

2024-25

**Long Range
Financial Plan**



AGENDA

- ✓ Fund Balance Activity
- ✓ Reserve Plan Overview
 - ✓ Enrollment Updates
 - ✓ Tax Cap & Data Dive
- ✓ Budget and Revenue Projections

“

*“The time to repair the roof is
when the sun is shining”*

John F. Kennedy

Fund Balance-What is it?

- ✓ More than just reserves
- ✓ Includes non general funds
- ✓ Includes commodities and purchase order encumbrances
- ✓ How does Webster compare to other districts?



Case Study #1

Your child has their first job and would like to purchase a house. The house of their dreams has a \$3,000 monthly mortgage payment. They can only afford \$2,500 per month from their salary. However, they have an inheritance from grandma of \$15,000. They plan to take a little bit out of their inheritance each month to make up the difference.

Case Study #2

Your child has their first job and would like to purchase a house. The house of their dreams has a \$2,000 monthly mortgage payment. Their salary gives them \$2,500 each month for mortgage payments and savings. However, they need to replace the septic system to purchase the house at a cost of \$10,000. They plan to use savings to pay for the new septic system.

Case Study #3

Your child has their first job and would like to purchase a house. The house of their dreams has a \$2,000 monthly mortgage payment. In addition, they have \$10,000 in savings. Their salary gives them \$2,500 each month for mortgage payments and savings. However, they are purchasing an older house and realize that there may be unexpected expenses.

Case Study #3-Continued

After they buy the house, every year something goes wrong:

- ✓ In the first year, the boiler needed to be replaced for \$7,500.
- ✓ In the second year, they needed to patch the roof for \$2,500.
- ✓ In the third year, they needed to change the plumbing to remove lead pipes for \$8,000.
- ✓ In the fourth year, nothing went wrong.
- ✓ In the fifth year, their finished basement floods; it's not covered by insurance, and they spent \$11,000 on repairs.



*What is the lesson we can
take away from these
examples and apply to
district financial operations?*

The background of the slide features a repeating pattern of overlapping circles in various shades of blue and green, creating a textured, watercolor-like effect. Superimposed on this are thin, gold-colored lines that branch out like stylized tree limbs or coral. In the center, there is a white rectangular box with a thin gold border.

Reserve Plan

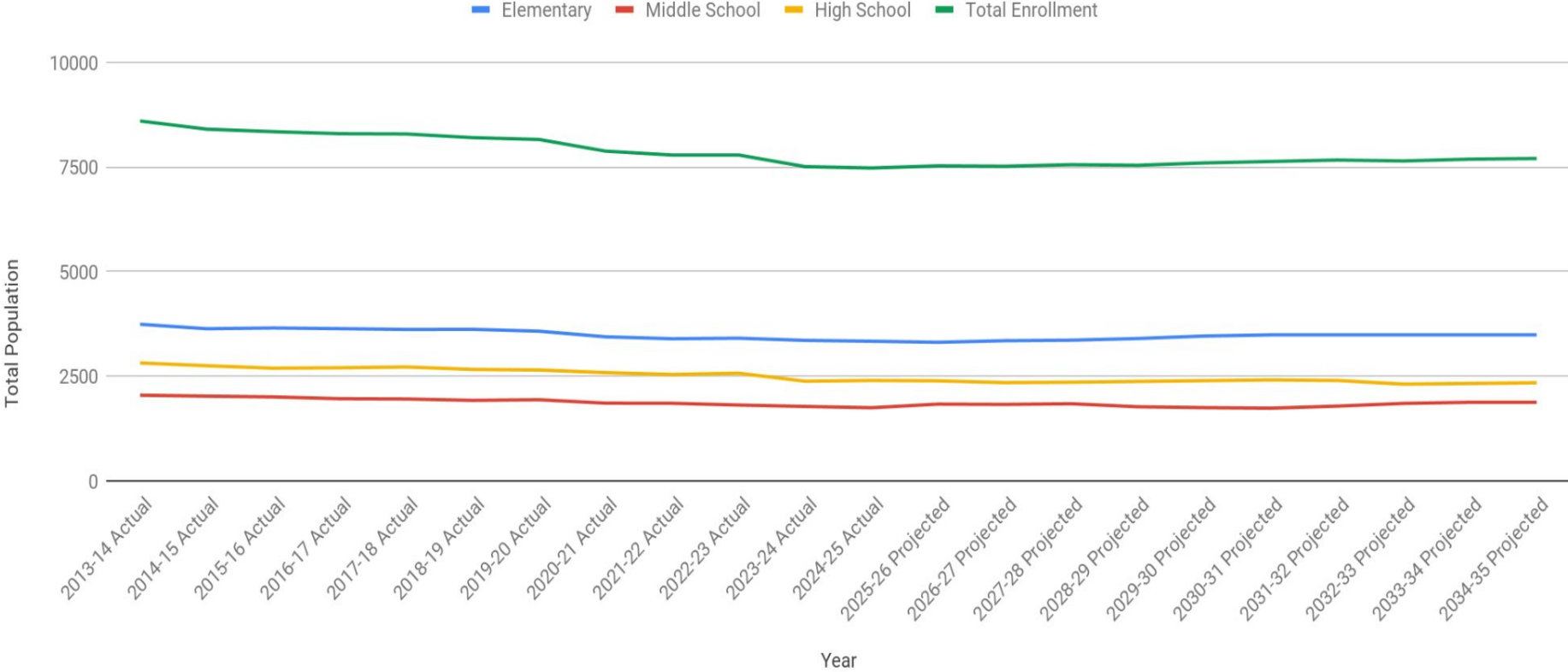


Enrollment

Why Start With Enrollment?

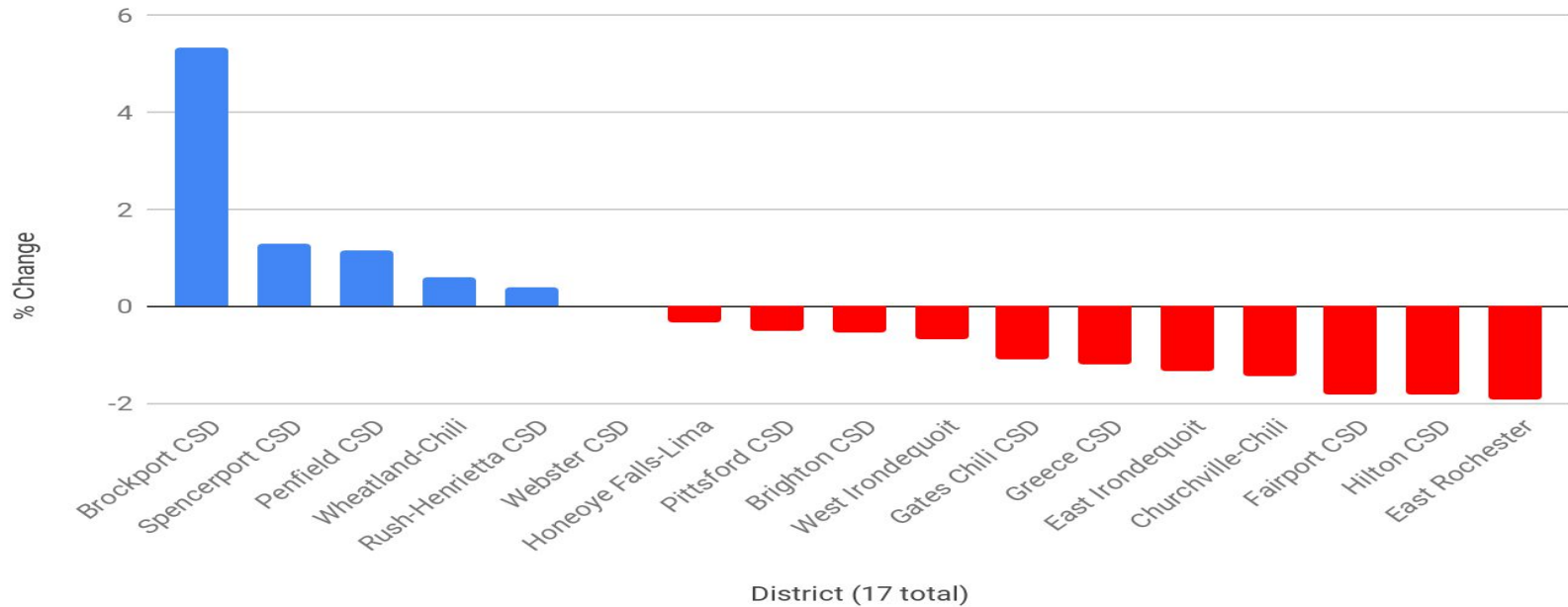
- ✓ Enrollment projections are the basis for all planning
- ✓ Need it for facilities planning at SED
- ✓ Need it to plan out for class size, catchment changes
- ✓ Utilize the cohort survival methodology
 - ❑ Based on weighted averages over a 10 year period
 - ❑ A few tweaks to take into account known changes

Enrollment History & Projection



What Does Enrollment Change in Monroe County Look Like?

% Change vs. District (17 total)





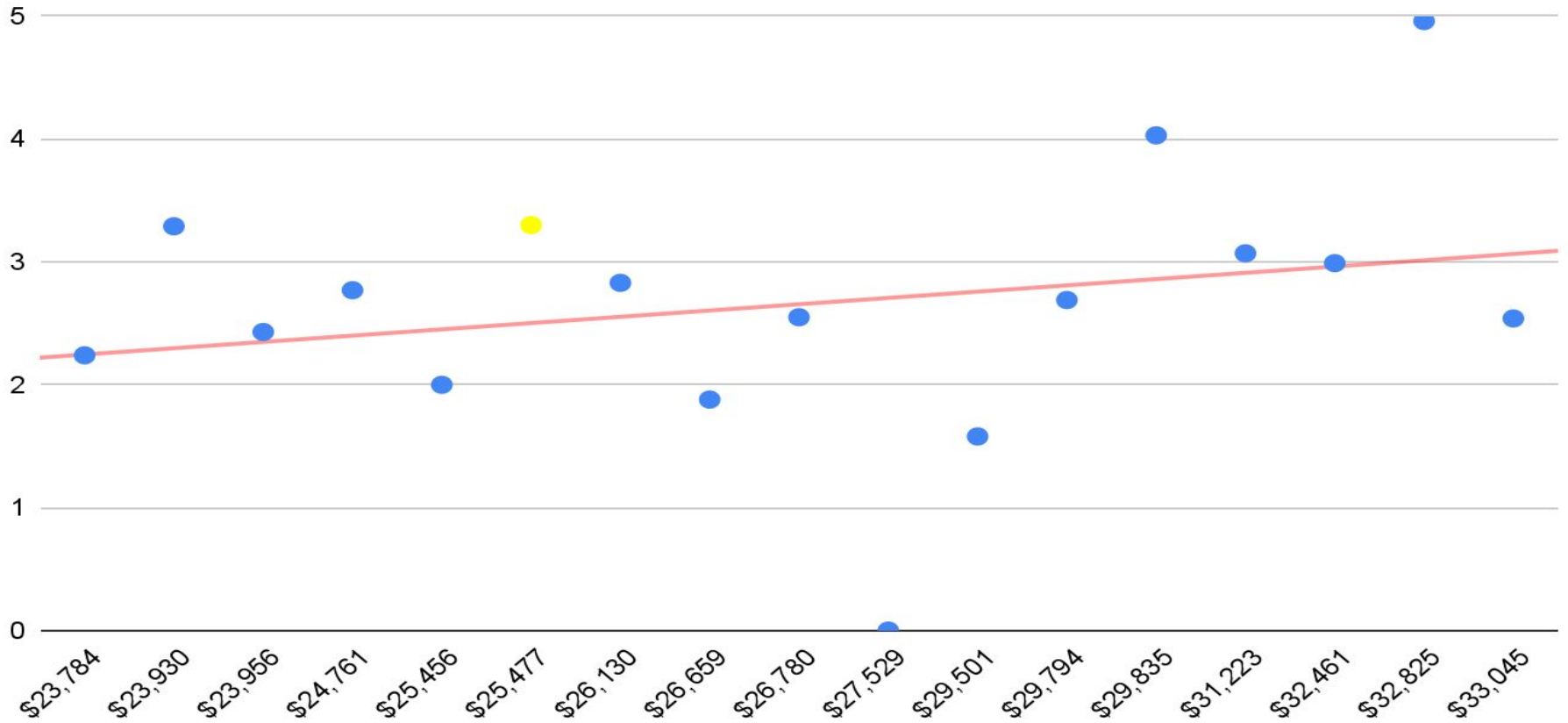
Tax Levy Limit

Reminder that it is a cap on the **Levy**, not on tax rates!

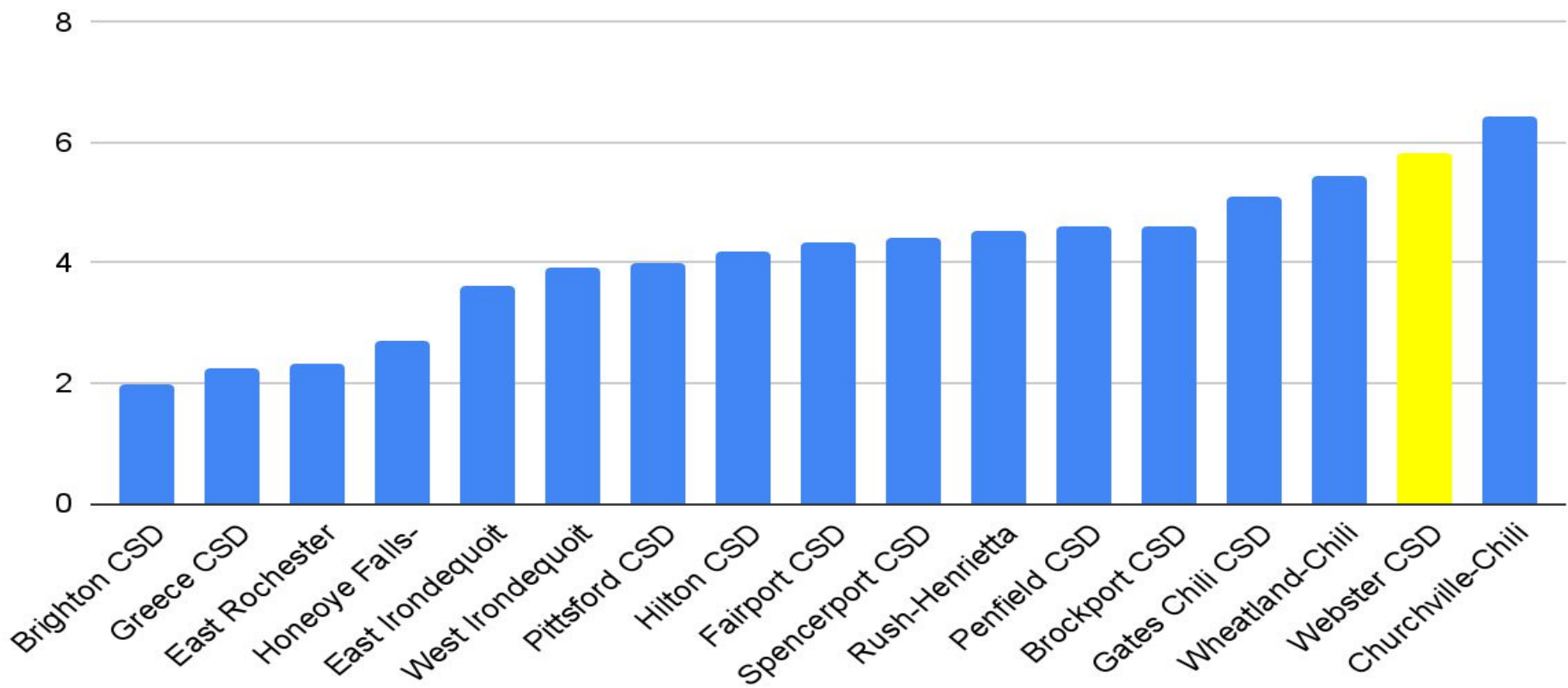


Four financial
comparisons for
thought
generation

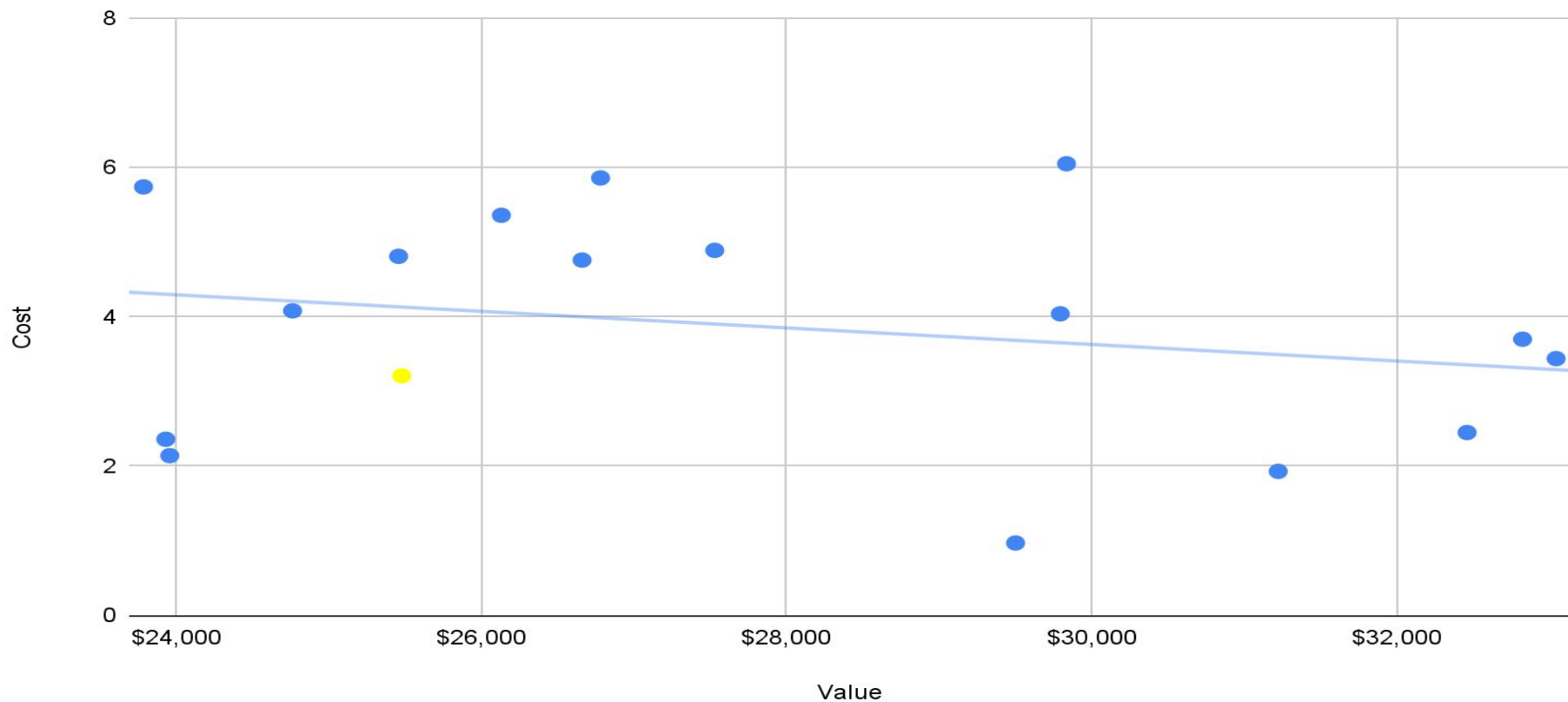
Tax Levy % Increase Vs. Per Pupil Expenditures (Monroe 1 BOCES)



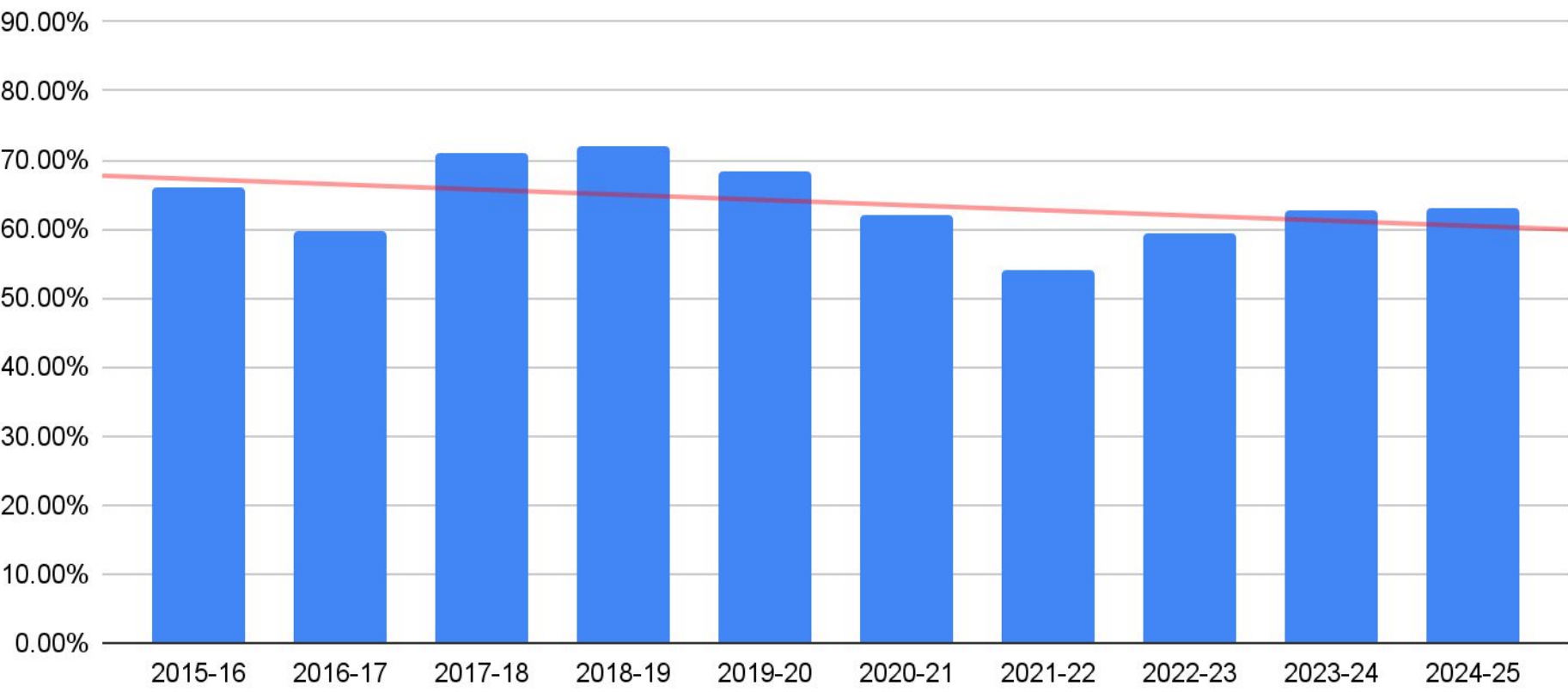
4 Year Average Property Value Increase (Monroe 1 BOCES)



Budget Increase Vs. Per Pupil Expenditure (Monroe 1 BOCES)



10 Year % Yes Budget Vote



“

*“By failing to prepare, you are
preparing to fail”*

Benjamin Franklin



Expenditure and Revenue Projection

Revenue Themes

Tax Levy

- ✓ The growth factor has some fluctuation due to assessment variability and town reassessments
- ✓ CPI forecasted above 2% as well, both will have an impact on the formula being higher.
- ✓ Stable exemptions moving forward for capital exclusions

State Aid

- ✓ Unpredictability returns to the Foundation aid formula!
- ✓ Difficult to estimate, looked at trend increase before the phase in to predict
- ✓ Outlook is less rosy than in previous projections for state funding
- ✓ Expense based aids should remain stable
- ✓ UPK-still making changes to our reporting and funding streams

Miscellaneous

- ✓ PILOT payments remain flat
- ✓ Sales tax remain stable for now
- ✓ Interest earnings create a lot of volatility quarter to quarter
- ✓ Revenues such as tuitions, continuing education programs, facilities rentals are projected to remain flat to minimal increases.

Expenditure Themes

Salaries

- ✓ Salaries for support staff are trending high due to no slowing down of minimum wage increases
- ✓ Domino impact on FICA/Pension costs
- ✓ Potential breakage from retirements factored into instructional salaries

Benefits

- ✓ What a difference a year makes
- ✓ Adjusted impact to outgoing years for RASHP 2 cost increase factors
- ✓ Medical trend impacts projections immensely in the outgoing years!

Pension

- ✓ Reassessed the projection for ERS as there was another increase
- ✓ TRS has remained stable
- ✓ Will the market change with new Federal Administration?

Debt Service

- ✓ You will now see a two year impact in the projection for EV Bus conversion costs just on the bus expenditure side

BOCES Services

- ✓ Tuition costs for BOCES program dependent on labor shortage predicted a higher trend
- ✓ Software and Infrastructure needs not slowing down

Supplies/Contractuals

- ✓ With per pupil formulas for budgeting these costs are more readily containable based on enrollment fluctuations
- ✓ Realistically will see cuts here as budget for 2025-26 comes around



THANKS!
Any questions?