

2016 – 2017 Budget

Debt Service and Tax Cap

December 15, 2015

What is Debt Service?

- Principal and Interest Payments
 - building projects
 - energy performance contract (EPC)
 - bus purchases
- Bond Anticipation Note (BAN)
- Revenue Anticipation Note (RAN)

Changes in 2016 – 2017 Budget

- Interest for school construction projects decreased by \$194,882
- Not issuing a Revenue Anticipation Note (RAN) for cash flow
- Anticipated bus proposition
- Overall debt service budget decreasing by \$122,169

Debt Service Budget

DESCRIPTION			\$ AMOUNT	% AMOUNT
	2015-16 BUDGET	2016-17 NEW BUDGET	INCREASE/DECREASE	INCREASE/DECREASE
SERIAL BONDS - SCH CNSTR PRIN	\$1,990,000.00	\$2,080,000.00	\$90,000.00	4.52%
SERIAL BONDS - SCH CNSTR INT	\$595,282.00	\$400,400.00	(\$194,882.00)	-32.74%
STATUTORY BONDS - BUS PRIN	\$234,000.00	\$235,000.00	\$1,000.00	0.43%
STATUTORY BONDS - BUS INT	\$17,937.00	\$16,350.00	(\$1,587.00)	-8.85%
REV ANTICIPATION NOTES	\$15,000.00	\$0.00	(\$15,000.00)	-100.00%
OTHER LONG TERM DEBT LEASE PRIN	\$242,200.00	\$244,000.00	\$1,800.00	0.74%
OTHER LONG TERM DEBT LEASE INTEREST	\$27,500.00	\$24,000.00	(\$3,500.00)	-12.73%
Total	\$3,121,919.00	\$2,999,750.00	(\$122,169.00)	-3.91%

Tax Levy Limit

- Property Tax Levy Cap (not a 2% cap)
- Eight Step Formula
- Limits the total levy, not assessed value or tax rate
- Districts may exceed the tax cap with a 60% supermajority vote
- After two unsuccessful votes, tax levy is capped at the prior year's amount

New Legislation

- STAR Rebate Checks (2016 – 2019)
 - Tax rebate for taxpayers receiving STAR exemption
 - Districts must be tax cap compliant
- Local Share for BOCES Capital Expenses
- Counting Payments in Lieu of Taxes (PILOTS) From Tax Exempt Properties

Changes in 2016 – 2017 Tax Cap

- Estimating CPI = 0%
- Estimating Tax Base Growth Factor to be .27% (same as prior year)
- Local capital levy share decreased by \$162,079

Preliminary Tax Cap Calculation

Prior Year Tax Levy	\$	14,845,962	
Prior Year Levy \times Tax Base Growth Factor (1.0027) *	\$	14,886,046	
Add Prior Year Pilot 2015 - 2016	\$	57,858	
Subtract Prior Year Exemptions Torts/Judgements/Capital Levy	\$	725,587	
<i>Adjusted Prior Year Tax Levy</i>	\$	14,218,317	
Adjusted Tax Levy \times Allowable Levy Growth Factor (0%)	\$	14,218,317	
Remove Pilot Receivable for 2016 - 2017	\$	59,593	
Available Carry Over	\$	-	
<i>Tax Levy Limit</i>	\$	14,158,724	
2016 - 2017 ERS Exemption	\$	-	
2016 - 2017 TRS Exemption	\$	-	
2016 - 2017 Local Capital Levy Share	\$	563,508	
Maximum Allowable Tax Levy	\$	14,722,232	
<u>Analysis</u>		<u>Amount</u>	<u>Percentage</u>
Percentage increase from prior year tax levy	\$	(123,730)	-0.83%

Local Capital Levy Share

2015 - 2016 Local Capital Levy			
Project	2015 - 2016 Debt Service	Bus Purchase	2015 - 2016 Debt Service
Refunding	\$ 1,706,063	2011 Bus Purchase	\$ 51,200
New Project	\$ 679,800	2013 Bus Purchase	\$ 63,250
Excel Project	\$ 199,418	2014 Bus Purchase	\$ 62,111
EPC Project	\$ 256,917	Bus Garage Lease	\$ 18,600
Total	\$ 2,842,197	Total	\$ 195,161
2015 - 2016 Building Aid	\$ 2,188,010	2015 - 2016 Transportation Aid	\$ 123,761
Local Share Building Projects	\$ 654,187	Local Share Bus Purchases	\$ 71,400
Current Year Capital Local Levy	\$ 725,587		
2016 - 2017 Local Capital Levy			
Project	2016 - 2017 Debt Service	Bus Purchase	2016 - 2017 Debt Service
Refunding	\$ 1,699,613	2013 Bus Purchase	\$ 62,350
New Project	\$ 585,919	2014 Bus Purchase	\$ 63,900
Excel Project	\$ 194,868	2015 Bus Purchase	\$ 70,100
EPC Project	\$ 256,917	Bus Garage Lease	\$ 18,600
Total	\$ 2,737,316	Total	\$ 214,950
2015 - 2016 Building Aid	\$ 2,210,325	2015 - 2016 Transportation Aid	\$ 178,433
Local Share Building Projects	\$ 526,991	Local Share Bus Purchases	\$ 36,517
Current Year Capital Local Levy	\$ 563,508		

Summary

- Why is the district's tax cap calculation below 0%?
 - CPI = 0%
 - Local capital levy share decreased by \$162,079
- Need further information
 - Tax base growth factor
 - Final CPI
 - Final state aid amount for \$7.5 capital project