

Annual Budget Presentation
Candor Central School
May 14, 2019
7:00 p.m., High School Auditorium

Call To Order:

The annual budget presentation meeting was opened at 7:00 p.m. by Superintendent Jeffrey Kisloski. The following Board members were present: President Raymond Parmarter, Josh Soper, Hannah Murray, Nate Brace, Rebecca Lyon, and Michael Blake. Also present were Jr/Sr High School Principal Wayne Aman, Elementary Principal Katie Volpicelli, Director of Curriculum and Instruction Kimberleigh Nichols, Director of Special Education Holly Carling, School Business Official Sydney Wade and District Clerk Kathlyn Hinkle, as well as members of the Candor community.

Opening Comments & Budget Presentation Outline:

Superintendent Kisloski welcomed everyone and thanked everyone for attending. A slide show was presented of the 2019-2020 budget. The presentation included a budget summary, the budget development process, information on State Aid and Revenues, Expenditure detail, information on the Tax Cap, information on the Tax Freeze, information on the proposition for the Capital Reserve Fund, a final summary and questions, voting day information, and an introduction of Board candidates.

Budget Summary:

Superintendent Kisloski stated that the 2019-2020 Budget Expenditure proposal is \$18,864,148. This represents a .80% increase from the 2018-2019 budget and a 1.94% tax levy increase. Proposition 1 is for the lease/purchase of two (2) 65-passenger buses, and one (1) 24-passenger wheelchair accessible bus – not to exceed \$350,000.

Proposition 2 is to establish a Capital Reserve Fund.

There are three (3) Board of Education candidates for two (2) seats – Kelly Haynes, Hannah Murray, and Michael Blake.

Superintendent Kisloski stated that some cost increases are seen in salaries, TST BOCES, and the transfer to Capital, which was State approved in the “\$100k Project”. Savings were realized in utility costs, which are decreasing due to the installation of a solar field at the new Bus Garage location. There are also significant savings in health insurance and debt service. The District’s favorable bond rating saved over \$1 million in debt related to the recently completed capital project. Mr. Kisloski added that the District is switching from MVP insurance to Blue Cross Blue Shield effective July 1st.

The proposed tax levy increase complies with the Governor’s Tax Cap and Tax Freeze legislation.

Solar Energy at New Bus Garage:

Superintendent Kisloski gave a solar energy update. A 1.1 MW solar field was installed at the new Bus Garage location in 2017. The revenues from the solar field are projected to “zero out” the District’s electric bill. In the 2018-2019 budget, there was a reduction of \$70,000 in the proposed budget from anticipated savings in electricity costs. For 2019-2020, the District is proposing to reduce the budget by an additional \$30,000 for electrical expenditures.

Budget Development Process:

Superintendent Kisloski summarized the process of creating the budget.

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In November/December/January, Administrators and Supervisors began projecting needs for 2019-2020 program and student supports. The District has been fortunate to keep the programs, and student supports the same for several years.

In January, the Governor proposed the State budget, including aid to school districts.

In January/February/March, the Budget Advisory Committee met to review expenditures, revenues, and the tax levy projections. The BAC has the difficult task of balancing the District's programs with the community's ability to fund the School.

In April, the Board of Education approved the District's expenditure plan.

In May, the Budget newsletter is produced; the official budget is finalized, and the budget vote is held.

Superintendent Kisloski introduced School Business Official Sydney Wade, who presented the next eight slides.

State Aid to Candor School District:

A chart showing the increases or decreases of State Aid over the years was displayed:

2019-2020	\$12,321,371	2.5% increase
2018-2019	\$12,019,104	1.7% increase
2017-2018	\$11,820,564	1.7% increase
2016-2017	\$11,628,464	5.5% increase
2015-2016	\$11,018,396	2.6% increase
2014-2015	\$10,744,539	1.1% decrease
2013-2014	\$10,867,000	3.0% increase
2012-2013	\$10,550,000	6.6% increase
2011-2012	\$ 9,900,000	5.6% decrease

Mrs. Wade stated that State Aid is always estimated until the new school year gets underway. State Aid is revenue that the District relies heavily on.

Revenues:

Mrs. Wade summarized the source of revenues.

<u>Sources of Revenue</u>	<u>18/19 Current</u>	<u>19/20 Proposed</u>	<u>Change</u>
State Aid	\$12,019,104	\$12,321,371	\$302,267
Real Property Tax	5,667,821	5,777,777	109,956
Appropriated Fund Balance	250,000	250,000	-
Use of Fund Balance	262,000	-	(262,000)
Transfer from Debt Service	-	-	-
Employees Retirement Reserve	230,000	230,000	-
Other Sources:			
Interest	10,000	10,000	-
Federal Aid (Medicaid)	50,000	50,000	-
Local Sources (BOCES Refund)	225,000	225,000	-
<u>Totals</u>	<u>\$ 18,713,925</u>	<u>\$18,864,148</u>	<u>\$150,223</u>

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Mrs. Wade pointed out that in 2018-2019, the budget included \$262,000 in fund balance that was used for the solar field and buses. This fund is not needed for the proposed 2019-2020 budget.

Three-Part Budget:

Mrs. Wade presented a slide that breaks down the Three-Part Budget: Administration costs, Program costs, and Capital costs. The slide showed the 2018-2019 Budget, the proposed 2019-2020 budget, and the changes.

The Administration component includes district and principals' office administrative expenses, administrative salary expenses, and related expenses for benefits, materials and supplies, and equipment. It also includes Board of Education expenses. The proposed total for these expenses is \$1,663,042.78, resulting in a decrease of \$21,674.29 from 2018-2019.

The Program expenditures are the instructional component of the budget. It includes salaries and benefits; materials, supplies, and equipment for librarians, guidance counselors, teachers, and non-teaching personnel who spend a majority of time performing teaching duties; and all transportation operating expenses. The proposed total for these expenses is \$13,842,680.66, resulting in an increase of \$461,182.38 from 2018-2019.

The Capital component includes all facilities costs to the District, annual debt service, and cost of construction and reconstruction. The capital component also includes costs for operation and maintenance; all expenditures associated with custodial salaries and benefits; service contracts; materials and supplies; utilities; and maintenance and repair of school facilities.

The proposed total for these expenses is \$3,358,424.55, resulting in a decrease of \$289,285.09 from 2018-2019.

Mrs. Wade pointed out that there is a decrease in employee benefits, a reduction in Operation of Plant costs due to solar savings and reduction in HVAC contracts, and that there is an increase in Instructional Costs due to adding a few positions to the faculty and staff such as a Full-Time Social Worker and a Part-Time Psychologist.

Mrs. Wade presented a slide that gave the same information in a graph format.

Tax Cap:

Mrs. Wade gave an overview of the Tax Cap.

Seven years ago, the Governor and the Legislature initiated a tax cap for municipalities, including schools. The intent was to limit tax levy increases to 2% or CPI (Consumer Price Index), with exceptions. These calculations are submitted to and audited by the Office of the State Comptroller. This year's calculation yielded a tax cap of 1.94% for Candor Central School District.

Tax Freeze:

Mrs. Wade spoke of the Tax Freeze.

The Governor's Tax Freeze legislation states that for all NYS public schools that propose a tax levy within their tax cap, the State will reimburse to STAR eligible properties the year-to-year increase in taxes for the homeowner for their Fall 2019 tax bill.

The District has proposed a 1.94% tax levy increase for the 2019-2020 school year. The resulting year-to-year increase for taxpayers will be refunded through the Tax Freeze legislation as a check from the Governor's office.

Proposition II: Establish the 2020 Capital Reserve Fund:

Mrs. Wade gave information on the proposed establishment of a Capital Reserve Fund.

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Mrs. Wade stated that the 2020 Capital Reserve Fund could be used to finance, in whole or in part, the purchase of school buses and other vehicles, authorized alterations, construction and/or reconstruction of District facilities, buildings and/or additions, including related site work, health and safety improvements, security improvements and handicap accessibility improvements. Mrs. Wade stated that a Capital Reserve Fund is to be established for a stated duration. This particular fund would be commencing on June 30, 2019, and ending on June 30, 2024. Mrs. Wade stated that the Capital Reserve Fund could be funded to a maximum amount of \$2,500,000 in its lifetime (i.e., funds cannot be used and replenished) by surplus funds remaining in the District's undesignated fund balance at the fiscal years encompassed by the life of the reserve fund. Mrs. Wade added that after 2024, the District could establish a new reserve because the District would not reach the \$2.5 million maximum in two years.

Mrs. Wade added that the District currently does not have any immediate plans for a Capital Project, but one example of a possible need for the funds is the approximately seventeen roofs in the District that will have to be replaced eventually.

Superintendent Kisloski added that the District is certainly not a wealthy district but is in good financial shape, and to have this fund would be a good investment in the future of the District and keep it in good financial shape.

Mrs. Wade stated that it is important to establish the 2020 Capital Reserve Fund because it would allow the District's taxpayers from future levy increases to fund capital projects by covering the taxpayer's portion of capital projects, which is 10% (State Aid covers 90%).

Mrs. Wade added that the fund would also protect the District's investment in its facilities for future generations.

2019-2020 Candor Central School District Budget Summary:

Superintendent Kisloski ended the presentation by summarizing the Budget.

The 2019-2020 Budget Expenditure proposal is \$18,864,148 and contains Proposition 1 for the lease/purchase of two (2) 65-passenger buses, and one (1) 24-passenger wheelchair accessible bus and Proposition 2 to establish a Capital Reserve Fund.

The proposed tax levy increase is 1.94%. However, the Governor's tax freeze legislation will rebate any tax increase directly to homeowners. There are three (3) candidates for two (2) seats on the Board of Education: Education: Kelly Haynes, Hannah Murray, and Michael Blake.

Questions and Answers:

Superintendent Kisloski opened the floor for any questions the community members present may have. No questions or comments were made at this time.

2019-2020 Candor Central School District Budget Vote:

Superintendent Kisloski reminded the community members present that the Budget Vote will be held on Tuesday, May 21st. 2019 from Noon – 9:00 p.m. in the High School Auditorium.

Introduction of Board of Education Candidates:

Superintendent Kisloski stated that he is happy there are three people running for two Board of Education seats. He introduced each candidate, Kelly Haynes, Hannah Murray, and Michael Blake. Each candidate summarized their biographies and gave a small speech as to why they are running for the Board.

Kelly Haynes stated that her son is a classified student and that what Candor Schools does is top notch. She would like to be a member of the Board of Education to give back to the school. Mrs. Haynes feels that being a small business owner in the community, being on the Board will help her give back to the community as well.

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Hannah Murray stated that she has been happy to be involved in the community as a Board Member. Candor has the same challenges as other small districts, but it has been nice to hear from the administrators all of the great things that happens in the schools. She stated that since she runs a business herself, she has an eye towards cost-effectiveness. She added that she is curious to see where the District goes after Superintendent Kisloski retires in a few years.

Michael Blake stated that he has been proud to be on the Board of Education. He stated that the way the school is run, together with the Board of Education, is very functional. He is happy to see that the District has not had to lay off teachers year after year and gives credit to the administrators for that. He added that the schools are doing a very good job.

Superintendent Kisloski thanked everyone for coming and urged everyone to vote on May 21st.

The meeting was adjourned at 7:27 p.m.

Respectfully submitted,

Kathlyn M. Hinkle, District Clerk