

KENMORE-TOWN OF TONAWANDA
UNION FREE SCHOOL DISTRICT

BUDGET 2018-19

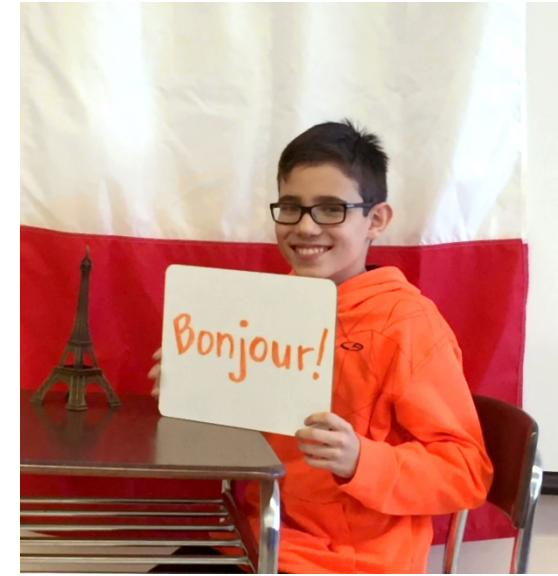
PRIMARY FINANCIAL CONSIDERATIONS

BOARD OF EDUCATION MEETING
NOVEMBER 14, 2017



We educate, prepare, and inspire all students to achieve their highest potential.

Today's Purpose

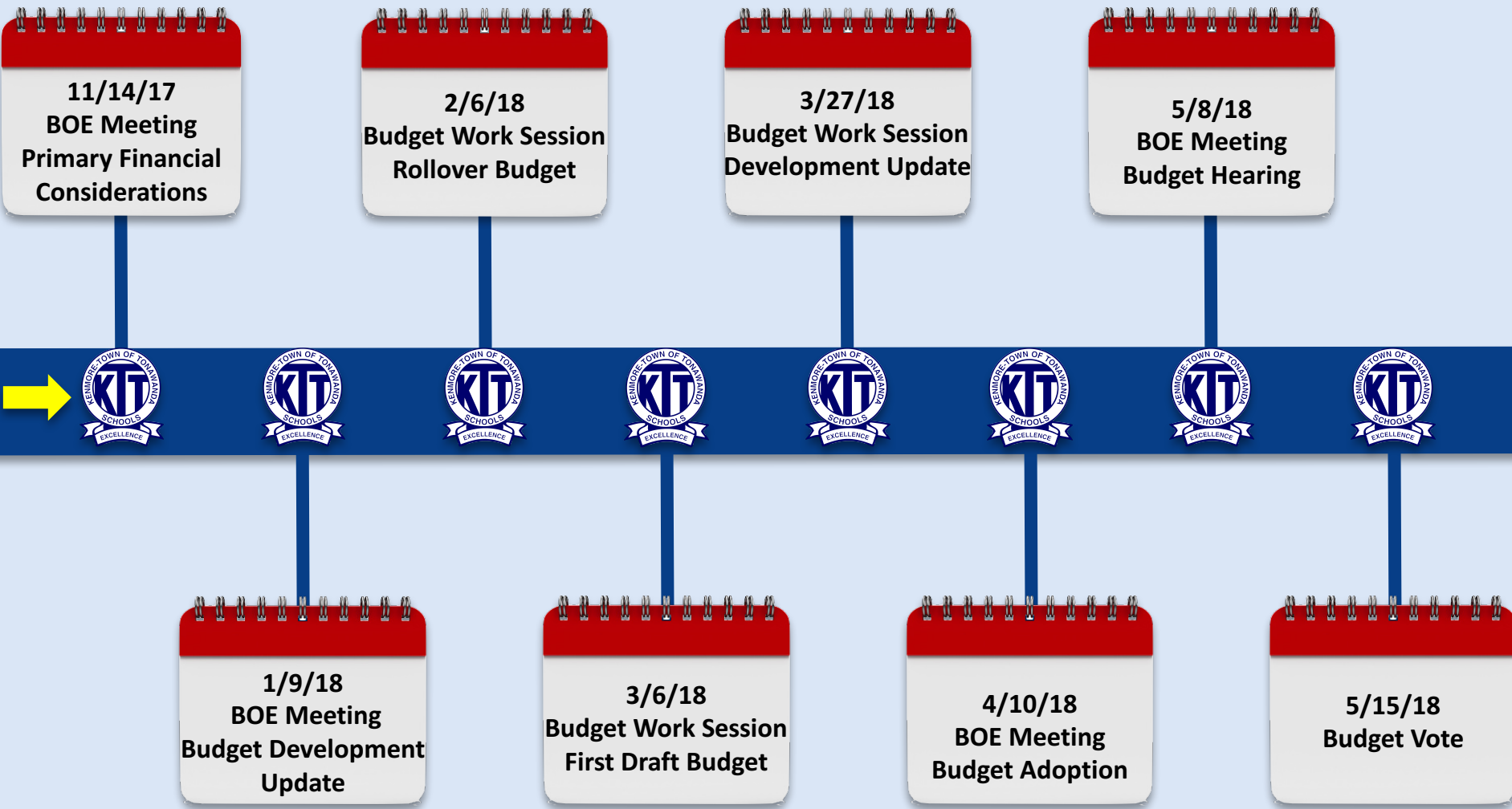


Identify primary financial considerations for the 2018-19 budget development process.



Budget Timeline

Budget Development Timeline



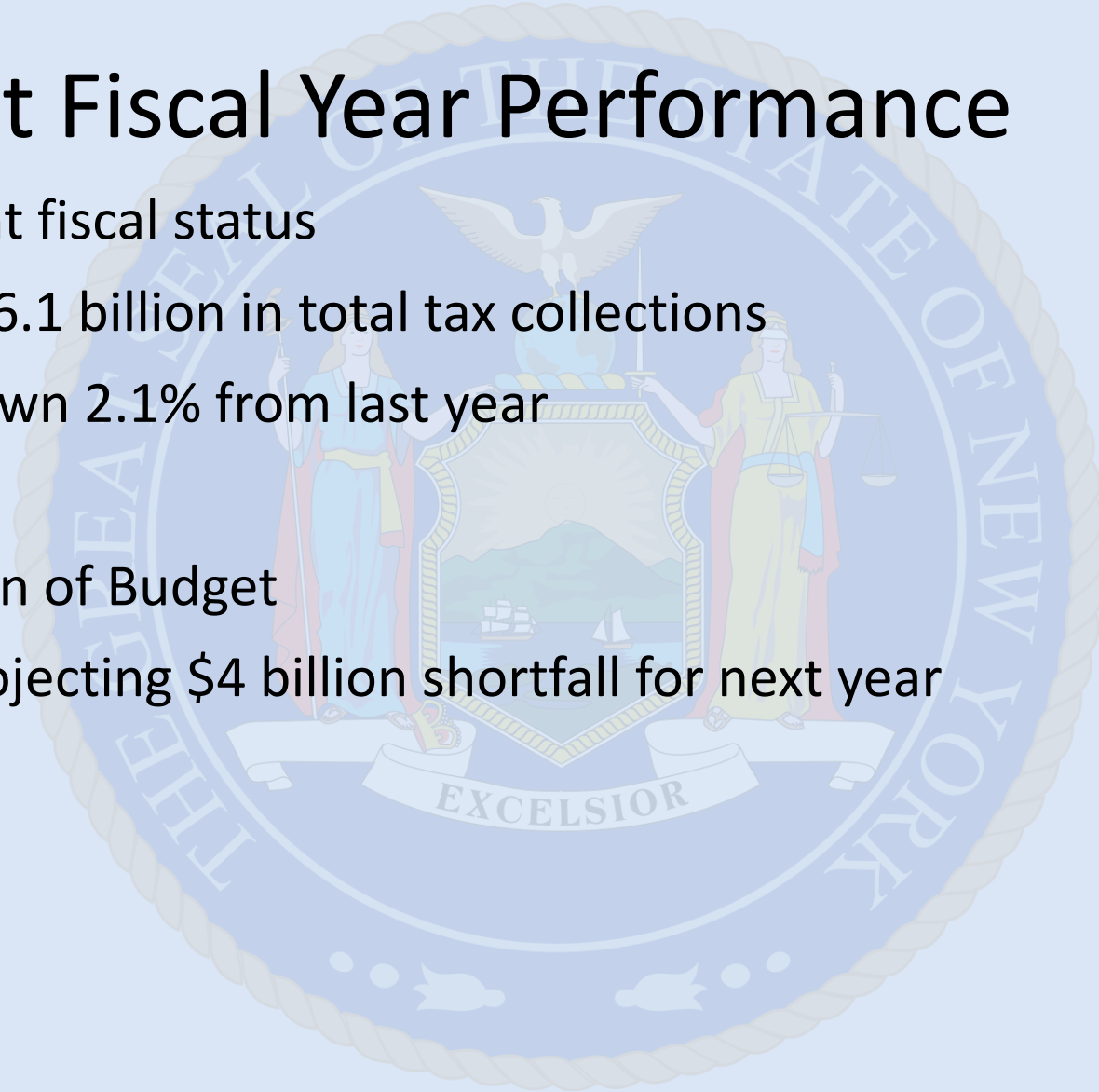
Revenue Budget



Revenue Budget: State Aid

Current Fiscal Year Performance

- Current fiscal status
 - \$36.1 billion in total tax collections
 - Down 2.1% from last year
- Division of Budget
 - Projecting \$4 billion shortfall for next year



Revenue Budget: Other Factors

- Foundation Aid
- Federal funding & Medicaid
 - \$2.6 - \$17 billion cuts to New York State
- Sales tax (Erie County)
 - Reduced for 2017-18 but showing slight recovery
- Electric Generation Facility Cessation Mitigation Program
 - 60% of lost revenue
 - Estimated \$1.7 million
- Increase in building aid ratio
- Sale of Philip Sheridan

Revenue Budget: Property Tax

Tax Levy Limit

- 2% or rate of inflation (CPI), whichever is lower
- Early Estimates
 - CPI: Trending towards 2%
 - Monthly % change no more than .3% decrease
- Exclusions for Formula
 - Capital Exclusions - \$1.9 million local share increase
- Keeping Debt Service level



Expenditure Budget

Expenditure Budget

Contractual Increases

- KTA contract extension
- KTSEA contract extension

Benefit Increases

- Health insurance costs to remain stable
- Plan has been performing well

Expenditure Budget – Retirement Systems

Employee Retirement System (ERS)

- Currently 15.3%
- Expected rate: 14.9%



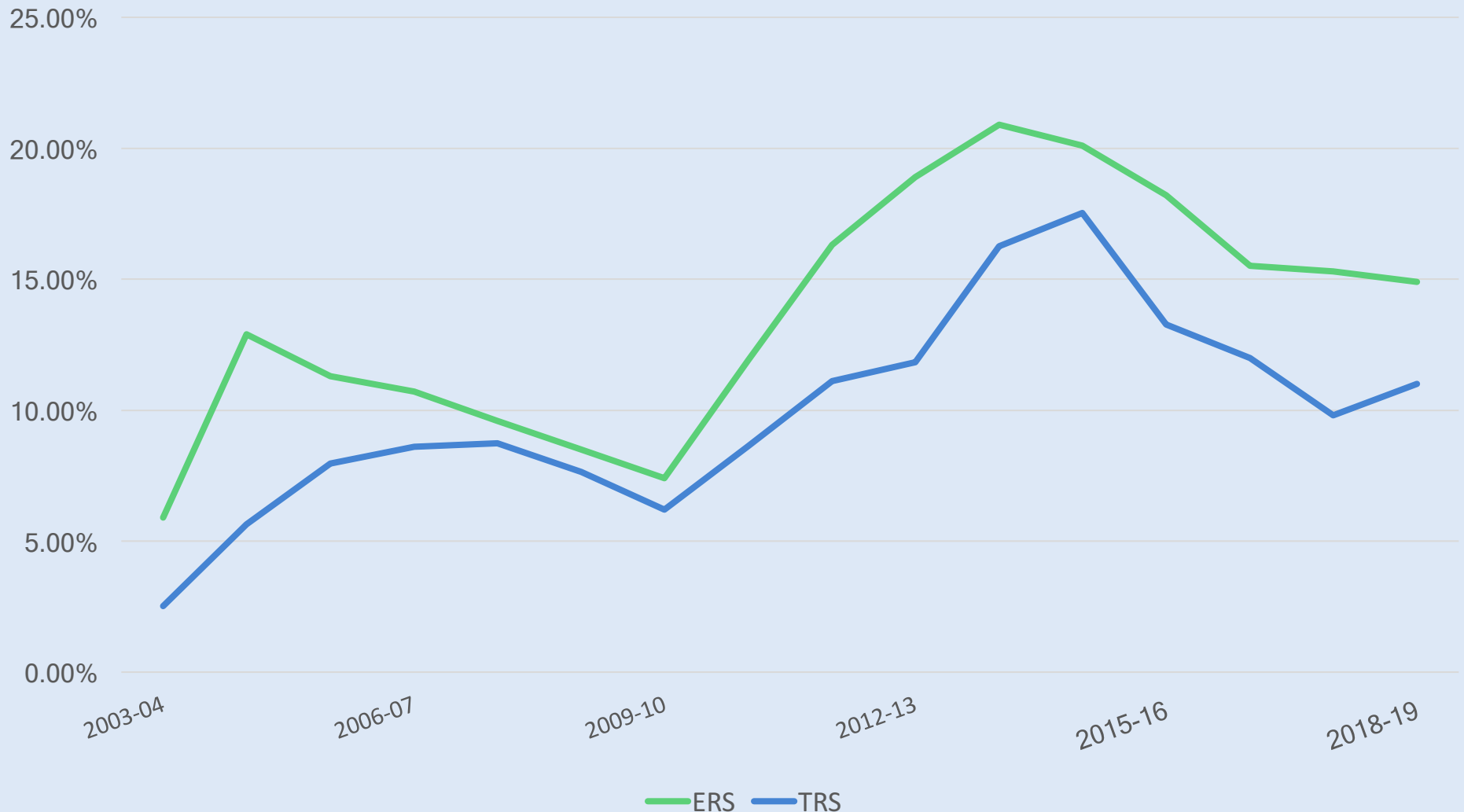
Teacher's Retirement System (TRS)

- Currently 9.8%
- Expected range: 10.5 - 11%




Expenditure Budget – Retirement Systems

Historical Employer Contribution Rates



Expenditure Budget

Other Considerations

- \$1.9 million local share debt service increase
 - Strategic Plan
 - Future capital project planning
 - Tax Certiorari
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Reserves



Fund Balance

Reserves & Fund Balance

A Historical Challenge

- Aggressive fund balance reduction
- Huntley
- Response to 2009 OSC Audit

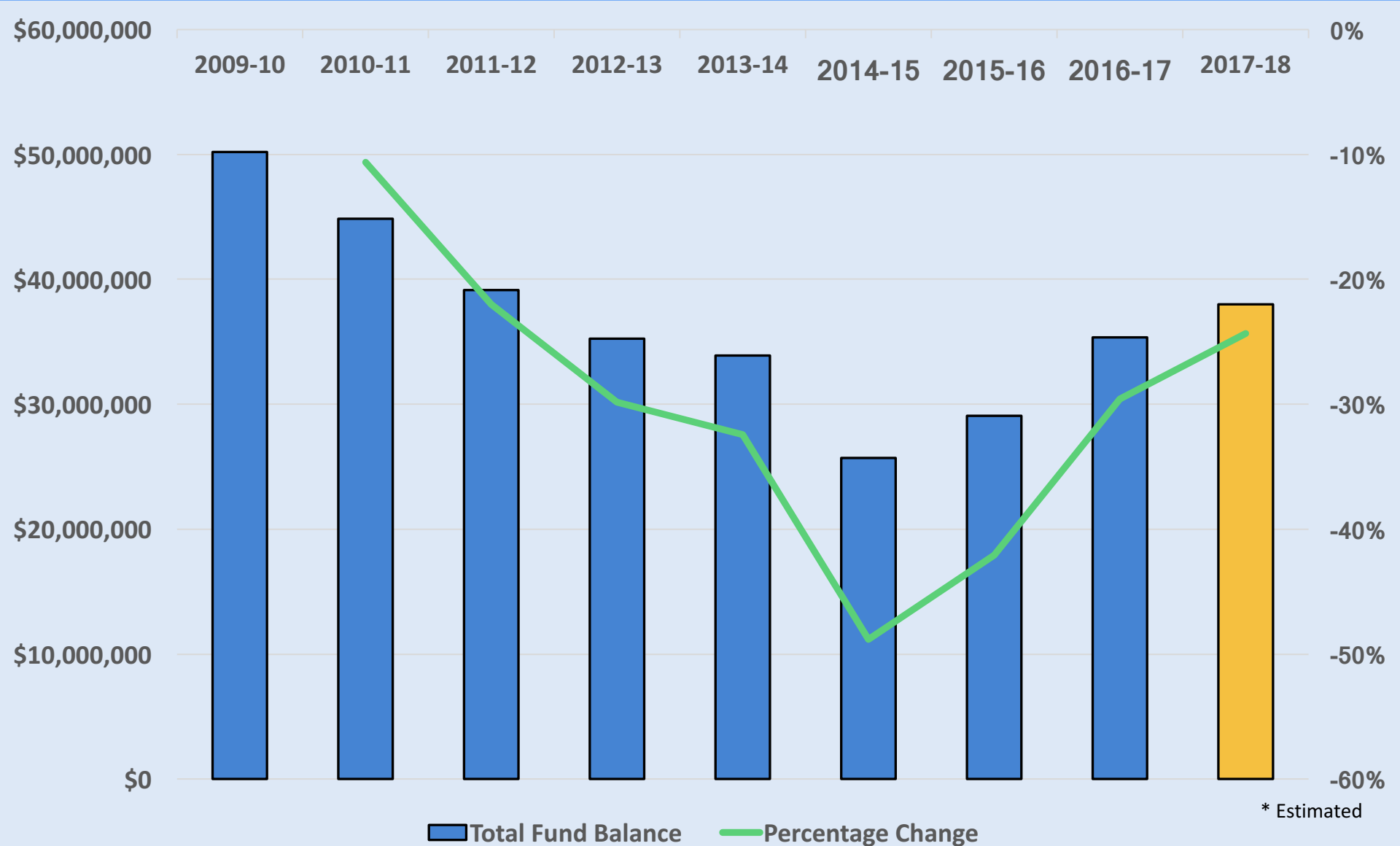


Moving Forward

- Reduce reserve appropriations
- Fund capital & ERS reserve
- Huntley mitigation fund
- Bond rating

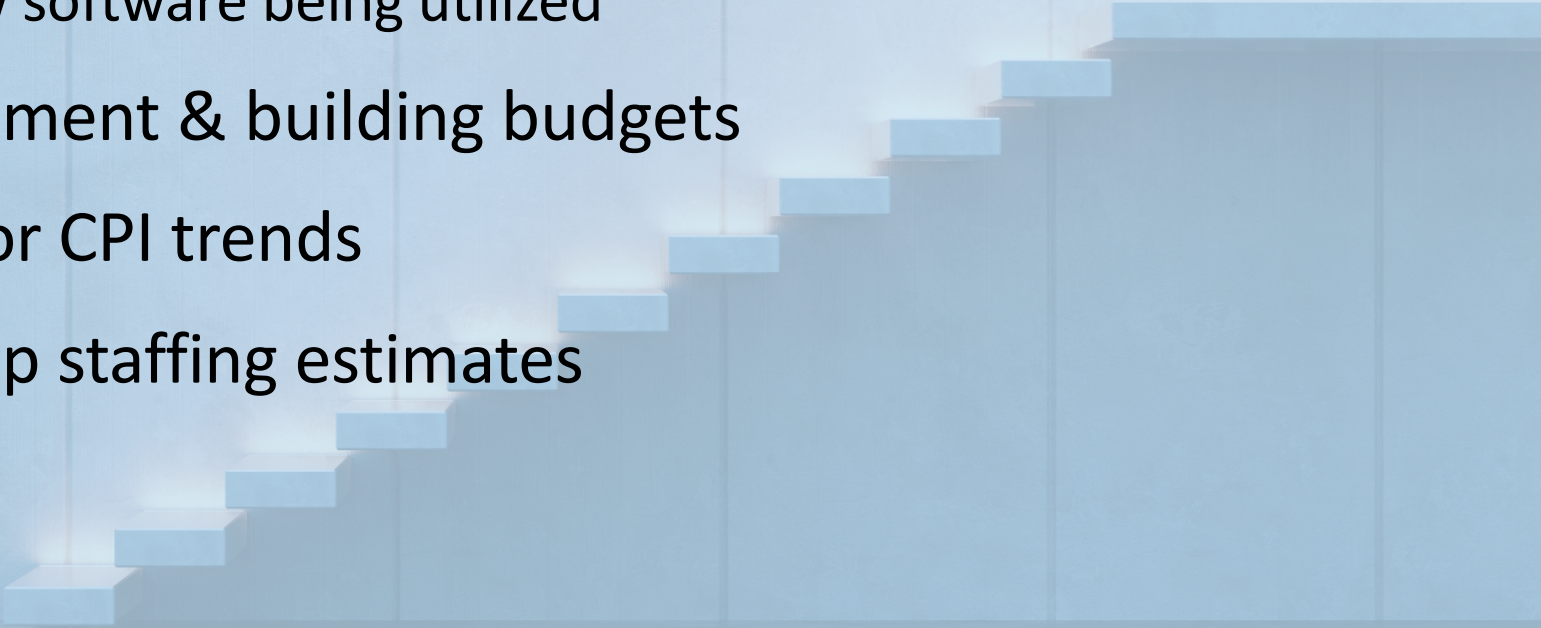


Reserves & Fund Balance History



* Estimated

Next Steps

- Closely monitor 2017-18 budget performance
 - Update Long Range Financial Plan
 - New software being utilized
 - Department & building budgets
 - Monitor CPI trends
 - Develop staffing estimates
- 



QUESTIONS?

Thank you for your support!



**KENMORE-TOWN OF TONAWANDA
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