

KENMORE-TOWN OF TONAWANDA
UNION FREE SCHOOL DISTRICT

2019-2020

PRIMARY FINANCIAL CONSIDERATIONS

BOARD OF EDUCATION MEETING
NOVEMBER 13, 2018

The Ken-Ton School Community will provide our students with the supports, tools, and diverse opportunities needed to meet the challenges of an ever-changing world.



Today's Purpose

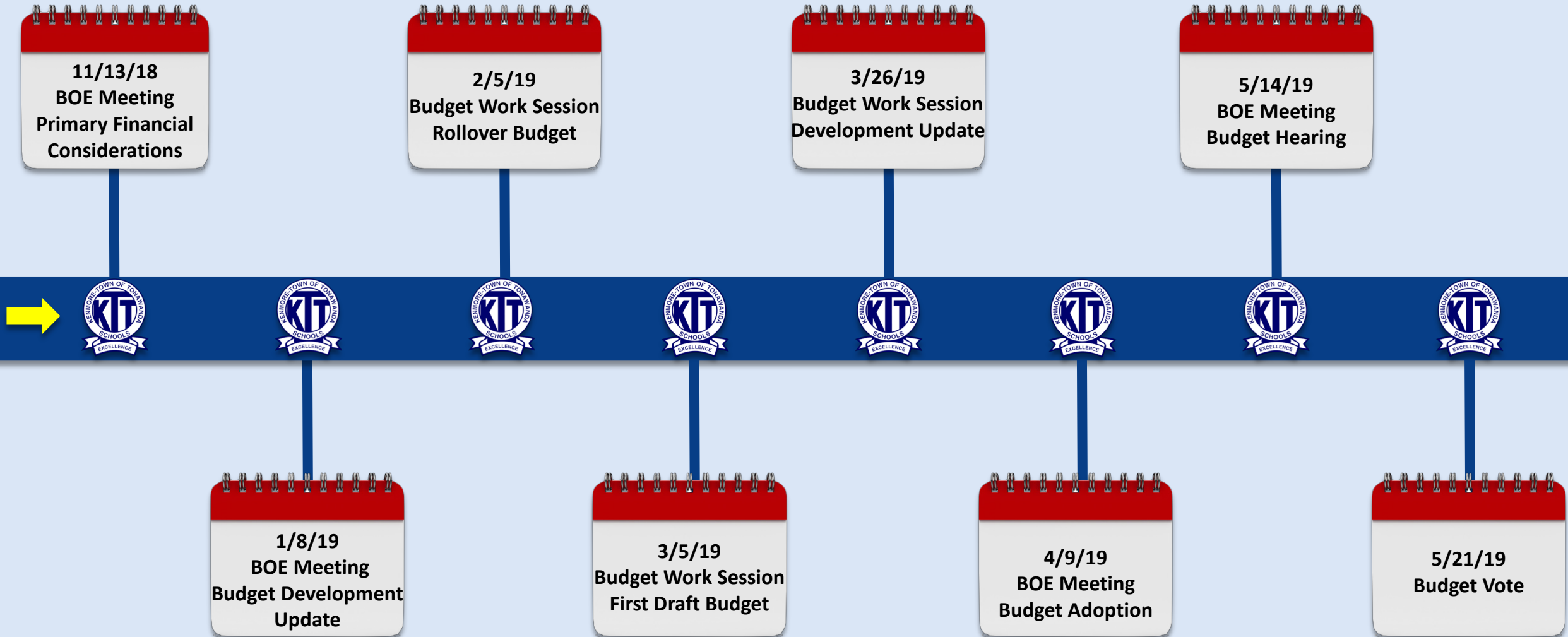


Identify and discuss primary financial considerations for the 2019-20 budget development process



Budget Timeline

Budget Development Timeline



Revenue Budget



Revenue Budget: Property Tax

Tax Levy Limit

- 2% or rate of inflation (CPI), whichever is lower
 - CPI trending around 1.5%
- Keeping debt service level
- Effects of exclusions
 - PILOTs
 - Capital Exclusion & Debt Service Reserve
- Tax Levy Limit: Likely under 1%

Revenue Budget: Other Factors

- Foundation Aid
- Sales Tax (Erie County)
 - Marginal increase over past two years
- Electric Generation Facility Cessation Mitigation Program
 - Entitled to 50% revenue
 - Approximately \$1.4 million
- Building Leases

Expenditure Budget



Expenditure Budget

Collective Bargaining Agreement Status

- KTA: Under Negotiation
- KTSEA: Existing contract extension expires 6/30/19
- KAA: Current agreement expires 6/30/19

Healthcare

- Plan continues to perform well
- Potential increases for 2019-20

Expenditure Budget – Retirement Contributions

Teacher's Retirement System (TRS)

- Currently: 10.62%
- Projected: 8.5% - 9.5%

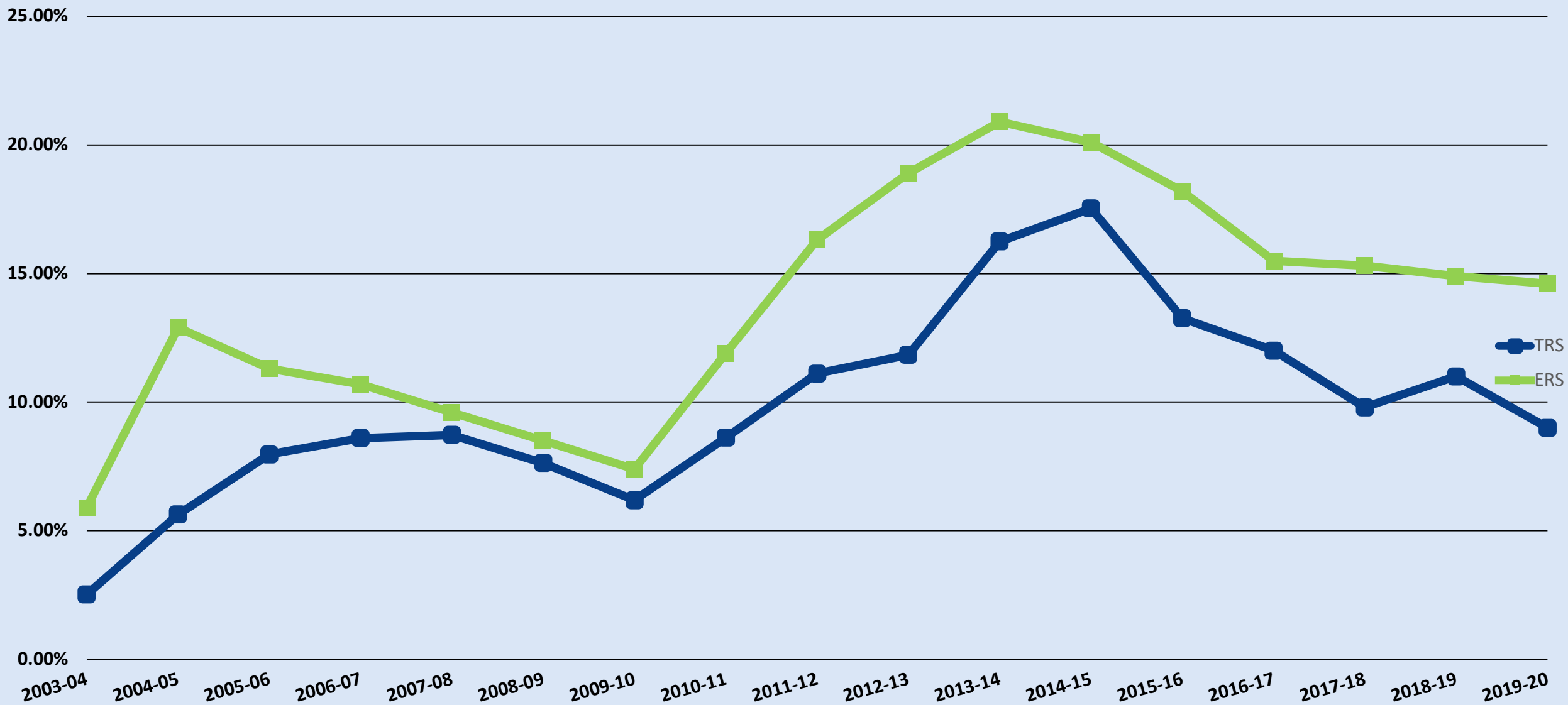


Employee Retirement System (ERS)

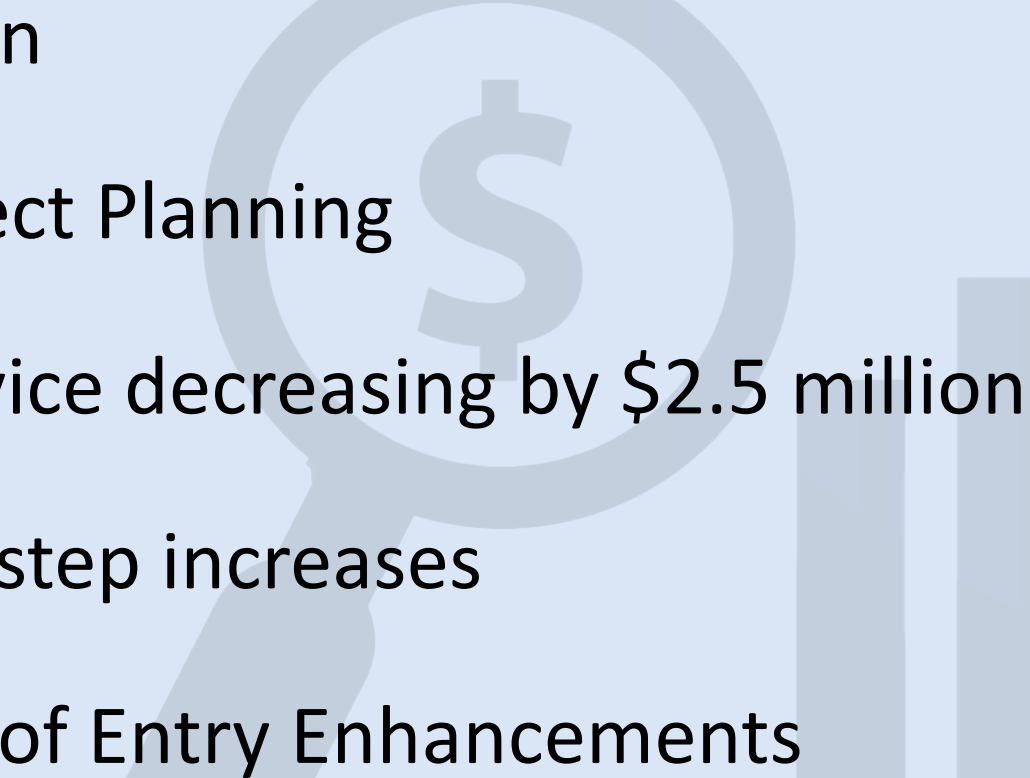
- Currently: 14.9%
- Projected: 14.6%



Historical Employer Contribution Rates



Expenditure Budget – Other Considerations

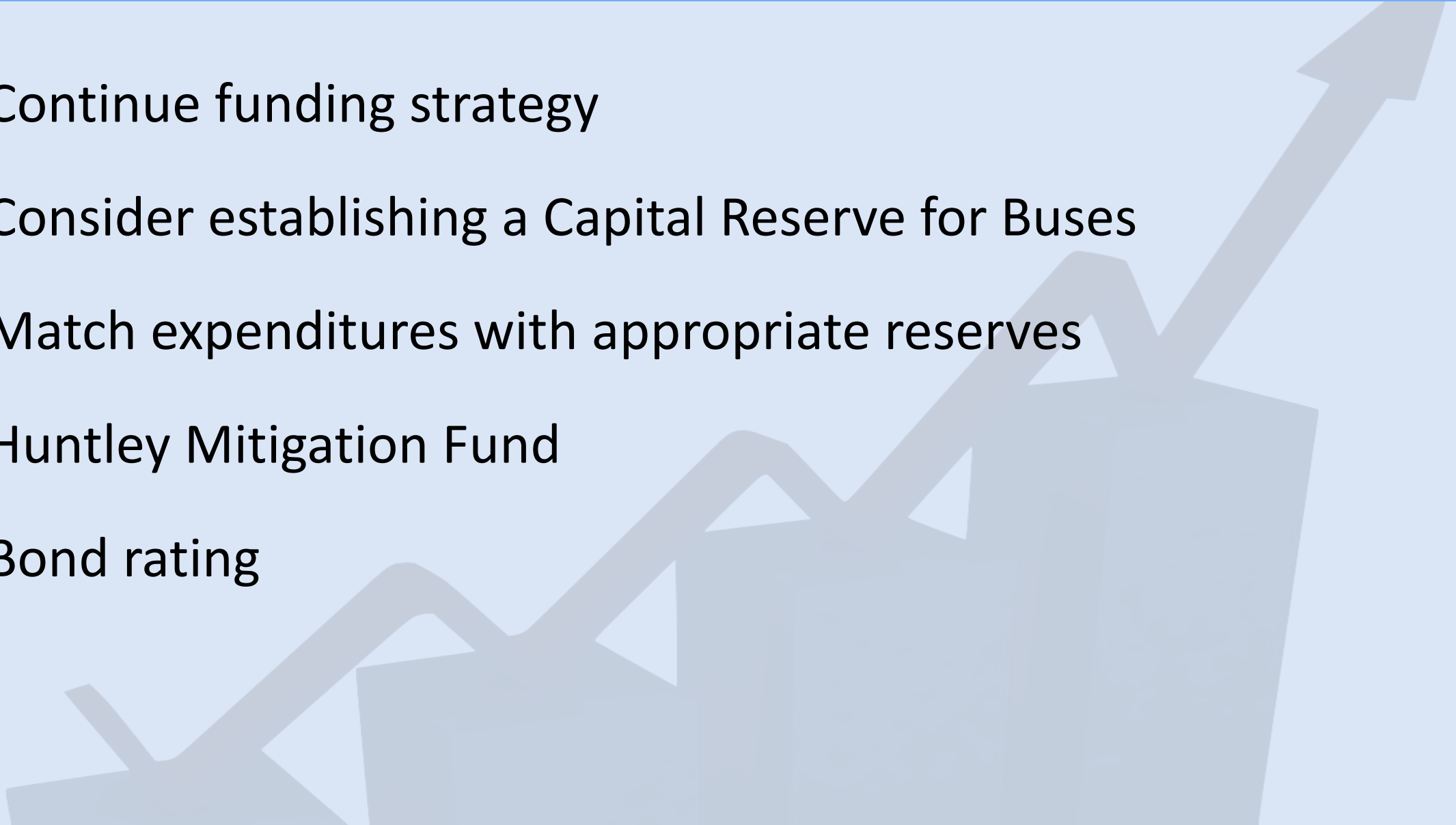
- Strategic Plan
 - Capital Project Planning
 - Debt Service decreasing by \$2.5 million
 - Contractual step increases
 - Single Point of Entry Enhancements
- 



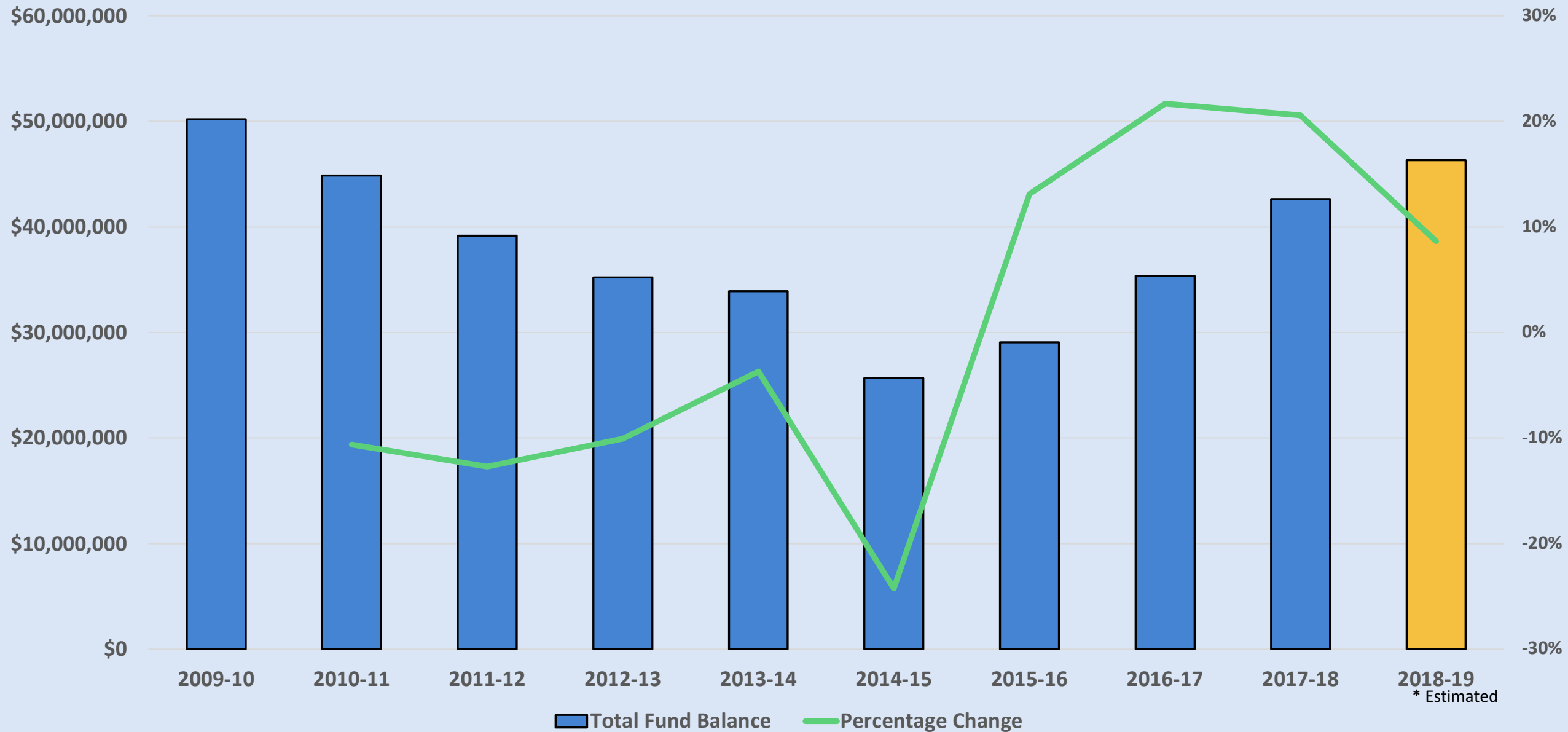
Reserves and Fund Balance

Reserves and Fund Balance

- Continue funding strategy
- Consider establishing a Capital Reserve for Buses
- Match expenditures with appropriate reserves
- Huntley Mitigation Fund
- Bond rating



Historical Fund Balance



Next Steps

- Monitor current year performance
- Prepare fund balance projections in January
- Monitor CPI for Tax Cap
- Strategic Plan Implementation Committee
- Department/building budgets



QUESTIONS?

Thank you for your support!

Visit www.ktufsd.org/budget for more information



**KENMORE-TOWN OF TONAWANDA
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