

Board of Education Meeting

5-Year Capital Improvement Plan & NYS Tax Cap Calculation

Andrew Casale
February 13, 2024



Building Condition Survey (BCS)

Major Findings

- All 4 buildings are in need of a new roof.
 - Current roofs were last replaced over 40 years ago.
 - Spray foam insulation was applied twice on most of current roofs to extend life and warranty.
- Brick-Pointing in all buildings
- Unit Ventilators (UV's) and casework in all buildings.
- Bathrooms - Various Districtwide
- Site Work – Districtwide
 - Sidewalks, , Asphalt, Fencing, etc
- Flooring/Ceiling Upgrades
- Exterior Doors – Various Districtwide
- Heating Systems – HS, Manor



Current Roof Status



How do we fund these improvements to our facilities without burdening the taxpayer and while being fiscally responsible?



Bond

- 20 Million Dollar Bond over 15 years
- Interest to be paid in current market over life of 15 –year bond – \$7.9 Million
- Would add approximately \$1.8 Million (Principal & Interest) to expenditure side of budget
- No MAJOR debt rolling off for several years

No Bond

- Continue to budget carefully and conservatively
- Use surpluses in budget to fund Capital Reserve
- Transfer some reserves into NEW Capital Reserve (Proposition 3)
- Continue to use Transfer to Capital to “chip away” at BCS items
- No Additions to EXPENDITURE side of budget & no additional spikes/burdens to taxpayers and savings of \$7.9 Million in interest.

Plan to Address our Facilities

Proposition 2 – Ballot

- Voters would authorize the spending of up to **\$3.5 – \$4 Million** to install a new roof at the Middle School, fix various masonry repairs, and address gym ceiling.
 - We will hope to begin this work in late fall, however this work may not begin until Spring/Summer of 2025 as we will need to file plans with SED, await approvals, and bid the work.



Plan to Address our Facilities

Proposition 3 – Ballot

- Establish a new Capital Reserve with \$30 million limit with a 10-year term with a funding limit of \$3 million per year **AND...**
- Authorize the following transfers:
 - Transfer from Repair Reserve
 - Transfer from ERS Reserve
 - Transfer from WC Reserve

To new Capital Reserve

Total transfer will be approximately \$3 - \$4 Million

This will allow us to begin saving for other roofs and other BCS items.



5-Year Facility Improvement Projections

Proposed 5-Year MAJOR Capital Improvement Plan

	24-25	25-26	26-27	27-28	28-29
<u>Capital Reserve 2018</u>	<p><u>MS Roof</u> <i>Proposition #2</i> Vote in May 2024.</p>			HS Auditorium AC Work	Capital Reserve will be CLOSED
<u>Capital Reserve 2024</u>	<p><i>Proposition #3</i> Established w/ May 2024 Vote</p>	Manor & Harbor Roofs		HS Roof	TBD



NYS Tax Cap Formula

Base Formula

$$\left(\left[\left(\begin{array}{l} \text{Total taxes} \\ \text{levied for} \\ \text{prior} \\ \text{fiscal} \\ \text{year} \end{array} \right) + \begin{array}{l} \text{Prior year} \\ \text{reserve} \\ \text{offset} \end{array} - \begin{array}{l} \text{Reserve} \\ \text{amount} \\ \text{(including} \\ \text{interest} \\ \text{earned)} \end{array} \right] \times \begin{array}{l} \text{Tax base} \\ \text{growth} \\ \text{factor}^1 \end{array} \right) + \begin{array}{l} \text{PILOTs} \\ \text{receivable in the} \\ \text{prior fiscal year} \end{array} - \begin{array}{l} \text{Capital tax levy} \\ \text{exclusion, prior} \\ \text{fiscal year} \end{array} - \begin{array}{l} \text{Tort exclusion,} \\ \text{prior fiscal} \\ \text{year} \end{array} \right) \\
 \times \begin{array}{l} \text{Allowable levy} \\ \text{growth factor} \\ \text{(1.00 to 1.02)}^2 \end{array} - \begin{array}{l} \text{PILOTs} \\ \text{receivable in} \\ \text{coming fiscal} \\ \text{year} \end{array} + \begin{array}{l} \text{Available} \\ \text{carryover, if} \\ \text{any} \end{array} = \text{Tax Levy Limit}$$

+ Exclusions

$$\text{Tax Levy Limit} + \begin{array}{l} \text{Tax levy necessary for} \\ \text{expenditures resulting} \\ \text{from court} \\ \text{orders/judgments} \\ \text{arising out of tort} \\ \text{actions for any amount} \\ \text{in excess of 5\% of the} \\ \text{total taxes levied in} \\ \text{the prior fiscal year} \end{array} + \begin{array}{l} \text{Capital tax levy} \end{array} + \begin{array}{l} \text{Tax levy necessary to pay} \\ \text{for increases to the system} \\ \text{average actuarial} \\ \text{contribution rate (ERS) or} \\ \text{normal contribution rate} \\ \text{(TRS) of pension funds over} \\ \text{2 percentage points} \end{array} = \text{Tax Levy Limit,} \\ \text{with Exclusions} \\ \text{(if applicable)}^3$$

NYS Tax Cap Formula

2024-25 Seaford UFSD - Tax Levy Limit Calculation	
Prior Year Tax Levy	58,598,795
Multiply by: Tax Base Growth Factor	1.0016
	58,692,553
	58,692,553
Add: Prior Year PILOTS 2023-24	768,505
Total	59,461,058
Prior Year Exemptions	
Tort judgments	-
Prior Year Capital Tax Levy (including debt service and EPC (less building aid))	1,006,000
Adjusted Prior Year Tax Levy	58,455,058
Adjusted Prior Year Tax Levy	58,455,058
Allowable Levy Growth Factor	1.0200
(lesser of 2% or sum of 1 plus inflation factor)	59,624,159

	59,624,159
Less: PILOTS for Fiscal Year Ending 6/30/25	768,505
	58,855,654
	58,855,654
Available Carryover	0
Tax Levy Limit	58,855,654
Current Year Exemptions	
1. Tort Judgments greater than 5% of 2022/23 tax levy	0
2. ERS contribution increase greater than 2 percentage points	7,825
3. TRS contribution increase greater than 2 percentage points	0
4. 2023/2024 Capital Tax Levy (including debt service) (less building aid)	1,067,052
Allowable tax levy prescribed by Chapter 97 of the Laws of 2011	59,930,531
Voter approved tax levy for 2023/2024	58,598,795
dollar increase in levy	1,331,736
Allowable Levy % for Seaford UFSD	2.27%

NYS Tax Levy Limit

Tax Levy			
		\$	%
23-24 Approved Levy	58,598,795	1,331,736	2.27%
Proposed Levy 2024-25	59,930,531		



History of Tax Levy vs. Maximum Allowable

School Year	Maximum Allowable Tax Levy %	Tax Levy %
2018-19	2.69%	2.69%
2019-20	4.04%	2.98%
2020-21	3.58%	3.58%
2021-22	1.50%	1.50%
2022-23	2.89%	2.45%
2023-24	2.37%	2.37%
2024-25	2.27%	2.27%
Average	2.76%	2.55%

2nd lowest Tax Levy increase in the past 7 years!



NYS Fiscal Stress Score

Year	Total Points	Score Classification
2016	8.3	No Designation
2017	0	No Designation
2018	0	No Designation
2019	0	No Designation
2020	3.3	No Designation
2021	0	No Designation
2022	0	No Designation
2023	3.3	No Designation

	Point Range (Out of 100 total pts)
<u>Classification</u>	
Significant	65 - 100
Moderate	45 - 64.9
Susceptible	25 - 44.9
No Designation	0 - 24.9



Budget Outlook



Major Expenditure Increases for 2024-25

- Contractual Salaries
 - One unit entering contract negotiations (UTS)
- Health Insurance (Projecting \$1.5 Million Increase)
 - Current Health bill increased by over \$100K per month as of 1/1/24
 - Need to account for even more projected increases for January 2025 in this budget
- Other major cost drivers
 - TRS & ERS – Both Increasing
 - Utilities, Insurance Premiums – Increasing

Impacts to Revenue for 24-25

- In PROPOSED Executive Budget, Seaford due to receive \$978,627 increase in Foundation Aid. We will await to see what is in final State Budget.
 - NONE of this is FINAL

Budget Dates/Calendar

Date	Event
March 13, 2024	Budget Presentation # 2: Curriculum Highlights & Budget Enhancements
March 21, 2024	Budget Presentation #3: Anticipated Expenses & Revenues
April 10, 2024	Budget Adoption <i>*Tentative</i>
April 16, 2024	Budget Adoption <i>*If Necessary</i>
May 8, 2024	Budget Hearing
May 21, 2024	Budget VOTE & Trustee Election



THANK YOU to the Seaford Community for your continued support !

