



## **JORDAN-ELBRIDGE CENTRAL SCHOOL DISTRICT**

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**Roxanne Miller**

**Treasurer**

*District Office*

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[rmiller@jecsd.org](mailto:rmiller@jecsd.org)

To: James Froio, Superintendent  
From: Roxanne Miller, Treasurer *Roxanne Miller*  
Date: September 19, 2018  
Re: Long-Range Financial Plan 2019-2024

I have developed a long range financial plan for your review. This plan should be used for planning purposes and to stimulate discussions during the strategic planning process. As part of the process, revenues and expenditures have been projected over a five-year period. These figures are estimates based on assumptions, historical data and current trends.

### **MAJOR REVENUE ASSUMPTIONS**

- Tax Levy: the current assumption is that the tax levy will grow by the tax levy limit percentage.
- Projected Tax Levy calculations - (see attachment #1 - Tax Cap Calculator Results Report)
  - Tax base growth factor assumption = 1.007% (This assumes that there will be minimal growth in the community).
  - *Payment in Lieu of Taxes (PILOTs)* have been projected to remain at \$464,000, however the largest PILOT agreement (Tessy Plastics) is set to expire, and return to the tax rolls in 2021. Onondaga County IDA will provide the district with a 5 year projection at which time the long range financial plan will be updated. For 17-18 Tessy paid \$387,944 in PILOT payments and had a \$240,212 of taxes abated from the PILOT agreement. If Tessy returns to the tax rolls, the tax cap will be adjusted accordingly.
  - Allowable growth factor (CPI) is estimated at 1.02% for 2019-20 and 1.015% for the remaining four years. This is a somewhat conservative estimate.
  - The capital levy exclusion is based on the projected debt service and building aid schedule. The plan for any new debt service is to maintain a "neutral" capital levy exclusion associated with new capital projects. The assumption is that bus replacements will continue at \$467,000 per year to be funded through the general fund budget with the use of \$150,000 of bus reserves used for each of the next five years.
- State aid:
  - Foundation aid is projected to increase by 2.00% overall each year.
  - Excess cost aid is projected to increase by 1.00% overall each year.
  - Expenditure driven aids:
    - BOCES aid is projected to increase by 2.50% each year based on increased expenses.

- Transportation aid is projected to increase beginning in 2019-20 based on the additional kindergarten bus run.
- Enrollment driven aids are expected remain flat which is consistent with the enrollment projections.
  - Textbook aid
  - Computer Software
  - Computer Hardware
  - Library materials
- \$1M of appropriated fund balance continues to be used to help balance the budget. The district should closely monitor the level of this appropriation.

## MAJOR EXPENSES ASSUMPTIONS

- Salaries
  - Collective bargaining agreements are due to expire at various dates. Salary increases of 2.80% has been used for 2019-20, followed by 2.50% for 2020-24. These percentages have been used to project an estimate. Actual settlements could vary. The budget forecast can be modified at any time.
- Employee Benefit Trends
  - The Teachers Retirement System (TRS) contribution rate is projected to increase each year. The 2018-19 rate is 10.62%. An assumption of 11.00% was used for 2020 increasing to 12.00% in 2024. These rates are expected to increase each year.
  - The Employees Retirement System (ERS) contribution rate at 15.00% for 2020 increasing to 16.00% in 2024. These rates are expected to increase each year.
  - Health, Dental and Vision is projected at overall rate increases of 3.0% each year. Although district trends for rate increases are low, increases are calculated due to continuation of coverage for retirees as well as replacement staff.
- Debt Service
  - The actual debt service schedule has been used in the forecast. The corresponding building aid has also been accounted for in the State aid projections.
- The BOCES budget is projected to grow 3.5% each year.
- Equipment is projected to remain flat.
- Contractual expenses are projected remain flat each year with the exception of a 2.5% increase in operations.
- Materials and supplies throughout the budget is projected to remain flat.

Please review the attached chart; "General (A) Fund Summary." (See attachment #2) Total revenue is expected to increase by 1.35% in 2020 and then by 1.79% in 2021, 1.78% in 2022, 1.61% in 2023 and 2.44% in 2024. Expenditures are expected to grow by 2.81% in 2020 and then by 2.22% in 2021, 2.62% in 2022, 1.59% in 2023 and by 2.47% in 2024. Even with the use of fund balance and reserves, the surplus/deficit is expected to grow by (\$321,864) in 2020 and then gradually increase each year until it reaches (\$1,345,253) in 2024. The challenge is that salary and benefit increases will outpace revenue growth. Both the General Fund Revenue and Expenditure charts provide a more in-depth illustration of these issues.

The General (A) Fund Expenditure Analysis ([see attachment #3](#)) illustrates that salary and benefit costs will increase at rates ranging from 3.63% down to 2.76%. The overall projected expenditure growth range is expected to be between 1.64% and 2.75%. The General (A) Fund Revenue Analysis ([see attachment #4](#)) shows that total revenues will grow at rates between 1.28% and 1.86%. The challenge will be to lobby for more state aid while keeping expenditure growth in check as it does not appear that raising taxes higher than the 2.00% will be an option for the district in the near future.

The debt service schedule will have a budgetary impact in 2022-23 as the EPC contract will be paid off in 2021-22. It will be critical to make both revenue and expenditure adjustments based on an updated debt service schedule as capital project financing is finalized and updated. Building aid, the debt service schedule and use of capital reserves will impact the tax levy limit calculations. It is important for the district to consider this factor when determining what tax levy will be recommended in these years.

In closing, this forecast contains estimates of revenues and expenditures. The actual results are expected to vary from this forecast. As recommended by the Office of the State Comptroller, there are contingencies built into any budget forecast. If surplus funds are available at the end of the fiscal year, the Board of Education will determine the best use of these funds in accordance with the Board's policy, which may include using these funds to reduce taxes, maintain programs and or fund reserves. This is an important part of discussing a budget forecast.

# Tax Cap Calculator Results Report

2019 Forecast for Board of Education 9-19-18

	BUDGET		PROJECTIONS			
	2019	2020	2021	2022	2023	2024
<b>Tax Levy Limit Before Adjustments and Exclusions</b>						
Prior FYE Tax Levy	\$12,239,336	\$12,471,747	\$12,708,634	\$12,926,053	\$13,143,796	\$13,210,666
Tax Cap Reserve Plus Interest from Two Years Ago Used to Reduce Previous Year	\$0	\$0	\$0	\$0	\$0	\$0
Total Tax Cap Reserve Amount (including interest earned from Prior FYE)	\$0	\$0	\$0	\$0	\$0	\$0
Tax Base Growth Factor	1.0190	1.0070	1.0070	1.0070	1.0070	1.0070
PILOTs Receivable from Prior FYE	\$421,000	\$464,632	\$464,000	\$464,000	\$464,000	\$464,000
Tort Exclusion Amount Claimed in Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Prior FYE	\$681,204	\$599,454	\$499,922	\$436,955	\$368,562	\$143,457
Allowable Growth Factor	1.0200	1.0200	1.0150	1.0150	1.0150	1.0150
PILOTS Receivable for Current FYE	\$464,632	\$464,000	\$464,000	\$464,000	\$464,000	\$464,000
Available Carryover from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Levy Limit Before Adjustments and Exclusions</b>	<b>\$11,991,281</b>	<b>\$12,208,712</b>	<b>\$12,775,234</b>	<b>\$12,775,234</b>	<b>\$13,067,209</b>	<b>\$13,364,039</b>
<b>Exclusions</b>						
Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current FYE	\$599,454	\$499,922	\$436,955	\$368,562	\$143,457	\$80,260
ERS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Exclusions</b>	<b>\$599,454</b>	<b>\$499,922</b>	<b>\$436,955</b>	<b>\$368,562</b>	<b>\$143,457</b>	<b>\$80,260</b>
<b>Tax Levy Limit, Adjusted For Transfers, Plus Exclusions</b>	<b>\$12,590,735</b>	<b>\$12,708,634</b>	<b>\$12,926,053</b>	<b>\$13,143,796</b>	<b>\$13,210,666</b>	<b>\$13,444,299</b>
Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy	\$0	\$0	\$0	\$0	\$0	\$0
Current FYE Proposed Levy, Net of Reserve	\$12,471,747	\$12,708,634	\$12,926,053	\$13,143,796	\$13,210,666	\$13,444,299
OR Current FYE Proposed Levy, Net of Reserve %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2019	2020	2021	2022	2023	2024
<b>CURRENT FYE PROPOSED LEVY, \$ entry</b>	<b>\$12,471,747</b>	<b>\$12,708,634</b>	<b>\$12,926,053</b>	<b>\$13,143,796</b>	<b>\$13,210,666</b>	<b>\$13,444,299</b>
<b>CURRENT FYE PROPOSED LEVY, % entry</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	1.90%	1.90%	1.71%	1.68%	0.51%	1.77%
<b>TAX LEVY LIMIT %</b>	<b>2.87%</b>	<b>1.90%</b>	<b>1.71%</b>	<b>1.68%</b>	<b>0.51%</b>	<b>1.77%</b>
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$118,988	(\$0)	(\$0)	\$0	\$0	(\$0)
YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY	\$232,411	\$236,887	\$217,419	\$217,743	\$66,870	\$233,633

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**FORECASTS**  
ANALYTICS

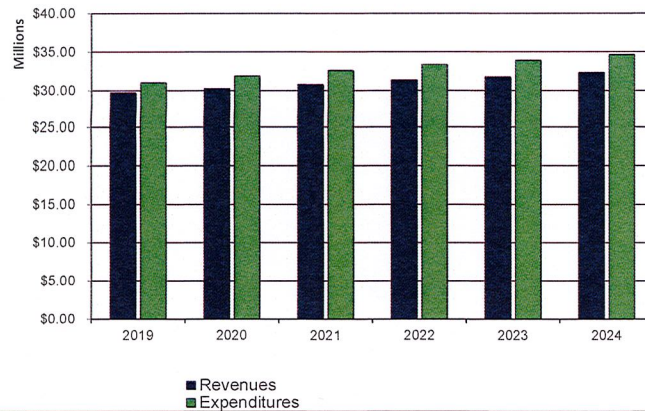
## General (A) Fund | Summary

2019-2024 Forecast for Board of Education 9-19-18

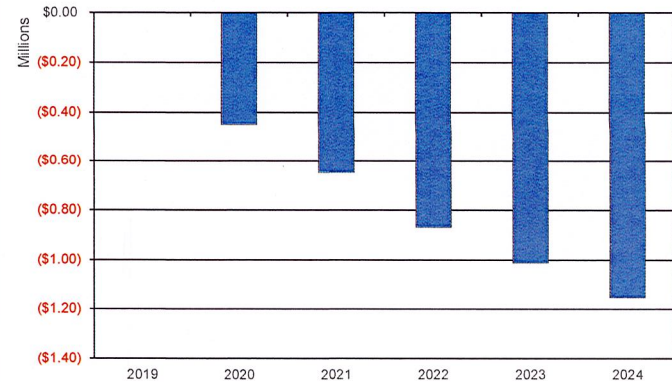
	BUDGET		REVENUE / EXPENDITURE PROJECTIONS								
	2019	2020	%Δ	2021	%Δ	2022	%Δ	2023	%Δ	2024	%Δ
REVENUE											
Local	\$13,293,279	\$13,529,974	1.78%	\$13,747,842	1.61%	\$13,966,043	1.59%	\$14,033,380	0.48%	\$14,267,489	1.67%
State	\$16,300,193	\$16,615,552	1.93%	\$16,937,264	1.94%	\$17,265,460	1.94%	\$17,600,272	1.94%	\$17,941,838	1.94%
Federal	\$20,000	\$20,000	0.00%	\$20,000	0.00%	\$20,000	0.00%	\$20,000	0.00%	\$20,000	0.00%
Transfers / Other	\$112,000	\$112,000	0.00%	\$112,000	0.00%	\$112,000	0.00%	\$112,000	0.00%	\$112,000	0.00%
TOTAL REVENUE	\$29,725,472	\$30,277,526	1.86%	\$30,817,106	1.78%	\$31,363,502	1.77%	\$31,765,652	1.28%	\$32,341,327	1.81%
EXPENDITURES											
Salary and Benefit Costs	\$19,717,870	\$20,433,996	3.63%	\$20,998,511	2.76%	\$21,578,653	2.76%	\$22,174,856	2.76%	\$22,787,562	2.76%
Other	\$11,309,402	\$11,446,456	1.21%	\$11,617,479	1.49%	\$11,801,812	1.59%	\$11,752,382	-0.42%	\$11,856,311	0.88%
TOTAL EXPENDITURES	\$31,027,272	\$31,880,452	2.75%	\$32,615,990	2.31%	\$33,380,465	2.34%	\$33,927,238	1.64%	\$34,643,873	2.11%
SURPLUS / DEFICIT	(\$1,301,800)	(\$1,602,926)		(\$1,798,884)		(\$2,016,963)		(\$2,161,586)		(\$2,302,546)	
Assigned Fund Balance*	\$1,120,000	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000	
Assigned Reserves*	\$181,800	\$150,000		\$150,000		\$150,000		\$150,000		\$150,000	
Adjusted Surplus / Deficit	\$0	(\$452,926)		(\$648,884)		(\$866,963)		(\$1,011,586)		(\$1,152,546)	

\* District Provided Information

Revenues vs. Expenditures



Surplus / Deficit

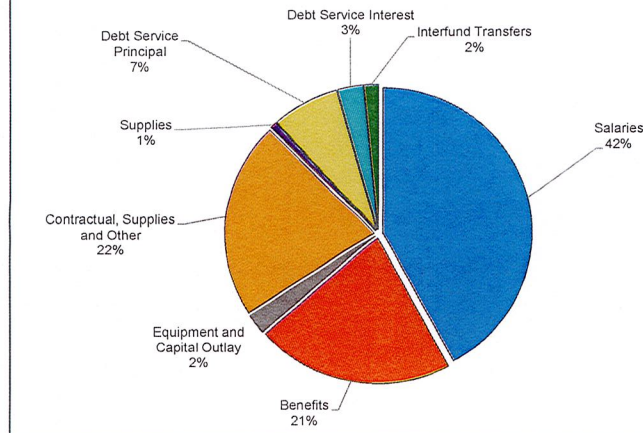


## General (A) Fund | Expenditure Analysis

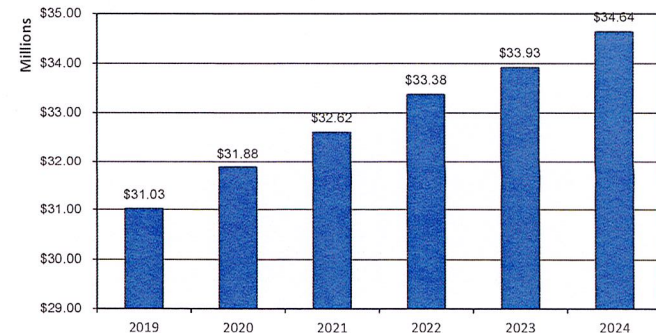
2019-2024 Forecast for Board of Education 9-19-18

	BUDGET	EXPENDITURE PROJECTIONS									
	2019	2020	%Δ	2021	%Δ	2022	%Δ	2023	%Δ	2024	%Δ
Salaries	\$13,075,625	\$13,441,743	2.80%	\$13,777,786	2.50%	\$14,122,231	2.50%	\$14,475,286	2.50%	\$14,837,169	2.50%
Benefits	\$6,642,245	\$6,992,254	5.27%	\$7,220,725	3.27%	\$7,456,422	3.26%	\$7,699,569	3.26%	\$7,950,394	3.26%
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$19,717,870</b>	<b>\$20,433,996</b>	<b>3.63%</b>	<b>\$20,998,511</b>	<b>2.76%</b>	<b>\$21,578,653</b>	<b>2.76%</b>	<b>\$22,174,856</b>	<b>2.76%</b>	<b>\$22,787,562</b>	<b>2.76%</b>
Equipment and Capital Outlay	\$694,000	\$698,670	0.67%	\$703,387	0.68%	\$708,151	0.68%	\$712,962	0.68%	\$717,822	0.68%
Contractual, Supplies and Other	\$6,787,210	\$6,939,278	2.24%	\$7,096,621	2.27%	\$7,259,422	2.29%	\$7,427,872	2.32%	\$7,602,168	2.35%
Supplies	\$212,800	\$214,828	0.95%	\$216,876	0.95%	\$218,945	0.95%	\$221,034	0.95%	\$223,145	0.95%
Debt Service Principal	\$2,270,064	\$2,320,085	2.20%	\$2,391,504	3.08%	\$2,473,133	3.41%	\$2,320,000	-6.19%	\$2,315,000	-0.22%
Debt Service Interest	\$863,028	\$791,295	-8.31%	\$726,791	-8.15%	\$659,861	-9.21%	\$588,213	-10.86%	\$515,876	-12.30%
Interfund Transfers	\$482,300	\$482,300	0.00%	\$482,300	0.00%	\$482,300	0.00%	\$482,300	0.00%	\$482,300	0.00%
<b>TOTAL ALL OTHER</b>	<b>\$11,309,402</b>	<b>\$11,446,456</b>	<b>1.21%</b>	<b>\$11,617,479</b>	<b>1.49%</b>	<b>\$11,801,812</b>	<b>1.59%</b>	<b>\$11,752,382</b>	<b>-0.42%</b>	<b>\$11,856,311</b>	<b>0.88%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$31,027,272</b>	<b>\$31,880,452</b>	<b>2.75%</b>	<b>\$32,615,990</b>	<b>2.31%</b>	<b>\$33,380,465</b>	<b>2.34%</b>	<b>\$33,927,238</b>	<b>1.64%</b>	<b>\$34,643,873</b>	<b>2.11%</b>

2019 Budgeted Expenditures by Source



Expenditure Projection

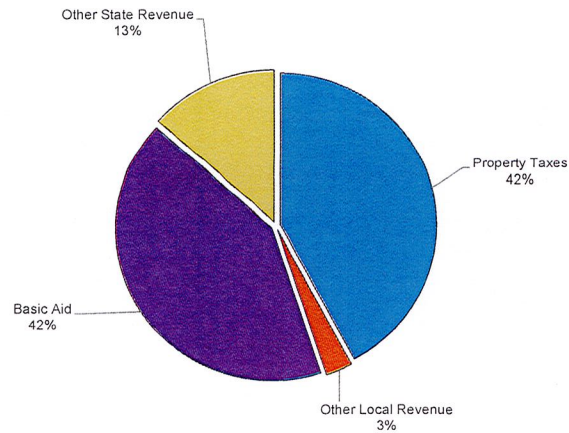


## General (A) Fund | Revenue Analysis

2019-2024 Forecast for Board of Education 9-19-18

	BUDGET	REVENUE PROJECTIONS									
	2019	2020	%Δ	2021	%Δ	2022	%Δ	2023	%Δ	2024	%Δ
LOCAL											
Property Taxes	\$12,471,747	\$12,708,634	1.90%	\$12,926,053	1.71%	\$13,143,796	1.68%	\$13,210,666	0.51%	\$13,444,299	1.77%
Other Local Revenue	\$821,532	\$821,340	-0.02%	\$821,789	0.05%	\$822,247	0.06%	\$822,714	0.06%	\$823,190	0.06%
TOTAL LOCAL REVENUE	\$13,293,279	\$13,529,974	1.78%	\$13,747,842	1.61%	\$13,966,043	1.59%	\$14,033,380	0.48%	\$14,267,489	1.67%
STATE											
Basic Aid	\$12,356,251	\$12,587,426	1.87%	\$12,823,065	1.87%	\$13,063,256	1.87%	\$13,308,088	1.87%	\$13,557,652	1.88%
Other State Revenue	\$3,943,942	\$4,028,126	2.13%	\$4,114,199	2.14%	\$4,202,204	2.14%	\$4,292,185	2.14%	\$4,384,186	2.14%
TOTAL STATE REVENUE	\$16,300,193	\$16,615,552	1.93%	\$16,937,264	1.94%	\$17,265,460	1.94%	\$17,600,272	1.94%	\$17,941,838	1.94%
TOTAL FEDERAL REVENUE	\$20,000	\$20,000	0.00%	\$20,000	0.00%	\$20,000	0.00%	\$20,000	0.00%	\$20,000	0.00%
OTHER FINANCING SOURCES	\$112,000	\$112,000	0.00%	\$112,000	0.00%	\$112,000	0.00%	\$112,000	0.00%	\$112,000	0.00%
TOTAL REVENUE	\$29,725,472	\$30,277,526	1.86%	\$30,817,106	1.78%	\$31,363,502	1.77%	\$31,765,652	1.28%	\$32,341,327	1.81%

2019 Budgeted Revenues by Source



Revenue Projection

