

# East Rockaway Public Schools BAC # 3 – MARCH 10, 2014



# THE TAX LEVY CAP

- Enacted June 24, 2011
- Establishes a Tax Levy Cap or Limit on all local governments and school districts
- Begins with the 2012-2013 budget
- Expires June 15, 2016 unless rent control is extended
- Leaves the current contingency budget requirements/restrictions in place

# THE TAX LEVY CAP.....

- **....IS NOT A CAP ON AN INDIVIDUAL'S PROPERTY TAX**
- **...limits the growth in the total levy set by local governments and schools to 2% or the rate of inflation – whichever is less.**
  - It does not cap the assessed value of a property or the tax rate.
- **...is calculated by each district and will vary by district**

# REVISED 2014-15 LEVY CAP

Prior Year Tax Levy			\$28,272,138		
Times Tax Base Growth Factor			1.0016		
			\$28,317,373		
Add: PILOT Receivables			\$95,000		
			\$28,412,373		
Minus: Capital Levy	2013-14		\$1,078,719		
Adjusted Prior Year Tax Levy			\$27,333,654		
Allowable Growth Factor			1.0146		
			\$27,732,726		
Subtract: PILOT Receivable			\$95,000		
			\$27,637,726		
Carryover			\$0		
Tax Levy Limit			\$27,637,726		
EXEMPTIONS					
Add: Capital Levy	2014-15		\$1,122,904		
ERS DEDUCTION			\$0		
TRS DEDUCTION			\$0		
Maximum Allowable Tax Levy			\$28,760,630		
Maximum Tax Levy Increase				\$488,492	
Percentage increase in tax levy				1.73%	

# TAX LEVY CAP COMPARISON

- TAX LEVY INCREASE ALLOWED IN  
2013-14 LEVY: \$936,525 or 3.43%
- TAX LEVY INCREASE ALLOWED IN  
2014-15 TAX LEVY: \$488,492 or 1.73%
- NO ADJUSTMENTS FOR ERS AND TRS  
ALLOWED IN 2014-15 CALCULATION

# THE TAX LEVY CAP AND VOTER APPROVAL OF BUDGET

- If the tax levy is at or below the tax levy cap, a simple majority (50% + one vote) is needed for budget approval
- If the tax levy exceeds the tax levy cap, the support of a supermajority (60 percent or more) of voters is required for budget approval
- By law, a budget that requires a tax levy above the tax levy cap must include a statement on the ballot indicating this to voters

# STATE AID CHALLENGES

## GAP ELIMINATION and HIGH TAX

- District has lost more than \$2 million in past 3 years in GAP elimination
- Governor's Proposal calls for an additional \$596,929 in GAP Elimination
- East Rockaway High Tax Aid has remained constant for the past 3 years no growth

# USE OF CAPITAL RESERVE FUNDS

- **What is a reserve fund?**
  - A “savings account” separate from the operating budget used to finance various projects or expenses
  - Expenditures for specific purposes authorized by the voters
  - The money can only be used for the reasons explained in the establishment of the funds, such as technology replacement and building improvements and repairs



# HOW ARE THE CAPITAL RESERVES DIFFERENT FROM THE OPERATING BUDGET?

- The money cannot be used to reduce the tax levy
- Any expenditure from the reserve funds must be approved by the voters
- Last year the voters approved projects to be funded through the Capital Reserve for Building Improvements and Repairs and the Capital Reserve for Technology

# HOW DO THE RESERVES HELP THE DISTRICT AND COMMUNITY?

- The money in the reserves is not a request for new or more money from the community
- Using money from the reserves keeps the budget to budget increase lower, as the health and safety items and necessary upgrades to technology would have to be included in the operating budget

# 2008 CAPITAL RESERVES

- Capital Reserve for Building Improvements funded for 5 years at \$200,000 per year or \$1,000,000
- Capital Reserve for Technology Expenditures funded for 5 years at \$200,000 or \$1,000,000
- Need Voter Authorization in each year to expend any funds.

# 2008 CAPITAL RESERVE BUILDING IMPROVEMENTS

Capital Reserve for Building Improvements					Actual		Expend	
Month	Year	Description		Buildings	Expense	Difference		Balance
					2013		2014	
May	2008	Authorization to Establish capital Reserve 200,000 per year for 5 years		1,000,000				
		No Authorization of Expenditures in	2008-09					
May	2009	No Authorization of Expenditures in	2009-10					
May	2010	Authorization to Spend HS Repairs, Stage Rigging Rhome doors, fence Centre--ADA	CRG2010	167,600	82,794	84,806		84,806
May	2011	Authorization to Spend HS--Boiler Repairs, steam leaks Rhome--doors Centre-- blacktop, sidewalk, curb	CRB2011	192,800	56,438	136,362	16,712	119,650
May	2012	Authorization to Spend HS--univentilators and pneumatics, doors, gutters Rhome--repaving playground, lights Centre--doors and fire escape	CRB2012	200,000	69,334	130,666	140,773	(10,107)
						107,860		
						32,913		
May	2013	Authorization to Spend	CRB2013	255,000	23,578	231,422	193,446	37,976
		total Authorization		\$ 815,400	\$ 232,144	\$ 724,029		\$ 232,325
		Balance in Reserve		\$ 232,325				
		Not authorized		\$ 184,600				
		Total Monies Available		\$ 416,925				

# 2008 CAPITAL RESERVE FOR TECHNOOLOGY EXPENDITURES

Capital Reserve for Technology Expenditures							Expend	
Month	Year	Technology Expense	Actual 2013	Difference	2014	Balance		
May	2008	1,000,000						
	No Authorization of Expenditures in			2008-09				
	No Authorization of Expenditures in			2009-10				
May	2009							
May	2010 CR2010	112,000	110,168	1,832		1,832		
	storage area network							
	smart boards							
May	2011 CR2011	177,471	176,571	900		900		
	smart classrooms							
	LCD projects							
	network upgrades							
May	2012 CR2012	136,380	118,829	17,551		17,551		
	Document Cameras							
	Switches							
	wireless access points							
May	2013 CR12013	181,728	91,966	89,762	\$ 72,478	17,284		
		\$ 607,579	\$ 497,534	\$ 110,045		\$ 37,567		
	Balance in Reserve		37,567					
	Not authorized		392,421					
	Total Monies Available		429,988					

# Capital Funds

- **RESERVE FOR BUILDING IMPROVEMENTS**
  - Capital Reserve Established in 2008 designating \$200,000 annually for 5 years
  - Projects usually span several fiscal years
  - Projects may need SED Approval and thus can be delayed until the following fiscal year
- **RESERVE FOR TECHNOLOGY**
  - Capital Reserve Established in 2008 designating \$200,000 for 5 years
  - Usually completed in the fiscal year
- **CAPITAL TRANSFER (\$60,000 Annually)**
  - Usually smaller building projects completed in the fiscal year

# Previous Capital Projects

2010/2011			
	High School	Gym floor, refinish & reline	
		Replace hot water heater	
		Repair stage rigging	
		Exterior doors MS wing	
	Rhame Avenue	Restroom ADA compliant	
		Perimeter fencing	
		Exterior doors	
	Centre Avenue	Additional parking near shed	
2011/2012			
	High School	Boiler repairs	
	Centre Avenue	Blacktop, walkway, curb	
	Rhame Avenue	Door replacements	
2012/2013			
	High School	HVAC upgrades	
		Door & gutter replacement	
	Centre Avenue	Door replacement	
		Fire escape repair	
	Rhame Avenue	Re-pave playground	
		Concrete repairs	
		Exterior lighting	
	District Wide	Window repairs	
		Security cameras	

# Capital Projects 2013-14

2013/2014	Projects	Capitol Projects Budget Transfer \$	Actual Expenditure	Reserve Projects Budgeted \$	Reserve Project Expenditures \$	
	Budget	60,000		255,000		
High School	Crawl space ventilation & Spray foam insulation Auditorium			60,000 90,000		Pending SED Approval Pending SED Approval
	Gas Turrets replacement		\$ 18,548.60			
	Chemistry Hood Replacement		\$ 8,950.00			
	Exterior Main Doors			\$ 20,000	\$ 23,578.00	Completed
	Chemistry Hood Disposal		\$ 1,940.00			
Centre Avenue	Exterior driveway door		\$ 9,146.00			In Progress -Springtime
	Playground safety surfacing			\$ 10,000	\$ 5,211.00	Completed
	Exterior wall window lintels		\$ 14,200.00			In Progress -Springtime
Rhame Avenue	Drainage ring parking lot			\$ 15,000	\$ 8,925.00	Completed
District Wide	Gym cameras, wiring, software	-	-	\$ 28,000	\$ 12,991.56	Completed
	Total		\$ 52,784.60	\$ 223,000	\$ 50,705.56	



# Capital Projects Proposed 2014-2015--\$356,000

Work in the 2014/2015 Capital Improvement program will include:

- District wide heating, ventilating and temperature control reconstruction
- District wide asphalt paving, concrete curb and sidewalk replacement
- Interior reconstruction to existing Technology Building. The technology building shall include, but not be limited to structural concrete slab replacement and reconstruction, electrical replacement and interior finishes.

# Technology Building Slab

- Cracks and Erosion of the Slab in the Technology Building



# Capital Reserve for Technology Prior Years

- Smart Classrooms
- Network Upgrades
- Server Projects
- Software licensing

# Technology Reserve 2013-14

- Smart Classrooms \$32,000
- Network Upgrades \$17,091
- Server Projects \$30,654
- Music/Tech Lab \$42,157
- Computer Hardware \$30,000
- Cafeteria POS System \$29,826

# Technology Reserve 2014-15

\$320,000

- Smart Classroom Project continuing to outfit instructional spaces
- Network Upgrades and replacements
- Data Backup and Email Upgrade
- Technology lab upgrades
- Replacement of computer hardware

# CAPITAL RESERVES 2014-15

- Board Resolution to place on ballot Capital Reserve #2 for Building Improvement Proposition to establish a reserve not to exceed \$2,000,000 for a period of 10 years, funding the resolution at \$200,000 per fiscal year.
- Board Resolution to place on ballot Capital Reserve #2 for Technology Expenditure Proposition to establish a reserve not to exceed \$2,000,000 for a period of 10 years, funding the resolution at \$200,000 per fiscal year.