

**HOOSIC VALLEY CSD - Three Year BUDGET FORECAST 2018 to 2022**

		2017			6/1/2018				
		Approved Budget	Approved Budget	Approved Budget	PROJECTION	Approved Budget			
		2015-16	2016-17	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22
<b>Expenditures</b>									
A)	Salaries	\$ 8,659,175	\$ 8,762,962	\$ 8,898,744	\$ 9,165,706	\$ 9,106,470	\$ 9,379,664	\$ 9,661,054	\$ 9,950,886
B)	Benefits	\$ 5,865,524	\$ 5,876,883	\$ 5,939,425	\$ 5,825,137	\$ 5,818,882	\$ 6,038,933	\$ 6,244,159	\$ 6,456,829
C)	BOCES	\$ 1,833,038	\$ 1,966,944	\$ 1,958,904	\$ 1,958,904	\$ 1,775,831	\$ 1,775,831	\$ 1,775,831	\$ 1,775,831
C)	Instruction	\$ 849,160	\$ 886,655	\$ 936,652	\$ 936,652	\$ 927,091	\$ 927,091	\$ 927,091	\$ 927,091
C)	Pupil Service	\$ 118,033	\$ 121,650	\$ 127,050	\$ 127,050	\$ 212,645	\$ 212,645	\$ 212,645	\$ 212,645
D)	O&M	\$ 645,296	\$ 596,126	\$ 611,516	\$ 617,631	\$ 638,350	\$ 576,734	\$ 582,501	\$ 588,326
D)	Transportation	\$ 390,996	\$ 359,596	\$ 374,796	\$ 378,544	\$ 682,951	\$ 365,771	\$ 369,428	\$ 373,122
C)	Central Services	\$ 114,487	\$ 104,487	\$ 99,787	\$ 104,487	\$ 113,865	\$ 113,865	\$ 113,865	\$ 113,865
Actual	Debt Service	\$ 1,871,093	\$ 1,940,237	\$ 1,932,387	\$ 1,867,311	\$ 2,042,052	\$ 1,807,050	\$ 1,804,721	\$ 1,788,263
C)	Other Items/ CO	\$ 128,709	\$ 269,999	\$ 290,902	\$ 215,902	\$ 223,215	\$ 338,215	\$ 223,215	\$ 223,215
	Total	\$ 20,475,511	\$ 20,885,539	\$ 21,170,163	\$ 21,197,324	\$ 21,541,352	\$ 21,535,798	\$ 21,914,509	\$ 22,410,073
			% 2.00%	1.36%	0.13%	1.75%	-0.03%	1.76%	2.26%
<b>Revenues</b>									
C)	Local	\$ 225,500	\$ 140,803	\$ 140,803	\$ 195,500	\$ 140,803	\$ 240,803	\$ 240,803	\$ 240,803
D)	State Aid	\$ 10,234,640	\$ 10,780,005	\$ 11,064,554	\$ 11,175,200	\$ 11,426,351	\$ 11,540,615	\$ 11,656,021	\$ 11,772,581
C)	Federal	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
C)	Reserves	\$ 305,000	\$ 305,000	\$ 305,000	\$ 305,000	\$ 280,000	\$ 300,000	\$ 400,000	\$ 500,000
C)	Fund Bal	\$ 838,029	\$ 887,389	\$ 987,464	\$ 850,000	\$ 1,108,080	\$ 750,000	\$ 750,000	\$ 750,000
	Sub	\$ 11,653,169	\$ 12,163,197	\$ 12,547,821	\$ 12,575,700	\$ 13,005,234	\$ 12,881,418	\$ 13,096,824	\$ 13,313,384
	Tax Levy	\$ 8,822,342	\$ 8,722,342	\$ 8,622,342	\$ 8,621,625	\$ 8,536,118	\$ 8,654,381	\$ 8,817,686	\$ 9,096,689
	% Levy		-1.133%	-1.15%	-0.01%	-1.00%	1.39%	1.89%	3.16%
	Total	\$ 20,475,511	\$ 20,885,539	\$ 21,170,163	\$ 21,197,324	\$ 21,541,352	\$ 21,535,798	\$ 21,914,509	\$ 22,410,073

A) Assume 3% increase

B) Health 4%, Retirement 2%, FICA 3%, WC 2%

C) Roll Over

D) 1% Inflation

Notes: 1% increase in salary is equivalent to 1% increase in tax levy; as the tax levy decreases and salaries increase the relationship of the % increases.

Does not reflect staff retirements or resignations

Contract with Teachers settled in Jan 2017 for the term July 2016 to June 2020

Benefits have biggest impact (4.0% each year) & most volatile to predict. Movement to the PPO 815 (increased copayments/ decreased premiums) lowered project rate from 7.5% to 4% and decrease overall expense.

Does not reflect consolidating bus runs as enrollment drops

Does not reflect staff reductions due to enrollment dropping

District practice/culture is very conservative spending

Expense cuts and using reserves will get the tax levy under the cap

	Approved Budget 2015-16	Approved Budget 2016-17	Approved Budget 2017-18	2017 Projection 2018-19	Approved Budget 2018-19	2019-20	2020-21	2021-22
<u>Benefits</u>								
ERS/TRS	\$ 1,392,423	\$ 1,251,337	\$ 1,167,328	\$ 1,190,675	\$ 1,203,655	\$ 1,227,728	\$ 1,252,283	\$ 1,277,328
FICA	\$ 689,694	\$ 691,979	\$ 700,638	\$ 721,657	\$ 766,361	\$ 789,352	\$ 813,032	\$ 837,423
Work Comp	\$ 90,369	\$ 90,369	\$ 116,750	\$ 119,085	\$ 90,369	\$ 92,176	\$ 94,020	\$ 95,900
Unemploy	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 8,000	\$ 30,000	\$ 30,000	\$ 30,000
Disability	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000
Health/Dental	\$ <u>3,624,538</u>	\$ <u>3,774,698</u>	\$ <u>3,903,709</u>	\$ <u>3,742,720</u>	\$ <u>3,729,497</u>	\$ <u>3,878,677</u>	\$ <u>4,033,824</u>	\$ <u>4,195,177</u>
Total	\$ 5,848,024	\$ 5,859,383	\$ 5,939,425	\$ 5,825,137	\$ 5,818,882	\$ 6,038,933	\$ 6,244,159	\$ 6,456,829
<u>Debt</u>								
Refin 2012	\$ 133,263	\$ 131,563	\$ 129,863	\$ 133,163	\$ 133,163	\$ 131,250	\$ 134,113	\$ 131,738
\$16.7M 2009 Ref.	\$ 1,483,700	\$ 1,479,138	\$ 1,420,966	\$ 1,423,728	\$ 1,423,728	\$ 1,409,800	\$ 1,403,650	\$ 1,408,950
BAN/ BOND 1.7	\$ 55,000	\$ 156,125	\$ 219,200	\$ 219,400	\$ 254,694	\$ 266,000	\$ 266,958	\$ 247,575
Bus BAN 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bus BAN 21	\$ 69,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bus BAN 22	\$ 62,877	\$ 61,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bus BAN 23	\$ 19,513	\$ 18,470	\$ 18,076	\$ -	\$ -	\$ -	\$ -	\$ -
Bus BAN 24	\$ 46,886	\$ 43,205	\$ 42,754	\$ 42,303	\$ 85,006	\$ -	\$ -	\$ -
Bus BAN 25	\$ <u>-</u>	\$ <u>49,746</u>	\$ <u>49,232</u>	\$ <u>48,718</u>	\$ <u>145,462</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
	\$ 1,871,093	\$ 1,940,237	\$ 1,880,091	\$ 1,867,311	\$ 2,042,052	\$ 1,807,050	\$ 1,804,721	\$ 1,788,263

•**Debt Service Reserve**– It is used to offset the payments of principal and interest on bonds. *TARGET*: Consideration to account for the balance in the Debt Service Fund (K FUND) moving the accounting out of the General Fund (A Fund) in fiscal year 2018-19. Transfer \$200,000 each year to offset debt service payments.

•**Employee Benefit Accrued Liability Reserve** – To pay accrued benefits due to employees for unused accumulated vacation payable upon resignations or termination. *TARGET*: Balance will be limited to the actual liability for employee compensated balances. Current estimated liability is \$107,000.

•**Bus Purchase Reserve**- The reserve is a capital reserve to pay the cost of any object or purpose for which bonds may be issued. As established its purpose is limited to buying new school buses for the next ten (10) years. *TARGET*: Total deposits over ten year to be restricted to \$2,000,000.

•**Retirement Contributions Reserve** – It is available to help finance the employer’s share of the State Employees Retirement System *TARGET*: The target for this reserve is 14.8% -18.2% of expected ERS payroll over the next 5 years. Pension costs are a significant factor in district budgets. 2018-19 ERS cost is \$387,088. It is desirable to have enough in the reserve to pay these cost for 5 years. The lower and upper target percentages are based on the average ERS rates over the past three years. When factoring salary increases and utilizing a low rate of 15.2% the five year cost for the district is \$2.1 million.

•**Tax Certiorari Reserve** – It is used to pay for judgments and claims resulting from tax certiorari proceedings under Article 7 of the Real Property Tax Law. *TARGET*: The amount in claims from tax certiorari proceedings.

•**Unemployment Insurance Reserve** – Available to pay for the cost of reimbursing the State Unemployment Insurance Fund for payments made to unemployed claimants. *TARGET*: 2-4% of employee payroll.

•**Capital Construction Reserve Fund**- Its purpose is to purchase general improvements, reconstruction, renovations, or additions to the District’s buildings and site properties including the acquisition and installation of technology equipment. *TARGET*: Total deposits to be restricted to \$2,000,000.

•**Insurance Reserve Fund**- Available to pay for the cost of insurance deductibles. Each year the amount paid in deductibles will be transferred from this reserve. *TARGET*: \$100,000 to \$200,000

•**Workers Compensation Reserve Fund**- Available to pay for expenses incurred by a self-funded worker's compensation plan such as compensation and benefits, medical, hospital, and expenses related to administering the plan. *TARGET*: 4-8% of district payroll. The budgeted district payroll for 2018-19 is \$9,160,470. A transfer balance of \$200,000 to the reserve would be 2.1% of district payroll.

Status of Hoosic Valley CSD Reserves

Reserve	Balance 6/30/2016	Decrease 2016-17	Increase 2016-17	Balance 6/30/2017	Decrease 2017-18	Increase 2017-18	Balance 6/30/2018
Debt Service	\$2,130,422	(\$200,000)	\$0	\$1,930,579	(\$200,000)	\$0	\$1,730,579
Employee Benefit	\$56,579	\$0	\$0	\$56,606	\$0	\$0	\$56,606
Bus Purchase	\$711,826	(\$336,765)	\$300,000	\$675,088	(\$460,009)	\$935,525	\$1,150,604
Retirement	\$1,552,240	(\$75,000)	\$593,855	\$2,071,174	(\$75,000)	\$100,000	\$2,096,174
Tax Certiorari	\$10,459	\$0	\$0	\$10,464	\$0	\$0	\$10,464
Unemployment	\$141,272	(\$30,000)	\$0	\$111,338	\$0	\$0	\$111,338
Capital Reserve	\$800,000	\$0	\$1,040,000	\$1,840,000	\$0	\$160,000	\$2,000,000
Insurance	\$60,006	\$0	\$25,000	\$85,034	\$0	\$60,000	\$145,034
Worker Compensation						\$200,000	\$200,000
	\$4,809,075	(\$641,765)	\$1,958,855	\$6,780,283	(\$735,009)	\$1,455,525	\$7,500,799