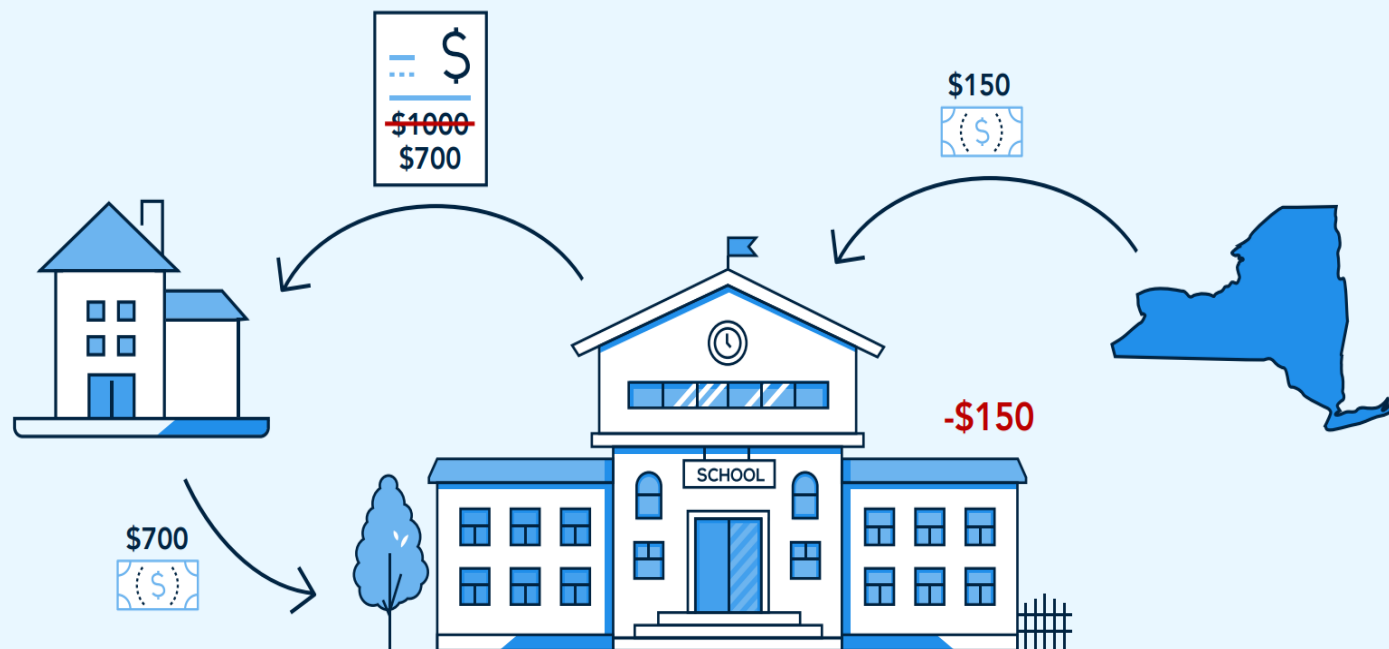
STAR proposal has the potential to impact **future budgets** by putting in jeopardy the reimbursement of exempt tax levy funds when federal funding runs out.





**STAR Credit:** The school district sends the resident a bill for \$1,000. Before it's due (unless the checks are late), the state sends the resident a check for \$300. The resident then sends the district \$1,000. The taxpayer sees a larger bill but receives state support directly; the district receives the same funds.

STAR proposal has the potential to impact **future budgets** by putting in jeopardy the reimbursement of exempt tax levy funds when federal funding runs out.



**STAR Exemption reimbursement cut (proposed):** The district sends the resident a \$700 bill and the state sends the district \$150 instead of \$300. The taxpayer sees a smaller bill and the school district receives a net \$850 instead of \$1,000— a cut of \$150 that the district must make up somewhere. For next year, federal money will cover the difference, but after that it will be up to the districts.

STAR proposal — Is this tied into some type of tax law change as this was **never a part of the equation** of funding schools on the local level in the levy of taxes.



\$150

The amount of the North Tonawanda City SD revenue stream at risk in the future budgets:

**Approximately \$ 3,098,295**

Fiscal cliff when federal aid runs out in two years in addition to typical budget gap due to budgetary increases. Now is the time to make measured reductions when opportunities are available in anticipation of future budget shortfalls. Need to cut real future expenses that depend on tax levy not just speculative.

State proposal is tied into some type of tax law change as this was **never a part of the equation** of funding schools on the local level in the levy of taxes.

# Overall Summary

<b>21-22 Proposed Expenditure Budget</b>			<b>\$82,584,546</b>
<b>21-22 Projected Revenue</b>			<b>\$81,080,365</b>
<b>Budget GAP</b>			<b>(\$1,504,181)</b>



# Tax Cap Calculation

<b>A</b>	<b>20-21 Tax Levy</b>	<b>\$ 28,896,343</b>
D	Tax Base Growth Factor	1.0024
<b>E</b>	<b>Adjusted Levy (A * D)</b>	<b>\$ 28,965,694</b>
F	Base Year PILOTs	\$ 251,004
<b>G</b>	<b>Base Year + PILOTs (E + F)</b>	<b>\$ 29,216,698</b>
I	20-21 Capital Exclusion	\$ 225,112
<b>K</b>	<b>Levy less Capital (G – I)</b>	<b>\$ 28,991,586</b>
L	Growth Factor (CPI)	1.0123
<b>M</b>	<b>Levy including GF (K * L)</b>	<b>\$ 29,348,183</b>
N	20-21 PILOTs	\$ 344,954
<b>O</b>	<b>Levy Before Exclusions (M– N)</b>	<b>\$ 29,003,229</b>
P	Eligible Carry Over	\$ 0
<b>Q</b>	<b>Levy before Exclusions (O + P)</b>	<b>\$ 29,003,229</b>
R	21-22 Capital Exclusion	\$ 361,226
	<b>2020-21 Tax Levy Limit (Q + R)</b>	<b>\$ 29,364,455</b>
	<b>MAXIMUM Real Property Tax Levy Change</b>	<b>\$ 468,112</b>
	<b>Potential % increase to the cap</b>	<b>1.62 %</b>

# Assessed Values

## How do the Pilot agreements ending in impact the levy?

- ❑ Wurlitzer Capital Group LLC
  - ❑ Adding about \$1.2 million assessed value
  - ❑ Accounts for about \$30,000 in tax levy
- ❑ Impressive Construction, Inc.
  - ❑ Adding about \$ 500 million assessed value
  - ❑ Accounts for about \$14,000 in tax levy

Addition to tax rolls provides relief to taxpayers

# Assessed Values

Assessments			
\$	1,275,636,598		
\$	1,277,336,598	Addition of Pilots to the tax rolls	
Current year	\$ 22.6362		\$
Projected	\$ 22.6061		\$
Difference	\$ (0.03)		\$
Increase on 100,000 household	\$ (3.01)		\$
Increase on 150,000 household	\$ (4.52)		\$



## Closing the GAP

### What are the options to close the gap?

- ❑ Increase Tax Levy
- ❑ Budgetary Reductions
  - ❑ Cuts in appropriations (expenses)
- ❑ Potential Revenue Streams
  - ❑ Sustainable vs One Time
    - ❑ Reserves and Appropriated Fund Balance



# Tax Levy

## 2021-22 Levy Scenarios

State Aid	\$ 40,157,878	\$ 40,157,878	\$ 40,157,878	\$ 40,157,878
Federal Aid	\$ 3,398,295	\$ 3,398,295	\$ 3,398,295	\$ 3,398,295
Misc. Revenue	\$ 1,654,045	\$ 1,654,045	\$ 1,654,045	\$ 1,654,045
Appropriated Fund Balance	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Use of Reserves	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000
Other Tax Item	\$ 444,522	\$ 444,522	\$ 444,522	\$ 444,522
	\$ 52,204,740	\$ 52,204,740	\$ 52,204,740	\$ 52,204,740
2020-21 Property Tax Levy	\$ 28,875,625	\$ 28,875,625	\$ 28,875,625	\$ 28,875,625
% Levy Increase	0.0%	0.50%	1.00%	1.62%
2021-22 Levy Increase	\$ -	\$ 144,378	\$ 288,756	\$ 467,785
2021-22 Property Tax Levy	\$ 28,875,625	\$ 29,020,003	\$ 29,164,381	\$ 29,343,410
<b>Projected Expenditures</b>	\$ 82,584,546	\$ 82,584,546	\$ 82,584,546	\$ 82,584,546
Projected Revenues	\$ 81,080,365	\$ 81,224,743	\$ 81,369,121	\$ 81,548,150
<b>Budget Gap</b>	\$ 1,504,181	\$ 1,359,803	\$ 1,215,425	\$ 1,036,396



# Closing the GAP

## Budgetary Reduction Measures

Retirements in support staff/operations	\$	75,000
Teacher Retirements/Attrition (2 positions)	\$	100,000
Reduction in security support/contractual	\$	50,000
Health Ins. Cost Reductions (due to decrease in staff)	\$	25,000
Reduction in paper and related expenses (Ink/Printers)	\$	25,000
BOCES Reduction (Administrative Support)	\$	75,000
Additional Energy Savings (Jan - March Trend)	\$	15,000
Freeze on Travel / Conferences / Professional Development	\$	15,000
Reduce COVID contingency	\$	350,000
Other	\$	-
Other	\$	-
<b>Total Reductions</b>	<b>\$</b>	<b>730,000</b>



# Closing the GAP

## Potential Revenue Streams

Additional State Aid	\$	-
Additional Other Revenue	\$	400,000
Increase Rentals	\$	15,000
Additional App Fund Bal	\$	-
Additional Use of Reserves	\$	-
<b>Revenue Increases</b>	<b>\$</b>	<b>415,000</b>

# Tax Levy

2020-21 Property Tax Levy	\$ 28,875,625	\$ 28,875,625	\$ 28,875,625	\$ 28,875,625
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Projected Revenues	\$ 81,080,365	\$ 81,224,743	\$ 81,369,121	\$ 81,548,150
<b>Budget Gap</b>	\$ 1,504,181	\$ 1,359,803	\$ 1,215,425	\$ 1,036,396
<b>Budgetary Reduction Measures</b>				
<b>Total Reductions</b>	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000
<b>Potential Revenue Streams</b>				
<b>Revenue Increases</b>	\$ 415,000	\$ 415,000	\$ 415,000	\$ 415,000
<b>Budget Gap</b>	\$ 359,181	\$ 214,803	\$ 70,425	\$ (108,604)

## Ballot Proposition #2

### What is proposition on the ballot for the vote in May?

- Authorization to establish capital and transportation reserve fund. of **\$15,000,000**
- Balances budget without tax increase
- Covers local share of project debt
- Use of savings from previous years

**Amount of debt on construction will generate state aid at approximately 84% which will balance future budgets.**

# BOARD OF Ed MEETING

- Wednesday, April 7, 2021  
(POSSIBLE ADOPTION)
- 6:00 PM

## BUDGET



- Tuesday, May 18, 2021
- 12:00 – 9:00 PM
- Alumni Center

# ANNUAL BUDGET HEARING

- Tuesday, May 11, 2021
- 7:00 PM





# Next Steps....

## Expense Side

- ✓ Identify and state the budget reduction measures to balance the budget

## Revenue Side

- ✓ Identify and state the tax levy
- ✓ Identify and state the size of appropriated fund balance
- ✓ Identify and state the use of reserves

**Goal is to have a final budget for approval  
at the April 14<sup>th</sup> BoE meeting**

Thank You  
Any Questions?

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**CREATE YOUR  
LEGACY**

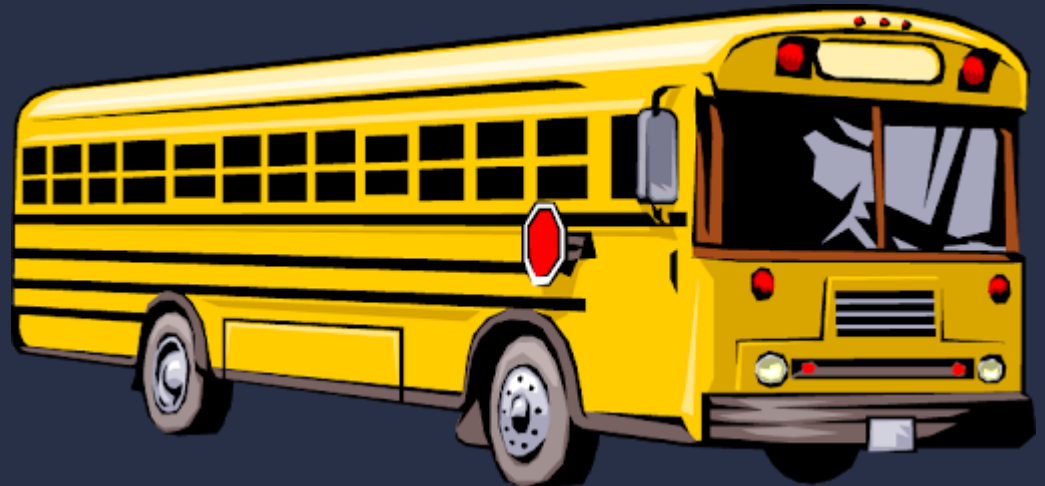
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**NORTH TONAWANDA**





# North Tonawanda City Schools Bus Fleet Plan



Presented by:

Edward Strasser Jr. Transportation Supervisor

Assisted with Dave Rindo Transportation Advisor from  
Leonard Bus Sales

# 10 Year Purchase Rotation

## Current Fleet Structure

- 46 total vehicles
  - This year – **Increase** fleet by 2 Type C's,
    - Type C – Buy 5, trade 3
    - Type A – Buy 3, trade 3
  - Next year – **Reduce** fleet by 5 type A's,
    - Type C – Buy 0, trade 0
    - Type A – Buy 6, trade 11

### 26 Type C's (Big Bus)



### 20 Type A's (Small Bus)



After these changes, total fleet make-up will be: 28 Type C's and 15 Type A's.

# 10 Year Purchase Plan

## Bus Acquisitions Pricing Assumptions

- **Base Line 2021-2022 Average**

- ❖ Average Type C @ Estimated Capital Cost of \$120,000
- ❖ Average Type A @ Estimated Capital Cost of \$65,000
- ❖ Beyond 2021-2022 Projected Cost is a 2.5% increase per year on State Contract Pricing

- **Trade In Values**

- Just like a Bonus, Don't count on it..
- Example : traded in a 2010 Blue Bird in 2019 with the purchase of 130 and we received a trade in value of \$500.00. Since then the market on trade in's for school buses have tumbled.

# 10 Year Replacement Plan –Cont.

Purchase Year	Type C QTY	Type A QTY	Purchase	Trades	Estimated Net Cost	State Aid	Total Estimated Final Vehicle Cost to District
21/22	5	3	\$795,000	(\$3,000)**	\$792,000	(\$618,552)	\$173,448
22/23	0	6	\$399,750	(\$16,000)**	\$383,750	(\$299,708.75)	\$84,041.25
23/24	3	1	\$446,515.63	(\$9,800)**	\$436,715.63	(341,074.90)	\$95,640.72
24/25	3	1	\$457,678.52	(\$9,800)**	\$447,878.52	(\$349,793.12)	\$98,085.39
25/26	3	1	\$469,120.48	(9,800)**	\$459,320.48	(\$358,729.29)	\$100,591.18
26/27	3	1	\$480,848.49	(9,800)**	\$471,048.49	(\$369,888.87)	\$103,159.62
27/28	3	1	\$492,869.70	(9,800)**	\$483,069.70	(\$377,277.44)	\$105,792.26
28/29	3	1	\$505,191.45	(9,800)**	\$495,391.45	(\$386,900.72)	\$108,490.73
29/30	3	0	\$438,625.04	(\$7,200)**	\$431,425.04	(\$336,942.96)	\$94,482.08
30/31	2	0	\$299,727.11	(4,800)**	\$294,927.11	(\$230,338.08)	\$64,589.04
Total	28	15	\$4,785,326.41	(\$89,800)**	\$4,695,526.41	(\$3,667,206.13)	\$1,028,320.28

# 10 Year Replacement Plan (cont.)

Lighter Purchase levels have been applied to years 9 and 10 to give the NT School District flexibility

- To allow, if needed for a reduction in the planned purchase in a prior year without negatively affecting the overall 10-year plan
- To allow the district to begin balancing the heavier years one and two purchase ahead of their schedule replacements in year 11 and 12
- Also in years 22/23 and 23/24, there is leftover money in budget to purchase new sports Vans.. New RFP pricing updated 3/2021..