

Bellbrook_Sugarcreek-047274

Five Year Forecast ~ FY 2019 through FY 2023

Projection Assumptions

Revenue Assumptions:

1.010 General Property Tax (Real Estate)

Revenue for real estate taxes is based upon revenue received in the two tax settlements.

We are not at the 20 mill floor and do not realize inflationary growth on real estate taxes, except for the 4.50 mills of inside millage.

The district passed a 5.5 mill replacement operating levy in May of 2015 that began collecting with ½ of FY 2016 with an increase of \$1.125 million to this line item. The full collection on the new levy began with FY 17 at \$2.25 million. Further collections were figured at 1% increase for FY 19 - 23.

FY 20 is increased by \$350,000 for new construction. FY 2021 is increased by \$200,000 for reappraisal on our inside millage.

THE FY 18 COLLECTION AMOUNT IS INFLATED BY ABOUT \$377,000 FOR THOSE TAXPAYERS WHO PAID THE FULL YEAR TAX BILL IN THE SPRING OF 2018 TO TAKE ADVANTAGE OF THE EXPIRING LAW THAT ALLOWED A DEDCUTION FOR PROPERTY TAXES PAID. This inflated the FY 18 collection and lowered the FY 19 collection because of the payment timing.

1.020 Tangible Personal Property Tax

The State has phased out this tax.

1.035 Unrestricted Grants-in-Aid (State Foundation Funding)

FY 19 unrestricted grants-in-aid were calculated using the State's current funding formula. We are currently on the state funding formula. For previous years the state funding has been at or near zero increase each year. A 2% increase per year has been built into this forecast to reflect the prediction that our moderate increase in ADM will keep us on the Formula rather than the State Guarantee. This line item includes the state foundation funding and \$145,000 for State Casino Revenues.

1.04 Includes Career Tech and Economically Disadvantaged student funding only.

1.050 Property Tax Allocation

Historically this estimate was based upon homestead and rollbacks calculated at approximately 12.5% of real estate taxes. This amount is frozen because in FY 19 and thereafter, all newly passed levies will contain no additional rollback payments. According to law those monies will be paid by the local taxpayer.

1.060 All Other Revenues

This includes transportation reimbursements, class fees, refunds, rentals, tuition, participation fees, and all other miscellaneous revenues.

2.06 Includes Refund of prior Year Expenditures and Sale of Equipment.

Expenditure Assumptions:

3.010 Personal Services

A three-year contract was negotiated with both the certified and the classified staffs, and those contracts expire as of 6/30/20. Base increases for the three years were 2%, 2% & 2%. A 1% merit stipend will be given in FY 18 – FY 20, if the district achieves an A or B on the state report card.

Cutbacks in personnel salaries totaling \$749,000 were made beginning with FY 2019. But about half of these cutbacks needed to be reinstated due to increase in ADM or special education requirements.

For the years after the negotiated contract expires in FY 20, the same percentages are used (2% on base with steps + 1% merit) THIS FORECAST REFLECTS NO INCREASE IN THE NUMBER OF STAFF IN THE DISTRICT AFTER FY 19.

3.020 Employee's Retirement/Insurance Benefits

Employee Retirement assumption was based on employer mandated contribution amounts adjusted for salary increases and personnel employed on line 3.010. (Retirement share, Medicare, and Worker's Comp)

Employee Insurance benefits for FY 20 to FY 23 for vision and dental were adjusted to reflect 0% increases in each year. Medical insurance premiums increased 26% (\$749,000) beginning with FY 2020. After FY 2020 this line item is increased by 5% per year. The school district pays 14% to SERS and STRS for the employer's share of employee retirement, and that cost increases with salary increases.

The Board of Ed approved cutbacks in personnel that saved \$187,000 in fringe benefits expenses beginning with FY 2019. As noted above, about half this amount needed to be reinstated.

3.03 Purchased Services

Beginning with FY 20 purchased services are increased by 4% each year. The Board of Ed approved cutbacks in purchased services totaling \$113,000 beginning with FY 2019. Purchased services include fuel, utilities, building repair services, legal fees, professional meetings, community school deductions in state funding, mandated special education teacher assistants, GCESC general fund service costs, etc. Huge savings in utility expenses have been realized from the HB 264 Energy Project and are reflected herein.

3.04 Supplies and Materials

This line is increased approximately 5% per year from FY 19 onward.

3.05 Capital Outlay

In FY 19 - FY 23 this line increases by an estimated 0% per year. In FY 18 a one-time expenditure of \$340,840 is included, to purchase a chiller for the Middle School HVAC system. FY 20 is increased by \$250,000 for the portion of the Tech Server and other Tech upgrades that are not paid through the PI Fund. In FY 2021 the increase is \$500,000 for the portion of the Tech Chromebook refresh not covered by PI.

4.01 Debt Principal

There is no debt to be charged to the general fund other than the HB 264 Energy Project. The stadium project is repaid from the Permanent Improvement Fund. (Stadium debt payments are made from private donations, stadium usage fees and the Miami Valley Hospital naming rights contract.)

4.05 & 4.06 HB 264 Debt

Line 4.05 reflects the payment of the unvoted bond issue to fund the HB 264 Energy Savings Project. Line 4.06 shows the interest payments on this same project.

4.30 Other Objects

This line reflects auditor/treasurer collection fees, Board of Ed memberships and other charges.

5.01 Transfers Out

\$1,260,000 was included for FY 16 for general fund capital improvement money transferred to the permanent improvement fund for blacktopping, roof repair, additional technology purchases, 5 school bus purchases, and additional curriculum needs.

13.02 Property Tax New

There is no projection of a tax levy passage for the entire five year forecast listed. A 5.5 mill replacement levy was passed on May 5, 2015 to begin collection in January of 2016. This was the first time the district had placed a tax levy on the ballot in 6 years. Line 7.02 Ending Cash for FY 21 shows a \$1,505,197 deficit balance. There is also an operating deficit in each of the five years (Line 6.01). This will need to be alleviated either by cutbacks, increased revenue or a property tax levy placed on the ballot well in advance of that year. OTHER UNKNOWNNS AT THE TIME OF THIS FORECAST INCLUDE THE STATE BIENNIEL 2019-21 BUDGET, RESULTS OF NEGOTIATIONS AFTER THE 19-20 CONTRACT EXPIRATIONS, AND ANY CHANGES IN MEDICAL INSURANCE COVERAGES.

