



# Skaneateles Central School District

*Excellence in Education*

**To:** Eric Knuth, Superintendent  
**From:** Christine DeMass, Assistant Superintendent for Business Operations

**Date:** 11/15/20

**Re:** Capital Review I

**Purpose of Review:** for *Part I* of each of the three budget components – capital, administrative, and program - we will present for discussion and conceptual approval (final approval will not take place until the Board’s adoption of the entire budget) key items that we wish to include in the 2021-2022 budget. *Part II* of each component will consist of a more detailed review. Each will include feedback by the Audit, Budget and Finance (ABF) Committee.

For context, the components of the Capital portion of the 2020-2021 budget are as follows:

<u>Budget Category</u>	<u>2020-2021</u>
Maintenance of Plant	632,663
Operations of Plant	1,707,826
Security of Plant	70,000
Insurance & School Association Dues	157,900
Special Items	10,000
Debt Service	3,639,263
Transfer to Capital Funds	100,000
Employee Benefits	516,160
<b>Total Capital Budget</b>	<b>6,833,812</b>

### **Areas of ongoing discussion:**

1. Maintenance of Plant, Operations of Plant and Employee Benefits – Administration is currently reviewing the following items within these budget areas:
  - a. Staffing – Custodial staffing may need to increase by at least one position. In order to open for the 2020-2021 school year, some custodial hours were changed to overlap day and evening shifts in order to meet cleaning protocols. Administration will review several scenarios for the 2021-2022 school year and make a recommendation later in the budget development process.

- b. Salaries and benefits – Negotiations with CSEA are due to start in the upcoming weeks. The Employee’s Retirement System (ERS) rate will increase from 14.6% to 16.2%. ERS covers non-instructional school district employees such as clerical, custodians, maintenance mechanics and grounds positions. In addition, for the first time in several years, the District may see an increase in health insurance premiums. More information on any potential increase will be shared later in the budget development process.
  - c. Contractual items and Materials & Supplies – Budgets will be closely reviewed to ensure the District can continue routine and preventative maintenance as well as plan for increased cleaning protocols. More information on any potential increase will be shared later in the budget development process.
  - d. Equipment – Administration is currently reviewing our replacement plans for our fleet and equipment.
2. Security of Plant – this area of the budget houses our two school guards. Administration will continue to review this area of the budget. At this point, the District does not anticipate an increase.
3. Insurance and School Association Dues – the District will work with our insurance providers to plan this area of the budget. More information on any potential increase will be shared later in the development process.
4. Special items – this area of the budget is expected to remain the same as it is for refunds of taxes.
5. Debt service - The district is currently reviewing our estimated debt service schedules and working with Fiscal Advisors to ensure proper funding for our past and current projects. The District anticipates this area of the budget to increase, however, the associated revenue (building aid) is also anticipated to increase. In addition, administration will be meeting with NY Bus Sales in the upcoming weeks to discuss the District’s transportation vehicle needs. The current bus replacement plan will be reviewed at that time and further discussion with ABF and the BOE will be forthcoming. The District will be in the sixth year of the 5-year bus replacement plan.
6. Transfer to capital funds - *Annual \$100,000 Capital Outlay Project* – Throughout the planning process for Project 2021, Ashley McGraw had identified several interior doors that need to be replaced within the District. In the 2019-2020 school year, the District started the multi-year plan to replace interior doors. As you know, for the 2020-2021 school year, the district will again be replacing interior doors in the Middle School. For 2021-2022, administration continues to work with Ashley McGraw to finalize the next group of interior doors to be replaced based on the multi-year plan. As noted in the past, these projects are limited to \$100,000, are paid for by an interfund transfer from the General Fund to the Capital Fund and drive aid back to the district the following year. Our aid ratio is 62.9%. These smaller projects are key to maintaining our buildings in between the larger projects.

**Recommendation:** Administration recommends that the Board direct us to continue planning for these areas and to reviewing with ABF at upcoming meeting.

