

2012-2013 BUDGET OVERVIEW

*9000 Series: Employee Benefits, Debt
Service, and Fund Transfers
&
Capital Expenditures*

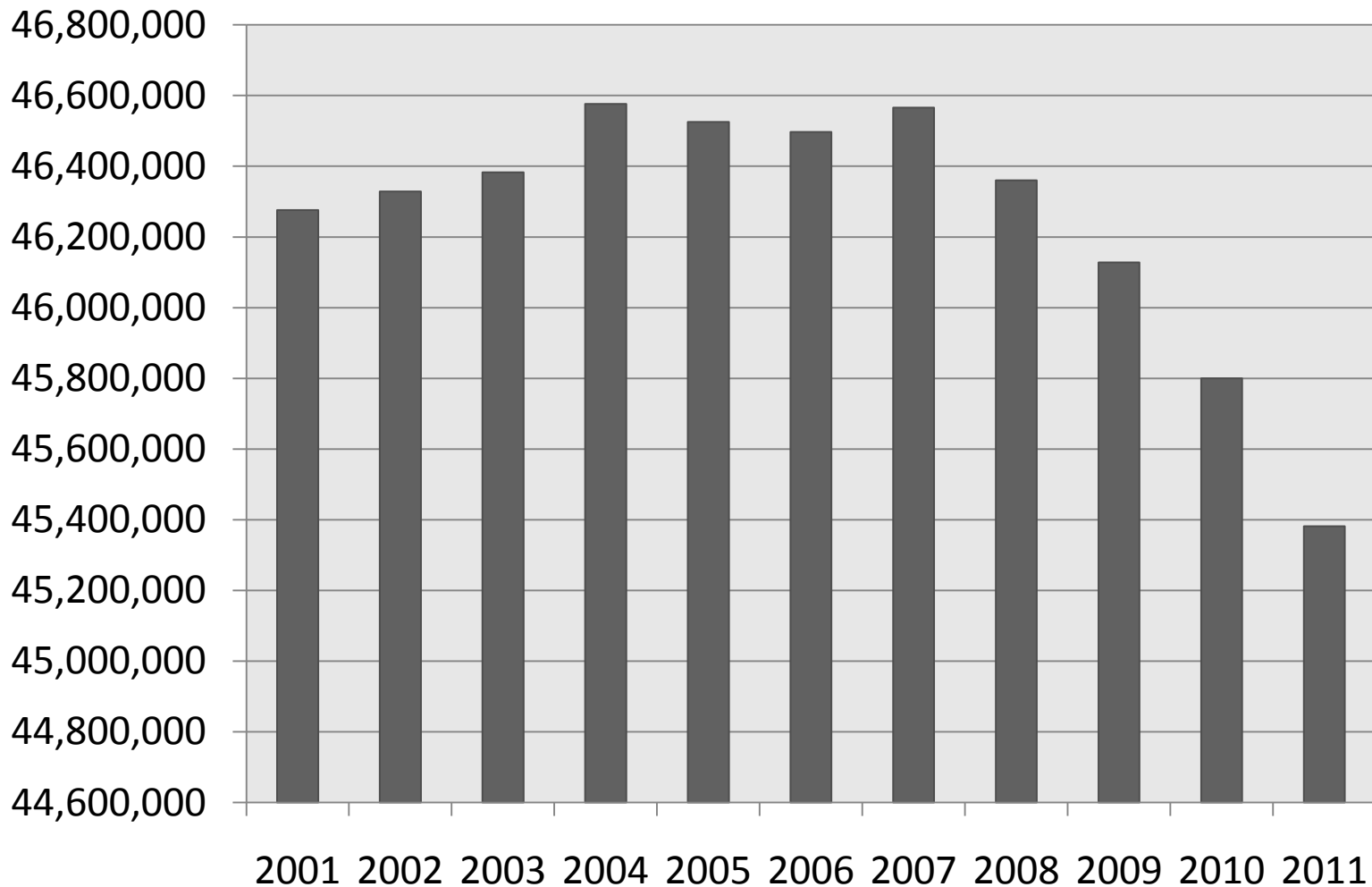
Huntington U.F.S.D.
Board of Education Meeting
Monday, March 19, 2012

Questions from Last Week

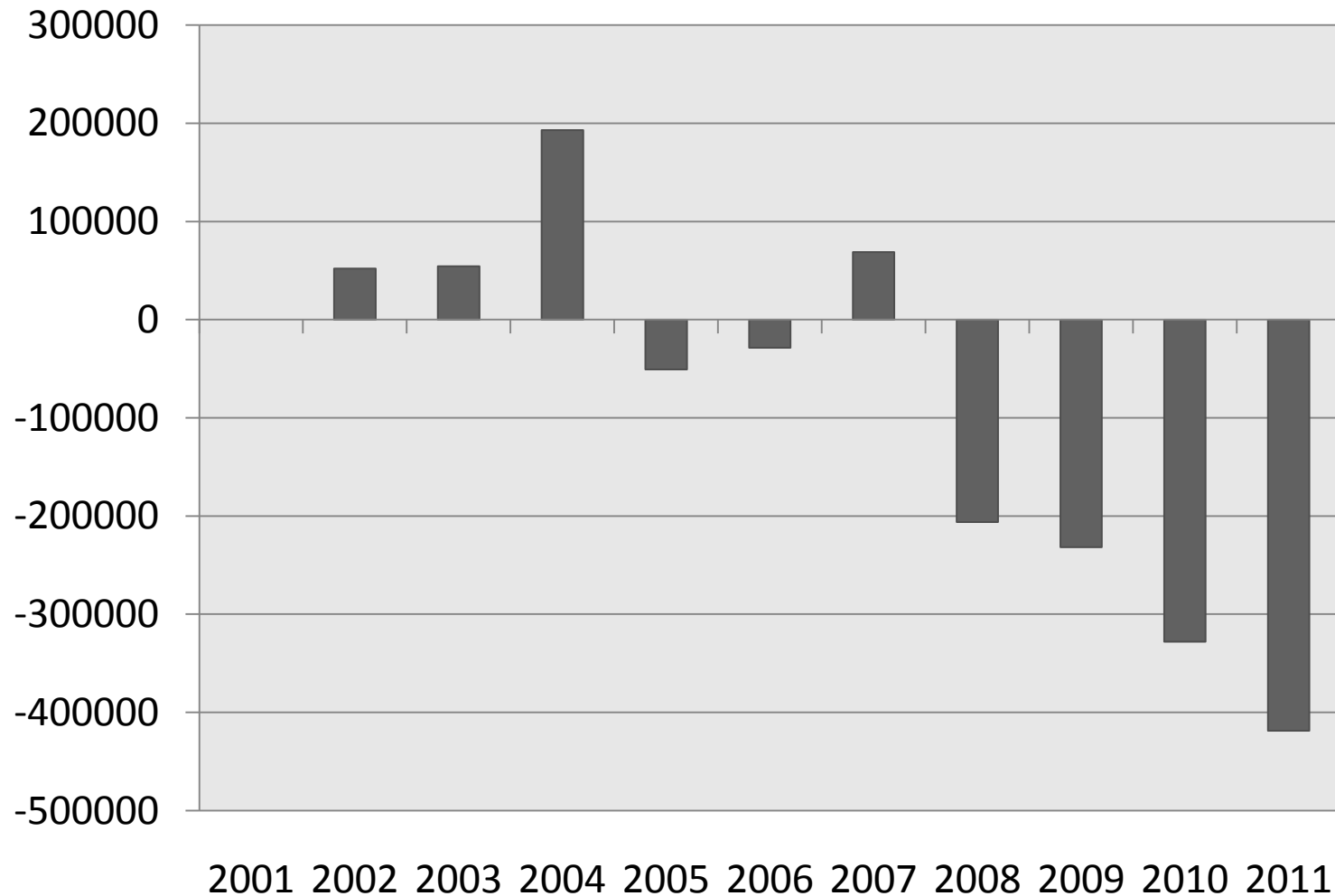
Budget/Tax Rate Drivers:

- Expenditures
- Revenues
- *Assessed Valuation*

Assessed Valuation Trend 2001-2011



Assessed Valuation Change 2001-2011



ASSESSED VALUE - Unchanged

	2011-2012	WORKING BUDGET 2012-2013	TAX LEVY LIMIT 2012-2013
BUDGET	\$109,037,301	\$112,723,635	\$111,858,780
REVENUE (includes state aid, fund balance, reserves, other)	15,029,114	15,772,390	15,772,390
TAX LEVY	94,008,187	96,951,245	96,086,390
ASSESSED VALUATION	45,381,530	45,381,530	45,381,530
TAX LEVY INCREASE (%)		3.13%	2.21%
BUDGET-TO-BUDGET INCREASE (%)		3.38%	2.59%
TAX RATE (\$ PER \$100 ASSESSMENT)	207.15	213.64	211.73
TAX RATE INCREASE (%)		3.13%	2.21%
WORKING BUDGET DIFFERENCE (\$)			(\$864,855)

ASSESSED VALUE - \$50,000 Reduction

	2011-2012	WORKING BUDGET 2012-2013	TAX LEVY LIMIT 2012-2013
BUDGET	\$109,037,301	\$112,723,635	\$111,858,780
REVENUE (includes state aid, fund balance, reserves, other)	15,029,114	15,772,390	15,772,390
TAX LEVY	94,008,187	96,951,245	96,086,390
ASSESSED VALUATION	45,381,530	45,331,530	45,331,530
TAX LEVY INCREASE (%)		3.13%	2.21%
BUDGET-TO-BUDGET INCREASE (%)		3.38%	2.59%
TAX RATE (\$ PER \$100 ASSESSMENT)	207.15	213.87	211.96
TAX RATE INCREASE (%)		3.24%	2.32%
WORKING BUDGET DIFFERENCE (\$)			(\$864,855)

ASSESSED VALUE - \$100,000 Reduction

	2011-2012	WORKING BUDGET 2012-2013	TAX LEVY LIMIT 2012-2013
BUDGET	\$109,037,301	\$112,723,635	\$111,858,780
REVENUE (includes state aid, fund balance, reserves, other)	15,029,114	15,772,390	15,772,390
TAX LEVY	94,008,187	96,951,245	96,086,390
ASSESSED VALUATION	45,381,530	45,281,530	45,281,530
TAX LEVY INCREASE (%)		3.13%	2.21%
BUDGET-TO-BUDGET INCREASE (%)		3.38%	2.59%
TAX RATE (\$ PER \$100 ASSESSMENT)	207.15	<i>214.11</i>	<i>212.20</i>
TAX RATE INCREASE (%)		3.36%	2.44%
WORKING BUDGET DIFFERENCE (\$)			(\$864,855)

ASSESSED VALUE - \$300,000 Reduction

	2011-2012	WORKING BUDGET 2012-2013	TAX LEVY LIMIT 2012-2013
BUDGET	\$109,037,301	\$112,723,635	\$111,858,780
REVENUE (includes state aid, fund balance, reserves, other)	15,029,114	15,772,390	15,772,390
TAX LEVY	94,008,187	96,951,245	96,086,390
ASSESSED VALUATION	45,381,530	45,081,530	45,081,530
TAX LEVY INCREASE (%)		3.13%	2.21%
BUDGET-TO-BUDGET INCREASE (%)		3.38%	2.59%
TAX RATE (\$ PER \$100 ASSESSMENT)	207.15	215.06	213.14
TAX RATE INCREASE (%)		3.82%	2.89%
WORKING BUDGET DIFFERENCE (\$)			(\$864,855)

ASSESSED VALUE - \$500,000 Reduction

	2011-2012	WORKING BUDGET 2012-2013	TAX LEVY LIMIT 2012-2013
BUDGET	\$109,037,301	\$112,723,635	\$111,858,780
REVENUE (includes state aid, fund balance, reserves, other)	15,029,114	15,772,390	15,772,390
TAX LEVY	94,008,187	96,951,245	96,086,390
ASSESSED VALUATION	45,381,530	44,881,530	44,881,530
TAX LEVY INCREASE (%)		3.13%	2.21%
BUDGET-TO-BUDGET INCREASE (%)		3.38%	2.59%
TAX RATE (\$ PER \$100 ASSESSMENT)	207.15	216.02	214.09
TAX RATE INCREASE (%)		4.28%	3.35%
WORKING BUDGET DIFFERENCE (\$)			(\$864,855)

ASSESSED VALUE DYNAMICS

- \$1 change in assessed value has slightly over \$2 effect on tax rate
- In order to reduce tax rate in response to projected assessed value decline
 - reduce total budget (i.e., expenditures)
 - appropriate additional fund balance
- Either option will bring tax levy below the allowable limit for 2012-2013
- ***RECOMMENDATION: Incorporate \$300,000 projected reduction***

Questions from Last Week

Legal Fees:

- Include annual retainer; services included within retainer vary among districts
- Hourly rates:
 - Partner/counsel/associate
 - Legal assistant

DISTRICT	PARTNER/COUNSEL /ASSOCIATE	LEGAL ASSISTANT
Huntington	\$235/hour	\$115/hour
Cold Spring Harbor	\$185 (labor)/\$210 (gen.)	\$100 (labor)/\$125 (gen.)
Commack	\$230	\$150
Copiague	\$200	N/A
Deer Park	\$215	N/A
Half Hollow Hills	\$185	\$100
Kings Park	\$190	\$125
Northport	\$185	N/A
South Huntington	\$200	\$200

9000 SERIES: BENEFITS, DEBT SERVICE, FUND TRANSFERS

- Retirement – ERS and TRS
- Social Security
- Workers Compensation
- Life Insurance
- Unemployment Insurance
- Long Term Disability
- Health & Dental Insurance
- Debt Service
- Inter-fund Transfers

9000 SERIES: BENEFITS, DEBT SERVICE, FUND TRANSFERS

2010-2011 Actual	2011-2012 Est. Actual
\$27,467,106	\$29,685,510

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$31,556,172	\$33,066,832	\$1,510,660	4.79

9010 Employees Retirement System (ERS)

Non-Instructional Staff Retirement System

- NYS determines rate
- 2012-2013 rate estimated at average of 18.90% of 2011-2012 salaries

ERS Rate History

- 2012-2013 – *18.90%*
- 2011-2012 – *16.30%*
- 2010-2011 – *11.00%*
- 2009-2010 – *12.67%*
- 2008-2009 – *12.20%*
- 2007-2008 – *13.70%*
- 2006-2007 – *14.80%*
- 2005-2006 – *4.50%*
- 2004-2005 – *2.50%*
- 2003-2004 – *0.90%*
- 2002-2003 – *0.50%*
- 2001-2002 – *0.20%*
- 2000-2001 – *0.10%*
- 1999-2000 – *0.30%*

9010 Employees Retirement System (ERS)

2010-2011 Actual	2011-2012 Est. Actual
\$1,665,284	\$2,296,720

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$2,115,000	\$2,805,000	\$690,000	32.62

9020 Teachers Retirement System (TRS)

Instructional Staff Retirement System

- NYS determines rate
- 2012-2013 rate estimated at 11.84% of 2011-2012 salaries

TRS Rate History

- 2012-2013 – 11.84%
- 2011-2012 – 11.11%
- 2010-2011 – 8.62%
- 2009-2010 – 7.63%
- 2008-2009 – 8.73%
- 2007-2008 – 8.60%
- 2006-2007 – 8.36%
- 2005-2006 – 8.12%
- 2004-2005 – 7.97%
- 2003-2004 – 5.63%
- 2002-2003 – 2.52%
- 2001-2002 – 0.36%
- 2000-2001 – 0.36%
- 1999-2000 – 0.43%

9020 Teachers Retirement System (TRS)

2010-2011 Actual	2011-2012 Est. Actual
\$3,885,693	\$4,196,548

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$5,200,365	\$5,410,000	\$209,635	4.03

9030 Social Security

- FICA and Medicare payments
- 7.65% of salaries

9030 Social Security

2010-2011 Actual	2011-2012 Est. Actual
\$4,073,000	\$3,994,778

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$3,994,778	\$4,400,000	\$405,222	10.14

9040 Workers Compensation

- Self-insured – costs covered via a designated reserve fund
- As required by law, monies not spent are reserved for future claims

9040 Workers Compensation

2010-2011 Actual	2011-2012 Est. Actual
\$552,742	\$553,000

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$0	\$0	\$0	0.00

9045 Life Insurance

- Group life insurance policies for employees
- Collectively bargained

9045 Life Insurance

2010-2011 Actual	2011-2012 Est. Actual
\$88,699	\$98,000

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$98,061	\$98,000	(\$61)	(0.06)

9050 Unemployment Insurance

- New York State Unemployment Board determines eligibility of former employees' claims
- A reserve fund has been established to cover some of these costs

9050 Unemployment Insurance

2010-2011 Actual	2011-2012 Est. Actual
\$104,249	\$650,000

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$740,000	\$600,000	(\$140,000)	(18.92)

9055 Long-Term Disability Insurance

- Third party disability insurance policy
- Collectively bargained with certain units

9055 Long-Term Disability Insurance

2010-2011 Actual	2011-2012 Est. Actual
\$20,251	\$26,000

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$26,798	\$23,000	(\$3,798)	(14.17)

9060 Health & Dental Insurance

- Per collective bargaining agreements
- Health insurance rates set by New York State
- Dental Insurance available to some collective bargaining units
- Medicare reimbursement payments to retired employees
- Required by federal law and Empire Plan
- Effective at age 65
- Requires enrollment in Medicare Plan via Social Security deduction

9060 Health & Dental Insurance

2010-2011 Actual	2011-2012 Est. Actual
\$13,934,180	\$14,432,000

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$16,570,438	\$16,922,000	\$351,562	2.12

9700's Debt Service

Principal and interest associated with all district borrowings:

- Bond issues
- Tax anticipation notes
- Energy performance contract

9700's Debt Service

2010-2011 Actual	2011-2012 Est. Actual
\$1,467,818	\$1,440,732

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$1,990,732	\$1,991,832	\$1,100	0.06

9901 Inter-fund Transfers

- Movement of money from general fund to a specific-purpose fund
- *Special Aid Fund:*
 - As per NYS law, local district pays 20% of extended school year for students with special needs
 - State may adjust percentages

9901 Inter-fund Transfers

2010-2011 Actual	2011-2012 Est. Actual
\$209,446	\$220,000

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$800,000	\$800,000	\$0	0.00

9000 SERIES: BENEFITS, DEBT SERVICE, FUND TRANSFERS

2010-2011 Actual	2011-2012 Est. Actual
\$27,467,106	\$29,685,510

2011-2012 Budget	2012-2013 Budget	\$ Change	% Change
\$31,556,172	\$33,066,832	\$1,510,660	4.79

CAPITAL EXPENDITURES

- 2012-2013 components extracted from five-year capital plan
- Funded via **Capital Reserve Fund**

Huntington High School

• Chemistry lab renovation	\$480,000
• Clock system replacement	200,000
• Public address system replacement	100,000
• Security system replacement	<u>35,000</u>
SUBTOTAL	\$815,000

Finley Middle School

• Clock system replacement	\$170,000
• Public address system replacement	50,000
• Security system replacement	<u>22,000</u>
SUBTOTAL	\$242,000

Woodhull

• Clock system replacement	\$100,000
• Fire alarm system replacement	<u>85,000</u>
SUBTOTAL	\$185,000

Jack Abrams

• Security system replacement	<u>\$27,000</u>
SUBTOTAL	\$27,000

Flower Hill

• Building access control	\$10,000
• Security system replacement	<u>15,000</u>
SUBTOTAL	\$25,000

Jefferson

• Building access control	\$10,000
• Security system replacement	<u>15,000</u>
SUBTOTAL	\$25,000

Southdown

• Building access control	\$ 10,000
• Roadway, parking lot, sidewalks	605,000
• Security system replacement	<u>15,000</u>
SUBTOTAL	\$630,000

Washington

• Building access control	\$ 10,000
• Public address system replacement	75,000
• Roadway, parking lot, sidewalks	250,000
• Security system replacement	<u>15,000</u>
SUBTOTAL	\$350,000

CAPITAL EXPENDITURE SUMMARY

• Huntington High School	\$815,000
• Finley Middle School	242,000
• Woodhull	185,000
• Jack Abrams	27,000
• Flower Hill	25,000
• Jefferson	25,000
• Southdown	630,000
• Washington	<u>350,000</u>
TOTAL FROM CAPITAL RESERVE	\$2,299,000

2012-2013 WORKING BUDGET*

	WORKING BUDGET 2012-2013	BUDGET INCREASE	TAX RATE INCREASE
CURRENT	\$112,723,635	3.38%	3.82%**

* WORKING BUDGET IS A STARTING POINT. IT WILL NOT BE FINALIZED UNTIL ADOPTED ON 4/16.

** Incorporates a \$300 K projected decline in assessed value

CONTINGENCY BUDGET

- Incorporates the same tax levy as adopted for 2011-2012 (0% levy increase)
- Required budget reduction: **\$2,943,058**
- Includes:
 - Equipment - \$697,857
- Remaining budget reduction: **\$2,245,201**

CONTINGENCY BUDGET

	2011-2012	WORKING BUDGET 2012-2013	CONTINGENCY BUDGET 2012-2013
BUDGET	\$109,037,301	\$112,723,635	\$109,780,577
REVENUE (includes state aid, fund balance, reserves, other)	15,029,114	15,772,390	15,772,390
TAX LEVY	94,008,187	96,951,245	94,008,187
ASSESSED VALUATION	45,381,530	45,081,530	45,081,530
TAX LEVY INCREASE (%)		3.13%	0%
BUDGET-TO-BUDGET INCREASE (%)		3.38%	0.68%
TAX RATE (\$ PER \$100 ASSESSMENT)	207.15	215.06	208.53
TAX RATE INCREASE (%)		3.82%	0.67%
WORKING BUDGET DIFFERENCE (\$)			(2,943,058)

UPCOMING BUDGET SESSIONS

- **Monday, 3/26:** Curriculum, Instruction and Staffing
- **Monday, 4/2:** Revenues/Budget Review
- **Monday, 4/16:** Budget Adoption
- **Monday, 5/7:** Budget Hearing
- **Tuesday, 5/15:** Budget Vote/Election