



North Tonawanda City Schools

Achieving Excellence

2019-20 Budget

Board of Education Meeting
December 5, 2018



The presentation tonight will provide a foundation for future conversations as the District works through the development of the 2019-20 budget.

Discussion Items



**Achieving
Excellence**

- I. 2019-20 Budget Calendar
 - a. Adopted Budget Calendar
 - b. Budget Hearing Date
- II. The District
 - a. General Overview
 - b. Economic and Demographic Data
 - c. District Facilities
- III. Budget Development
 - a. Parameters
 - b. Budget Builders

SECTION I

CALENDAR

Major Milestones



**Achieving
Excellence**

- I. January
 - a. BSS # 1 – Roll Over & Debt Service
 - b. Building Level Budget Development
- II. February
 - a. BSS # 2 – Governor's Proposal Analysis
 - b. Tax Base Growth Factor – est. Levy
- III. March
 - a. BSS # 3 – BOCES, Healthcare, OPEB
 - b. 1st Draft of complete 19-20 Budget
- IV. April
 - a. BSS # 4 – Updates, NYS Adopted, BoE Adoption (tentative)
 - b. Legal Notices and Communication of Budget to the public
- V. May
 - a. Budget Hearing – Newsletter released
 - b. Budget Vote

*Get to Know the District
And the community we serve*

SECTION II

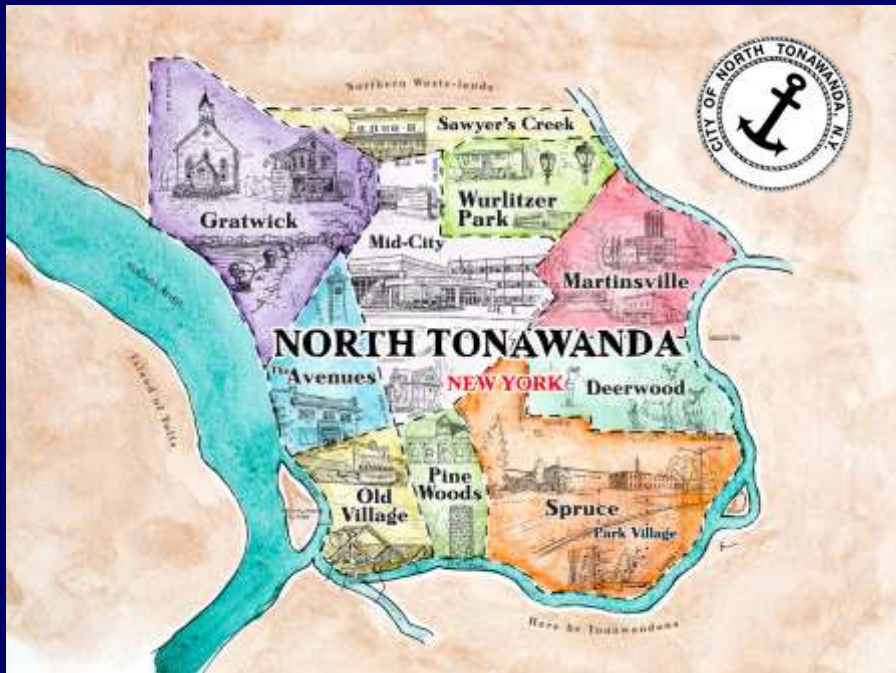
THE DISTRICT

- General Overview
- Economic and Demographic Data
- District Facilities

I AM A LUMBERJACK!

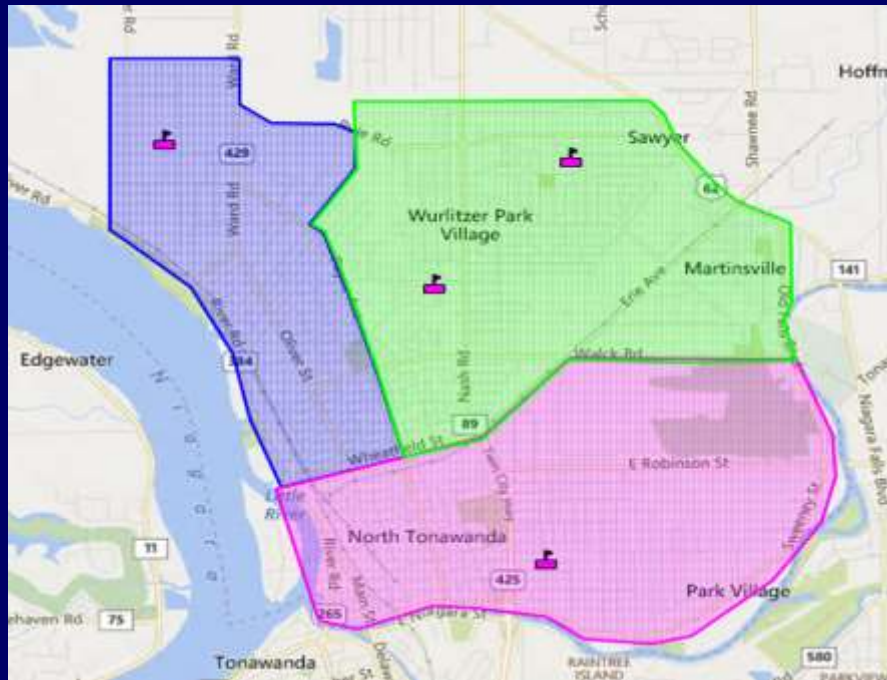


District Overview



- 11 square miles and an estimated population of approximately 31,000 residents.
- The District encompasses the entire City of North Tonawanda.
- Primarily an industrial community the city is located in the center of the industrial area of the Niagara Frontier.
- Sewer, sanitation and water facilities are furnished by the City of North Tonawanda. Gas and electric services are provided by National Fuel Gas Corporation.

District Overview

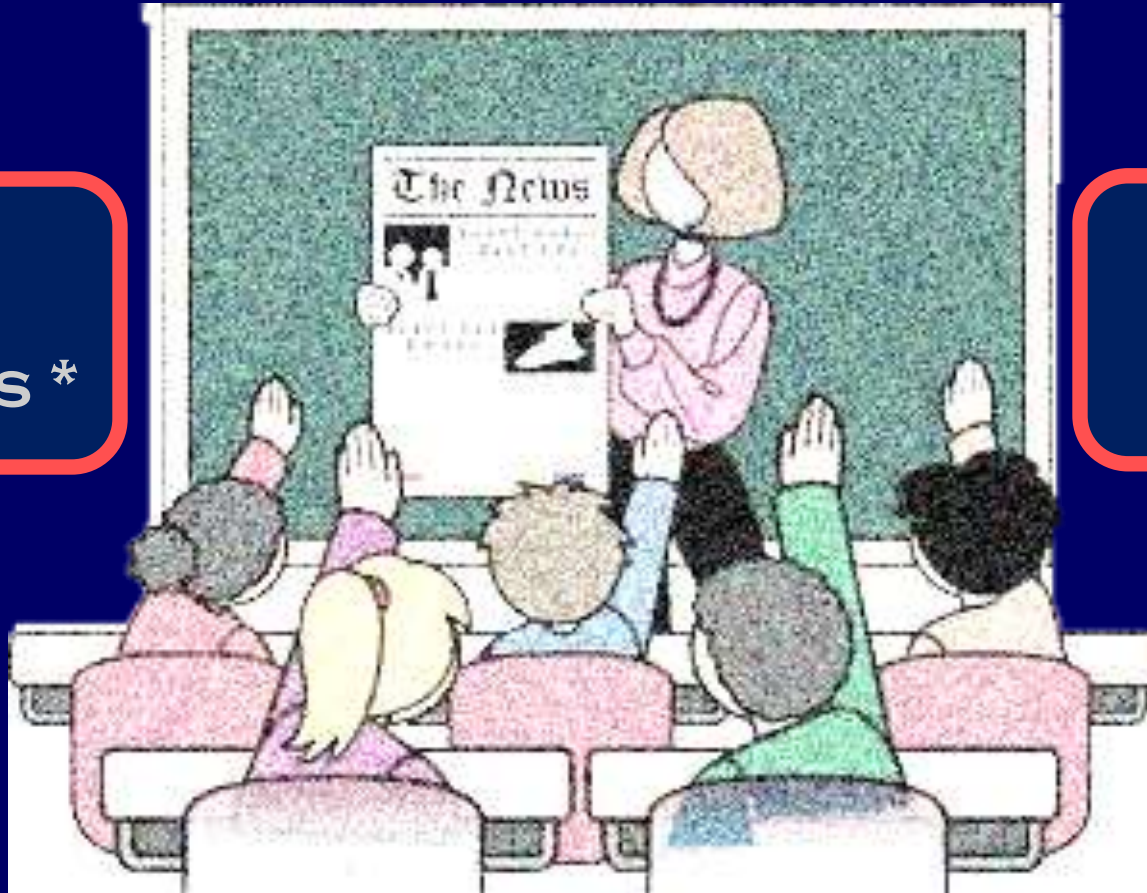


These diverse and unique communities are the home to six schools and the District administrative offices.

- ❖ North Tonawanda High School
- ❖ North Tonawanda Middle School
- ❖ North Tonawanda Intermediate School
- ❖ Drake Elementary
- ❖ Ohio Elementary
- ❖ Spruce Elementary

District Snapshot

3,292
STUDENTS *



643
STAFF *

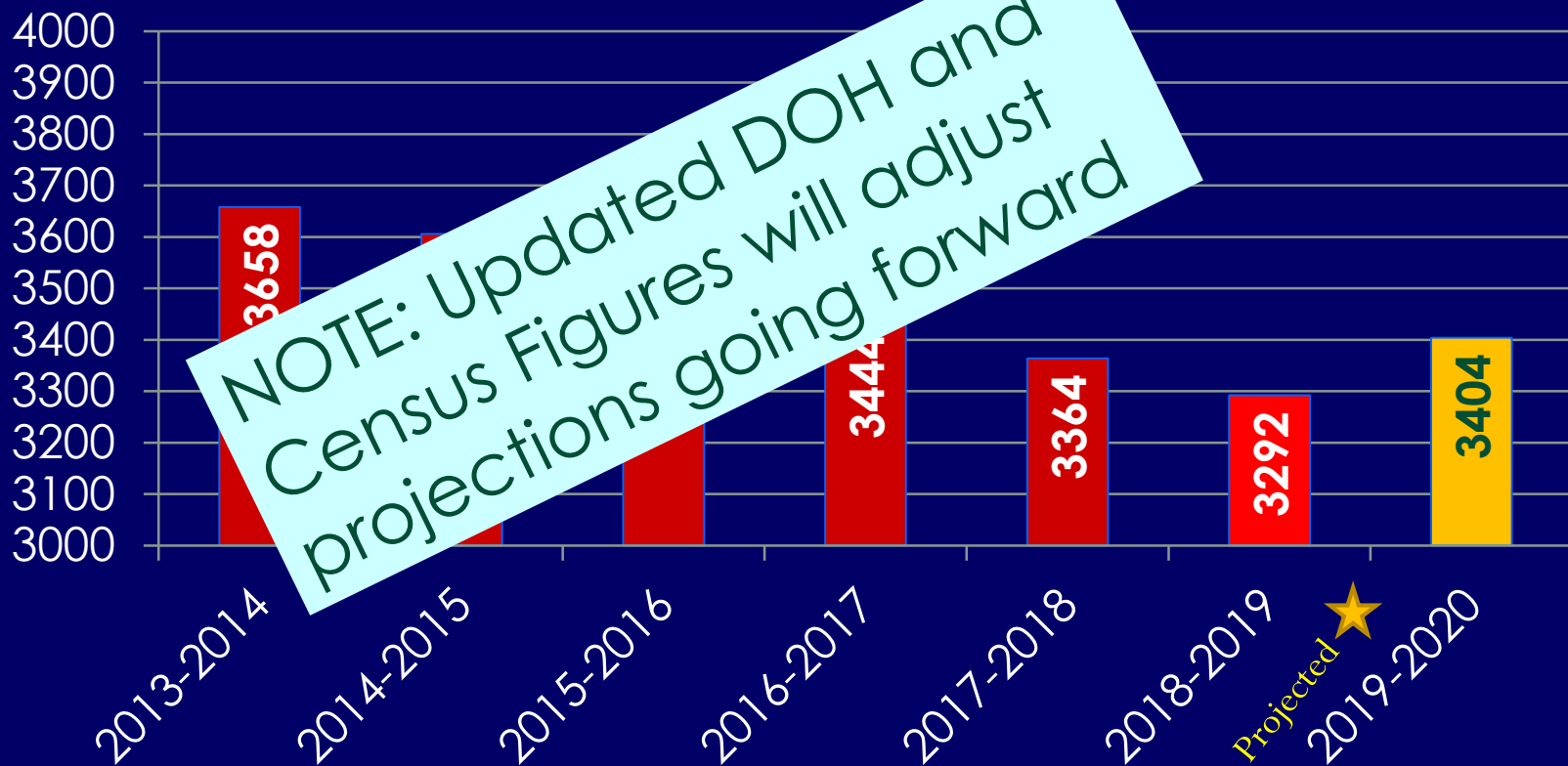
* Enrollment snapshot based
on BEDS data and
educational services records

* As per District Official
Statement to be released
in January

Enrollment Trends

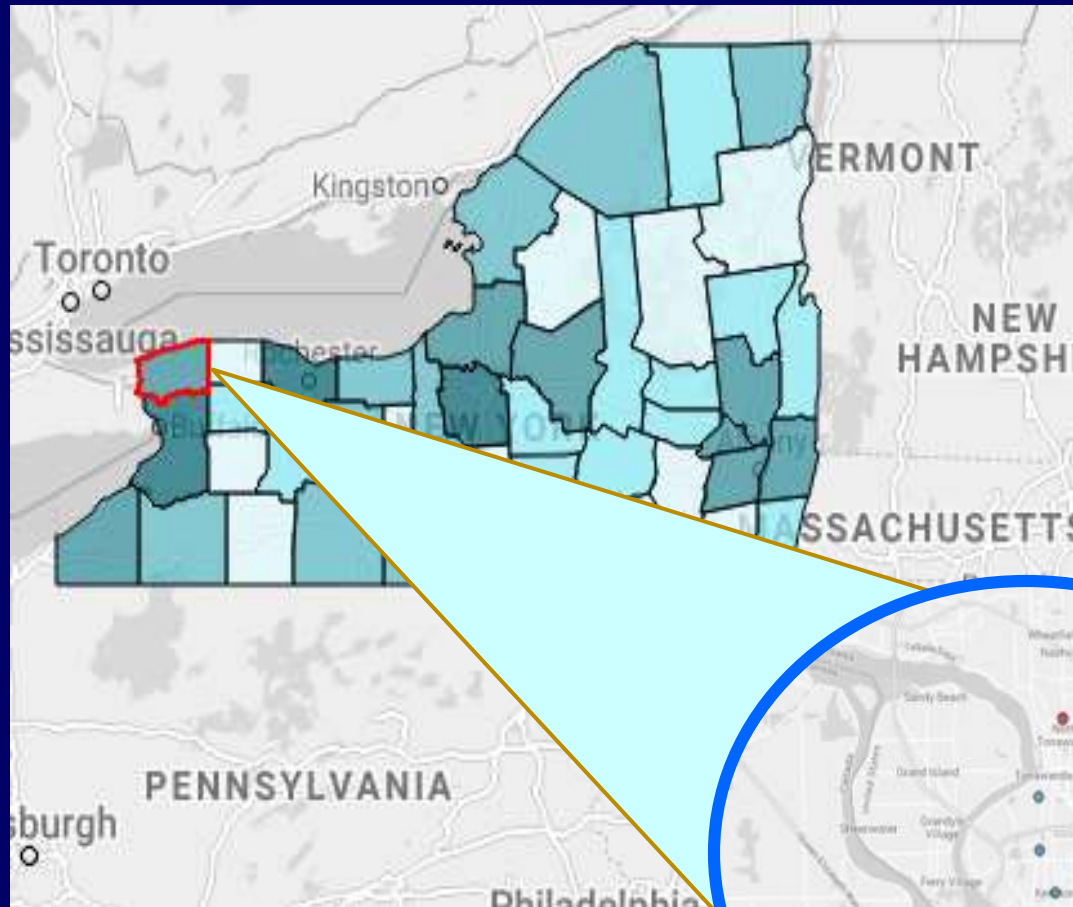
2013 – 2020

Total Enrollment



Updated to reflect actuals - source educational services records

Regional Economics



- US Census Data
- Niagara County
- North Tonawanda
 - Niagara Falls
 - Lockport



Regional Economics

Fact - Data Set	Niagara Falls	Lockport	Niagara County	North Tonawanda
Population estimates, July 1, 2017, (V2017)	48,460	20,569	211,328	30,475
Population estimates base, April 1, 2010, (V2017)	50,173	21,187	216,487	31,574
Population, percent change - April 1, 2010 (estimates base) to July 1, 2017, (V2017)	-3.53%	-3.00%	-2.44%	-3.61%
Persons under 5 years, percent	6.20%	5.90%	5.20%	5.90%
Persons under 18 years, percent	22.60%	22.10%	20.10%	18.60%
Persons 65 years and over, percent	15.20%	14.80%	18.50%	17.90%

Regional Economics

	Niagara Falls	Lockport	Niagara County	North Tonawanda
Fact - Data Set				
Owner-occupied housing unit rate, 2012-2016	55.80%	57.70%	71.10%	69.10%
Median value of owner-occupied housing units, 2012-2016	\$69,200	\$86,200	\$111,500	\$109,200
Median selected monthly owner costs -with a mortgage, 2012-2016	\$947	\$1,078	\$1,204	\$1,154
Households, 2012-2016	21,145	8,941	87,638	13,595
Percentage of Total	24%	10%		16%
Persons per household, 2012-2016	2.31	2.29	2.39	2.26
Living in same house 1 year ago, percent of persons age 1 year+, 2012-2016	87.50%	88.20%	91.00%	88.90%
Language other than English spoken at home, percent of persons age 5 years+, 2012-2016	4.90%	3.50%	4.10%	4.60%

Regional Economics

	Niagara Falls	Lockport	Niagara County	North Tonawanda
Fact - Data Set				
High school graduate or higher, percent of persons age 25 years+, 2012-2016	86.20%	88.70%	90.90%	92.70%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.00%	21.70%	23.50%	25.00%
With a disability, under age 65 years, percent, 2012-2016	13.30%	10.20%	9.80%	11.10%
Persons without health insurance, under age 65 years, percent	6.90%	8.90%	5.00%	6.40%

Regional Economics

	Niagara Falls	Lockport	Niagara County	North Tonawanda
Fact - Data Set				
In civilian labor force, total, percent of population age 16 years+, 2012-2016	58.30%	63.10%	61.80%	66.30%
Total health care and social assistance receipts/revenue, 2012 (\$1,000)	208,069	140,795	789,427	30,947
Median household income (in 2016 dollars), 2012-2016	\$32,322	\$41,607	\$50,094	\$50,575
Persons in poverty, percent	27.20%	15.80%	12.40%	9.40%

Regional Economics

		Niagara Falls	Lockport		Niagara County	North Tonawanda
Fact - Data Set						
All firms, 2012		2,467	1,115		12,167	1,760
Men-owned firms, 2012		1,328	641		6,471	930
Women-owned firms, 2012		783	355		4,337	633
Minority-owned firms, 2012		352	87		787	68
Nonminority-owned firms, 2012		1,864	950		10,807	1,587
Veteran-owned firms, 2012		301	127		1,066	119
Nonveteran-owned firms, 2012		1,940	890		10,372	1,514
Population per square mile, 2010		3,563.30	2,519.60		414.4	3,125.50
Land area in square miles, 2010		14.09	8.4		522.36	10.1

Regional Economics

Major Employers in the District

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Approx. Number of Employees</u>
North Tonawanda City Schools	Education	663
DeGraff Memorial Hospital	Health Care	500
City of North Tonawanda	Government	257
Tops Supermarkets	Retail	230
Smurfit – Stone	Manufacturing	152
Buffalo Pumps	Manufacturing	120
Swaglock	Manufacturing	100
Niagara Cutter, Inc.	Manufacturing	100
Confer Plastics	Manufacturing	100
Walmart	Retail	100

Source: The District and North Tonawanda Chamber of Commerce

District Facilities

Capacity: **621**
Year Built: **1926**
Year of Last Addition:
1958
Insurable Value:
\$7,265,656

Christian Academy
of Western NE

Christ
Weste

Family Church
Tonawanda

N Tonawanda City
School District

Walck Rd

Walck Rd

Google

Administrative Building

District Facilities

Capacity: **567**
Year Built: **1954**
Year of Last Addition:
1993
Insurable Value:
\$10,728,558



Spruce Elementary

District Facilities



Capacity: **470**
Year Built: **1956**
Year of Last Addition:
1993
Insurable Value:
\$5,913,774

Drake Elementary

District Facilities

Capacity: **540**
Year Built: **1962**
Year of Last Addition:
1988
Insurable Value:
\$7,702,419



Ohio Elementary

District Facilities



Meadow Complex - Preconstruction

District Facilities



Meadow Complex - Proposed

District Facilities

Capacity: **2,575**

Year Built: **1962**

Year of Last Addition:
2018

Insurable Value:
\$59,364,934



Meadow Complex – Post-construction

District Facilities



North Tonawanda High School

District Facilities



North Tonawanda Middle School

District Facilities

Capacity: **1,015**

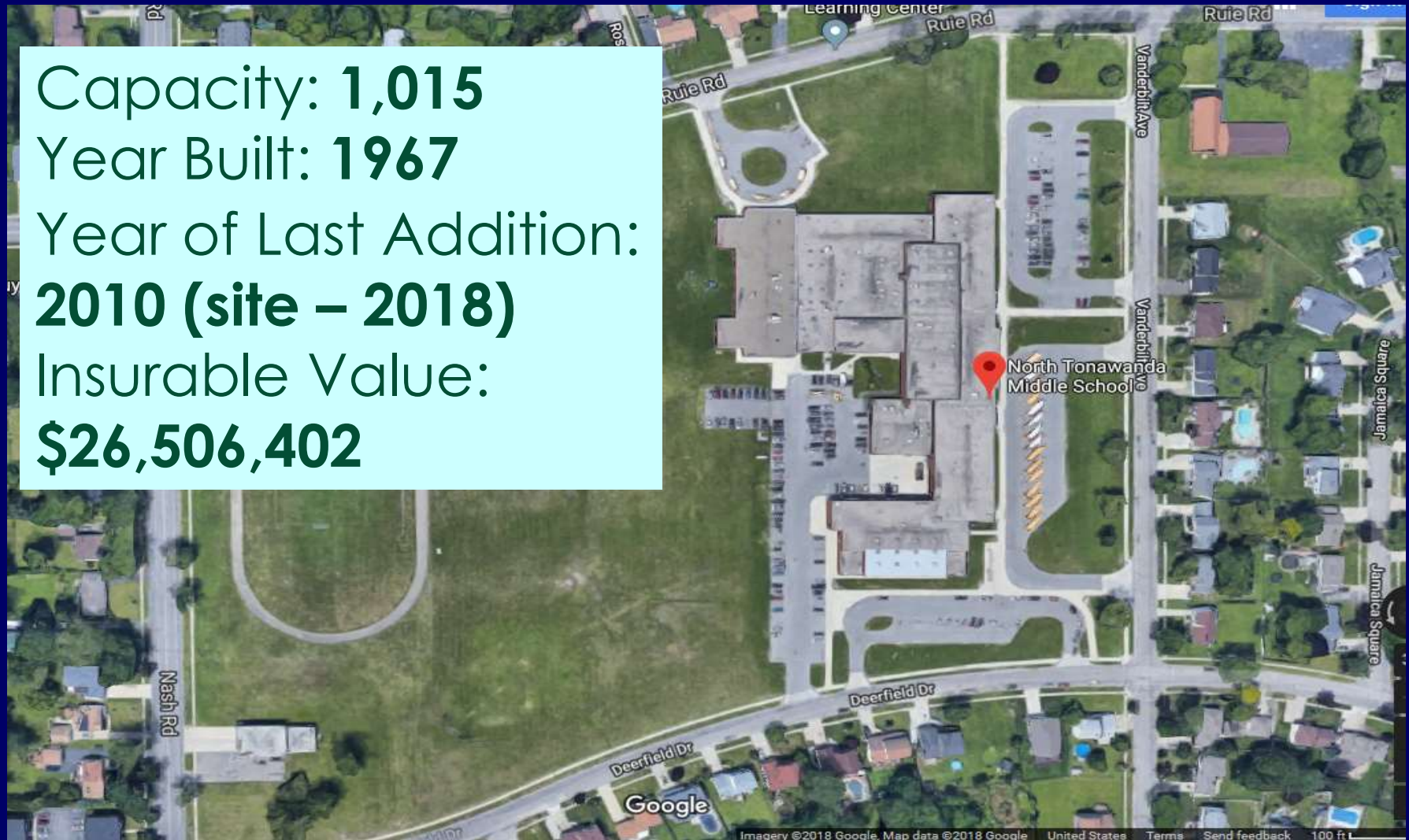
Year Built: **1967**

Year of Last Addition:

2010 (site – 2018)

Insurable Value:

\$26,506,402



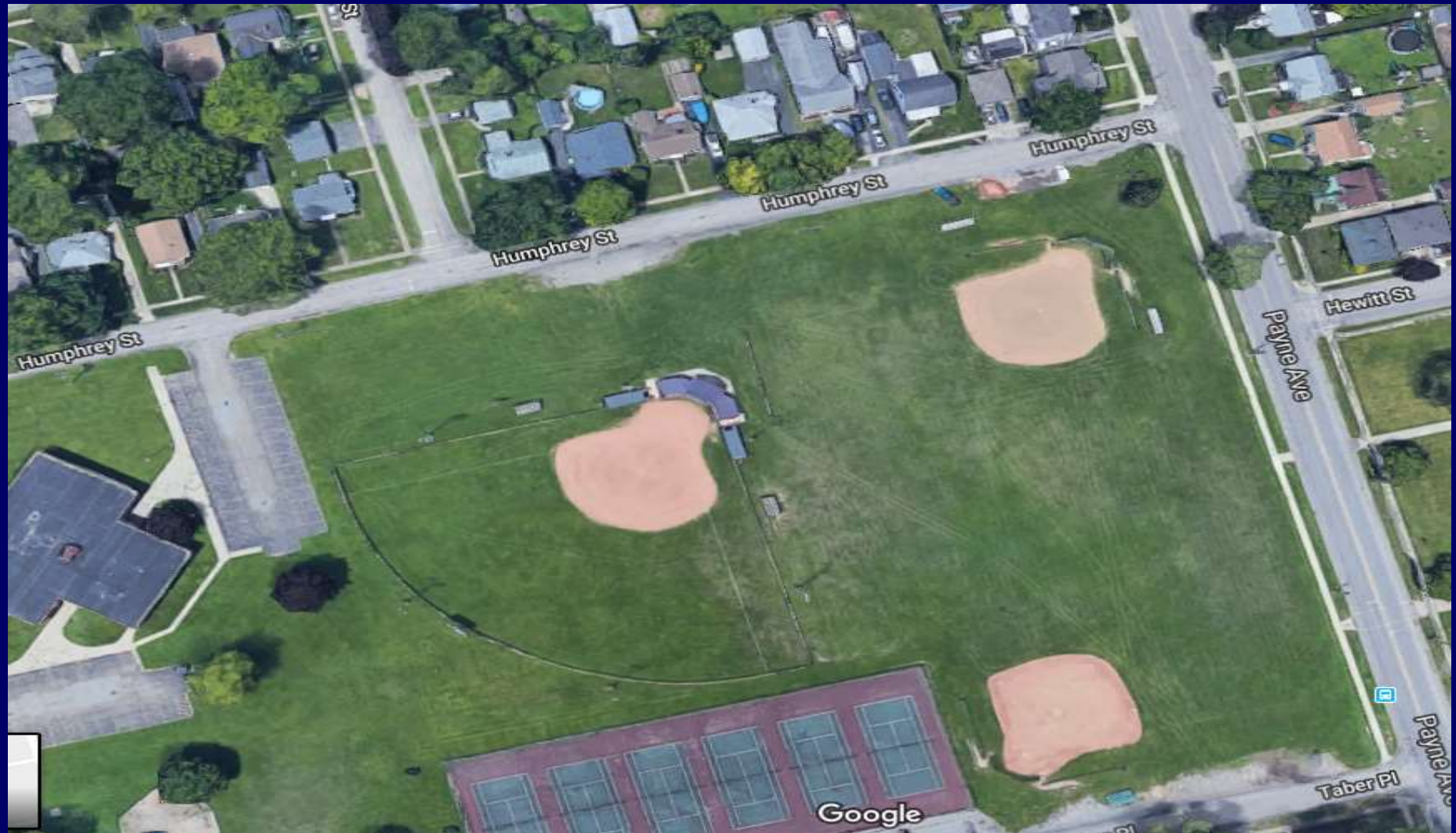
North Tonawanda Intermediate School

District Facilities



North Tonawanda Intermediate School

District Facilities



Athletic Fields

SECTION III

BUDGET DEVELOPMENT

- Parameters
- Budget Builders



Setting Parameters

One of the board's primary roles is to assist in setting the course for the District. The main way that the board can direct the District's financial course is by setting budget parameters before the administrative team and building staff start budgeting for the coming fiscal year.



Setting Parameters



The first step in an ideal annual budget process is for the board to determine what financial performance measures will set the appropriate course for success in the coming fiscal year and for future budgets.

Financial Benchmark

- **CPI**
- **Tax Levy**



**Achieving
Excellence**

2019-20 Budget Parameters

The proposed 2019-20 budget is projected increase in the range of 2.9%, plus or minus, of the January 2020 consumer price index **levy growth factor**:

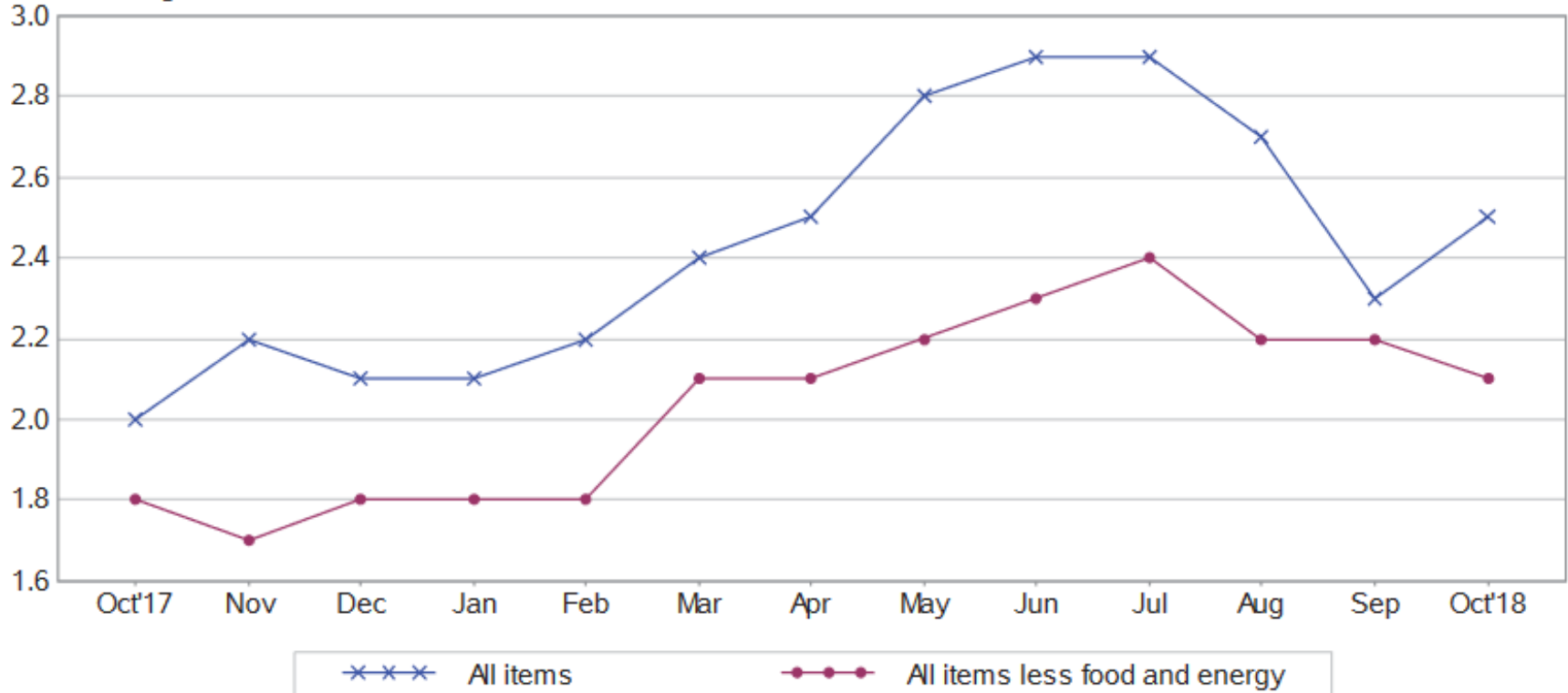
CPI – Consumer Price Index: Trending above 2.0%

- ❖ The change in the average annual CPI or 2%, **whichever is less**, is used in the property tax cap calculation as the **Allowable Levy Growth Factor**.
- ❖ Current consumer price index is approximately 2.5%
 - **Approximately \$ 800,000 at 1%**
 - **Approximately \$ 3,200,000 at 4%**

CPI Trendline

Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Oct. 2017 - Oct. 2018

Percent change



Source: BLS October news release – next release 12/12/18

<https://www.bls.gov/news.release/pdf/cpi.pdf>

Financial Benchmark

- CPI
- Tax Levy



**Achieving
Excellence**

2019-20 Budget Parameters

The proposed 2019-20 Tax Levy will increase in the range of 0% to 2%:

- Approximately \$ \$300,000 at 1%
- Approximately \$ \$600,000 at 2%

Ten Largest Taxpayers

Taxable Assessments

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u> ⁽¹⁾
National Grid	Utility	\$21,432,979	1.71%
National Fuel Gas	Utility	13,571,410	1.08%
IT Mid City Plaza LLC	Plaza	11,252,600	0.90%
Walmart	Retail	10,371,848	0.83%
Smith Boys	Marina	3,900,500	0.31%
Bishop Gibbons Assoc.	Apartments	3,313,000	0.26%
Budwey	Retail	3,073,090	0.24%
MCW Construction	Construction	2,938,600	0.23%
CSX	Railroad	2,864,550	0.23%
RJ & WM Young	Apartments	2,848,500	0.23%
Total:		<u>\$75,567,077</u>	<u>6.02%</u>

(1) The District's total estimated assessed value for the 2017-18 fiscal year is \$1,254,688,732.

Budget Builders

- Revenues
- Expenditures
- Mandates
- Fund Balance and Reserves



**Achieving
Excellence**

2019-20 Recommended Budget Goals

- ✓ Stay within the tax cap
- ✓ Allocate resources to support District initiatives and strategic plans
- ✓ Keep pace with Technology
- ✓ Continue to enhance safety and security measures throughout the District
- ✓ Reduce Appropriated Fund Balance amount
- ✓ Additional BOE Directives

Budget Builders

- Revenues
- Expenditures
- Mandates
- Fund Balance and Reserves



**Achieving
Excellence**

2019-20 Considerations

- Sources – State, Federal, Local
 - Taxes
 - Other (interest, sale of excess equipment and refunds)
 - Pupil Counts
- Expense Driven aids (Capital, BOCES, Special Education)
- Pilot programs
- Assessed Values
 - Distribution share of Levy and tax rate
- History and Trends in revenues

No given in terms of Governor proposal

Budget Builders

- Revenues
- **Expenditures**
- Mandates
- Fund Balance and Reserves



**Achieving
Excellence**

2019-20 Considerations

History and trends by major function

- Staffing
 - **Payroll Projection**
 - **Long range models**
- Debt Service
- Retirement System Contributions
- Health Insurance cost
- Capital projects versus maintenance budget
- **(Foundation of Long range planning)**
- Non-Mandated Programs List
- Contract Negotiations

Budget Builders

- Revenues
- Expenditures
- **Mandates**
- Fund Balance and Reserves



**Achieving
Excellence**

2019-20 Considerations

- Special Education
- Transportation

ESSA Reporting – changes the look and feel of the budget detail

Budget Builders

- Revenues
- Expenditures
- Mandates
- Fund Balance and Reserves



**Achieving
Excellence**

2019-20 Considerations

- Review current reserve balances
- Legally available reserves
- Use of Reserves

Consideration given to fleet
replacement

Voter proposition in May

Budget Study Sessions

Roll-Over budget – contractually mandated increases that the District is obligated to make. All other budget lines at a base line of a 0% change from the previous year no increase or decrease in discretionary spending items.

- Addressing each of these areas in more detail

I.E.

We will be looking at Opportunities, Challenges, and Goals for each area of the budget. Consideration given to Long Range Financial planning.

