

Finance Committee Meeting

April 26, 2021

Meeting Agenda

1. 2020-21 Projected Budget Outcomes
2. 2021-22 General Fund Budget
3. 2021-22 Capital Reserve Fund Budget
4. Items from the Committee

2020-21 Projected Budget Outcomes

COMPARISON OF 2020-21 BUDGET TO 2020-21 PROJECTED					
		2020-21 Budget	2020-21 Projected	\$ Difference	% Variance to Budget
Total Fund Balance - Beginning		7,649,897	9,311,942	1,662,045	
Revenue:					
	Local	39,726,108	40,977,627	1,251,519	3.15%
	State	13,309,172	13,262,694	(46,478)	-0.35%
	Federal	478,310	858,546	380,236	79.50%
	Other Financing Sources	0	0	-	
	Total:	53,513,590	55,098,867	1,585,277	2.96%
Expenditures		56,509,534	57,040,139	530,605	0.94%
Transfer to Food Service		0	0		
Transfer to Capital Reserve		0	0		
Total Expenditures and Transfers		56,509,534	57,040,139	530,605	0.94%
Operating Balance:		(2,995,944)	(1,941,272)	deficit includes \$1,070,000 early payment of 2014 debt	
Total Fund Balance - Ending		4,653,953	7,370,670		
Reserved for Debt		1,070,000	0	used reserve for 2014 payoff	
Assigned for Retirement		1,300,000	1,111,500		
Assigned for Lost Appeals		171,710	171,710		
Assigned for Technology		48,000	48,000		
Unassigned Fund Balance		2,064,243	6,039,460		
Total Fund Balance		4,653,953	7,370,670		

2020-21 Projected Budget Outcomes – cont.

- Medical - \$287,819 savings; 4.65% of budget
- Retirement Benefits from Assigned fund balance
 - Total 2020-21 retirement benefit expense - \$240,000
 - Retirement Benefit Budget - \$51,500
 - Use of Fund Balance Assigned for Retirement - \$188,500
- Earned Income Tax – additional \$125,000 based upon estimate from the Lancaster County Tax Collection Bureau
 - Total increase from budget of \$419,350 or 14.56%

2021-22 General Fund Budget

2021-22 General Fund Budget Timeline

- January 4, 2021 passed Act 1 Index Resolution to not raise taxes more than the adjusted Index of 3.5%
- Upcoming Budget ***Proposed*** Timeline:
 - May 3, 2021 Board Meeting: adopt 2021-22 Proposed Final Budget
 - June 14, 2021 Board Meeting: adopt 2021-22 Final Budget (in advance of June 30, 2021 deadline)

Index and Millage Rate Increase History

	Fiscal Year										Averages	
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	10-yr Avg	5-yr Avg
Act 1 Base Index	1.40	1.70	1.70	2.10	1.90	2.40	2.50	2.40	2.30	2.60	2.10	2.44
Act 1 Adjusted Index for L-S	1.60	1.70	2.00	2.50	2.20	2.80	2.90	2.80	2.70	3.00	2.42	2.84
Percent Increase in L-S Millage	1.60	1.70	*1.90	0.90	1.30	1.90	1.50	1.50	1.70	0.00	1.40	1.32
Avg Increase Lancaster Cty Districts	1.45	2.36	2.16	2.03	1.71	2.79	2.22	2.15	2.15	0.87	1.99	2.04

- 10 out of 10 years – L-S was below or at the index.
- 9 out of 10 years – L-S was below the County Average.

* 1.26% net increase when factoring in elimination of the per capita tax.

2021-22 General Fund Budget – Expense Assumptions

- Absorbed two positions – one retirement and one LTS for LE enrollment bubble
 - Total retirement & other salary savings is \$439,362 or 1.88% of 2020-21 estimated salaries.
- Earned Income Tax – additional \$161,500 based upon estimate from the Lancaster County Tax Collection Bureau
 - Total increase from 2020-21 estimate is \$100,000 or 3.03%
- Special Education Contingency – removed \$80,000 for special education contingency from the special education budget and placed it into Budgetary Reserve
 - This keeps the contingency in the budget for any special education need without inflating the special education budget.
- 1.9% Millage Increase

2021-22 General Fund Budget – cont.

1.9% Millage Increase

	2020-21 Budget	2020-21 Projected	2021-22 Proposed	Difference	% Change
Total Fund Balance - Beginning	7,649,897	9,311,942	7,370,670	(1,941,272)	-20.85
Revenue:					
Local	39,726,108	40,977,627	41,943,513	965,886	2.36
State	13,309,172	13,262,694	13,017,050	(245,644)	-1.85
Federal	478,310	858,546	464,968	(393,578)	-45.84
Other Financing Sources	0	0	0	0	
Total:	53,513,590	55,098,867	55,425,531	326,664	0.59
Expenditures	56,509,534	57,040,139	53,055,621	(3,984,518)	-6.99
Transfer to Food Service	0	0	0		
Transfer to Capital Reserve	0	0	3,888,075		
Total Expenditures and Transfers	56,509,534	57,040,139	56,943,696	(96,443)	-0.17
Operating Balance:	(2,995,944)	(1,941,272)	(1,518,165)		
Total Fund Balance - Ending	4,653,953	7,370,670	5,852,505		
Reserved for Debt	1,070,000	0	0	used reserve for 2014 payoff	
Assigned for Retirement	1,300,000	1,111,500	1,111,500		
Assigned for Lost Appeals	171,710	171,710	171,710		
Assigned for Technology	48,000	48,000	48,000		
Unassigned Fund Balance	2,064,243	6,039,460	4,521,295		
Total Fund Balance	4,653,953	7,370,670	5,852,505		
% of Unassigned Fund Balance to Total Expenditures	3.65%	10.59%	7.94%		

Comparison of Five-Year Budget Projections

2021-22 Millage Increase	2020-21 Projected	2021-22	2022-23 1.9% increase	2023-24 1.9% increase	2024-25 1.9% increase	2025-26 1.9% increase
BASELINE OPERATING BALANCE (YEAR-END)						
0.00%	(1,941,272)	(2,212,989)	(2,544,399)	(2,809,975)	(3,199,158)	(3,671,703)
1.50%	(1,941,272)	(1,664,433)	(1,982,419)	(2,233,035)	(2,606,622)	(3,063,368)
1.90%	(1,941,272)	(1,518,165)	(1,832,529)	(2,079,169)	(2,448,729)	(2,901,175)
2.50%	(1,941,272)	(1,298,656)	(1,607,477)	(1,848,043)	(2,211,450)	(2,657,663)
TOTAL FUND BALANCE (YEAR-END)						
0.00%	7,370,670	5,157,681	2,613,282	(196,693)	(3,395,851)	(7,067,554)
1.50%	7,370,670	5,706,237	3,723,818	1,490,783	(1,115,839)	(4,179,207)
1.90%	7,370,670	5,852,505	4,019,976	1,940,807	(507,922)	(3,409,097)
2.50%	7,370,670	6,072,014	4,464,537	2,616,494	405,044	(2,252,619)
Additional School Taxes - Median Homestead			\$216,400			
1.50%		\$55				
1.90%		\$70				
2.50%		\$92				

2021-22 Real Estate Tax Payment Schedule

	<u>Typical Tax Payment Schedule</u>	<u>Proposed Schedule for 2021-22</u>
Tax Bills Mailed	7/1/2021	7/1/2021 or as soon as possible
End of 2% Discount Period	8/31/2021	9/30/2021
Installment Due Dates	8/31/2021, 10/31/2021, 12/31/2021	9/30/2021, 10/31/2021, 11/30/2021, 12/31/2021
Penalty Period begins	11/1/2021	No Penalty
Turnover for Collection	1/15/2022	1/15/2022

- Delinquent Tax Collection:
- When unpaid real estate taxes are turned over to the Lancaster County Tax Claim Bureau, taxpayers may make payments in any amount.
 - Interest will accrue on the unpaid balance beginning on February 1.
 - Properties with tax liens, tax judgments, municipal claims or any other liens may be sold as a part of a tax upset sale.
 - If an owner agrees to pay 25% of the amount due on all tax claims and tax judgments plus interest to date and agrees to pay the amount within not more than three installments all within one year of the date of the agreement, the sale of the property may be stayed.

2021-22 Capital Reserve Fund Budget

2021-22 Capital Reserve Fund – Expenditure Detail

Outside Athletic Master Plan		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Principal and Interest on Field 2 Borrowing		53,320	2,048,200				
Stage 4 Projects - per Field Study							
Practice Football Field Renovation				30,000			
Lights on Varsity Softball Field				203,000			
Renovate Stadium Fieldhouse - FS							
Turf Repl. \$430-450,000 est per field 2029-2031							
Total:		53,320	2,048,200	233,000	0	0	0
Hans Herr Elementary		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Paint media center - FS							
Install Sound baffles in the gym		6,000					
Replace cooling tower			95,000				
Upgrade video camera system - FS							
Install cameras bus loop, playground, 3rd gr - FS							
Replace both boilers - FS			125,000				
Painting and sealing - FS							
Roof repairs and renovation - FS		10,000	10,000	10,000	10,000	10,000	10,000
Total:		16,000	230,000	10,000	10,000	10,000	10,000
Martin Meylin Middle School		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Replace the front entry steps and concrete landing - FS							
Grand Hallway floor replacement - FS				90,000			
Paint the LGI Room - FS							
Replace water softeners - FS			25,000				
Replace cooling tower			95,000				
Replace gym lobby doors and hardware - FS							
Rebuild the McQuay chiller - FS			45,000				
Roof repairs and renovations - FS					1,600,000		
Siemens panel upgrade		10,000	10,000	10,000	10,000	10,000	10,000
Total:		10,000	175,000	100,000	1,610,000	10,000	10,000

2021-22 Capital Reserve Fund – Expenditure Detail

High School	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Replace lights (Rm: 227,229,231,233,234,236) - FS						
Repair terrazzo floor in several areas - FS						
Rebuild Skylight in Media Center	25,000					
Replace building loop hot water heater - FS						
Lower brick wall by band entry - FS						
Replace cooling tower - FS		95,000				
Plaster repairs	3,000	3,000	3,000	3,000	3,000	3,000
Roof repairs and maintenance - FS	10,000	10,000	10,000	10,000	10,000	10,000
Rebuild Trane Chiller - FS		70,000				
Siemens panel upgrade	10,000	10,000	10,000	10,000	10,000	10,000
Total:	48,000	188,000	23,000	23,000	23,000	23,000
Strasburg Elementary - FS	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Roof Maintenance - FS	5,000	5,000	5,000	5,000	5,000	5,000
Playground repairs and mulch - FS	5,000	5,000	5,000	5,000	5,000	5,000
Re-gasket boiler - FS				10,000		
Total:	10,000	10,000	10,000	20,000	10,000	10,000
Lampeter Elementary	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Roof maintenance - FS	5,000	5,000	5,000	5,000	5,000	5,000
Replace Florida Heat Pumps - FS	30,000	40,000	40,000	50,000	50,000	50,000
Upgrade video camera system - FS						
Concrete work - FS						
Playground poured rubber surface		189,000				
Total:	35,000	234,000	45,000	55,000	55,000	55,000
Walnut Run Elementary - FS	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Repoint foundation and brickwork - FS			36,000			
Total:	0	0	36,000	0	0	0

2021-22 Capital Reserve Fund – Expenditure Detail

Campus	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Repair curbing and asphalt in front of MM - FS		40,000				
Remove underground fuel tanks at the Shop	10,000					
Maintenance building roof repairs - FS						
Sidewalk repair	10,000	10,000	10,000	10,000	10,000	10,000
Line painting	5,000			5,000		
Admin Building roof renovations - FS		50,000				
Roadway and parking lot asphalt repairs	20,000	20,000	100,000	20,000	20,000	20,000
Asphalt Walkway to ball fields			30,000			
Total:	45,000	120,000	140,000	35,000	30,000	30,000
Technology Projects	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Field wireless connection - FS			6,100			
Field cameras - FS			3,200			
WAN Upgrade - FS	25,000	25,000	25,000			
Audio system replacement in the PAC - FS		TBD				
Card access to outside buildings and lights - FS						
Network switches and wireless access points		270,000				
Wireless replacement to Strasburg Elem - FS		3,800				
Total:	25,000	298,800	34,300	0	0	0

2021-22 Capital Reserve Fund – Expenditure Detail

Cafeteria Projects	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Lampeter Elementary						
Replace freezer compressor		7,500				
Replace refrigerator compressor			7,500			
Install new outside freezer	24,500					
Hans Herr						
Replace one roll-through refrigerator	8,000	8,000				
Replace two roll through warmers		16,000				
Replace compressor in walk-in refrig. & freezer	9,000					
Martin Meylin						
Replace dishwasher	40,000					
Replace roll-through refrigerator			8,000			
Add a second walk-in freezer - FS				25,000		
Replace compressor in freezer & refrigerator		15,000				
High School						
Replace two old milk coolers	10,000					
Replace one display beverage cooler	18,000					
Replace two roll-through refrigerators			16,000			
Replace roll-through warmer		7,500				
Replace compressor in walk-in cooler & freezer			15,000			
All Kitchens						
Preventive maintenance on equipment	14,000	14,000	18,000	18,000	18,000	18,000
Total Cafeteria Projects:	123,500	68,000	64,500	43,000	18,000	18,000
Total Capital Reserve Project Costs:	865,820	3,872,000	1,195,800	2,296,000	656,000	656,000
Ending Fund Balance:	2,113,561	2,139,636	5,946,245	8,652,654	12,999,063	17,345,472

Items From Committee

2021-22 General Fund Budget Timeline

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