



# Mountain Lakes Board of Education

## 2017-2018 Budget

# Mountain Lakes School District Budget Goals

- We are committed to providing the resources that allow us to build upon the successful educational partnership that exists among staff, family, and community.
- We provide a dynamic and continuously evolving curriculum with a focus on rigorous academic preparation, developing personal resiliency and promoting life-long learning skills for all learners.
- MLHS graduates earn admission to the most competitive colleges, universities and military academies around the world. Achieving our goals enables each student to actualize his or her unique potential.

# Objectives

- Discuss Proposed 2017-2018 Budget
  - ∞ Expense reductions to support student achievement and district curriculum goals:
    - Salary increases from new MLEA contract offset by changes in demographics of teaching staff (retirements) and other savings from new contract
    - Heating and electric savings from ESIP
    - Healthcare cost increase of 9.5% mitigated by changes in eligibility, shifts to lower cost plans and reduced opt-outs
    - Changes in long-term substitute teacher compensation structure
    - MLHS principals office secretarial staff reduced from 3 to 2 with reallocation of duties for better workflow
  - ∞ Maintain buildings and grounds in support of district goals
  - ∞ Maintain manageable tax increase to provide a thorough and efficient education
    - Budgets for the past 7 years included tax levy increases at an average of 1.52%
  - ∞ Maximize alternate revenue sources
    - Before and after-care program at Wildwood up and running
    - Alumni Association gaining traction
    - Biotech Academy
- Engage in a Community Dialogue

# Proposed 2017-18 Budget<sup>(1)</sup>

	2016-2017	2017-2018	\$ (+/-)	% (+/-)
<b><u>General Fund</u></b>				
Current Expenses	\$26,093,222	\$26,639,929	\$546,707	2.10%
Capital Outlay	\$249,298	\$248,298	-\$1,000	-.40 %
<b>Subtotal</b>	<b>\$26,342,520</b>	<b>\$26,888,227</b>	<b>\$545,707</b>	<b>2.07%</b>
Fed/State programs	\$287,737	\$288,000	\$263	.09%
Debt Service	\$1,158,625	\$1,137,825	-\$20,800	-1.80%
<b>Total</b>	<b>\$27,788,882</b>	<b>\$28,314,052</b>	<b>\$525,170</b>	<b>1.89%</b>

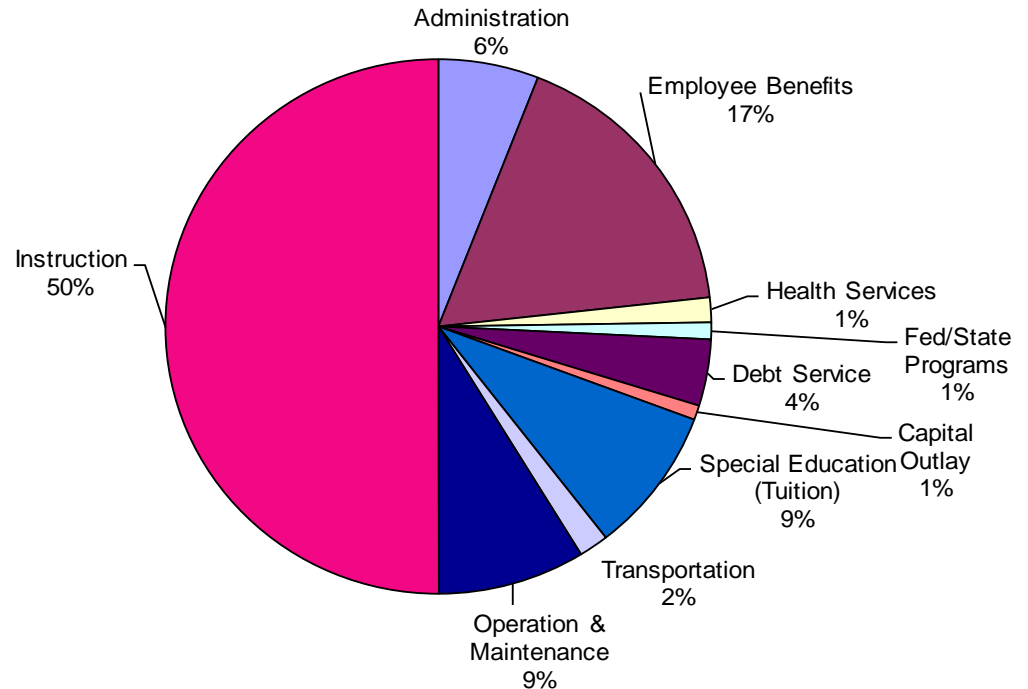
(1) For Wildwood School, Briarcliff Middle School, and Mountain Lakes High School

# 2017-18 Budget Analysis

Current Expenses: \$28,314,052

## 2017-18 vs. 2016-17<sup>(1)</sup>:

- Employee Benefits – up 6.1%
- Special Ed (Tuition) – up 5.0%
- Instruction – up 1.1%
- Administration – down 1.9%
  
- Maintains budget goals
- Maintains class sizes:
  - K-3 - 18
  - 4-5 - 21
  - 6-8 - 22
  - 9-12 - 24 (core academic content)



(1) Percentage change from 2016-2017

Questions: Contact Daniel A. Borgo; [dborgo@mlschools.org](mailto:dborgo@mlschools.org); 973-334-8280

# Capital Projects: \$248,298

## High School: \$32,500

Door Hardware / Overhead Door Upgrades \$32,500

## Briarcliff School: \$81,000

Upgrade Front Entrance Security \$36,000  
Air Conditioning Classrooms (Phase 1) \$45,000

## Wildwood School: \$32,000

Upgrades to Security / Life Safety Devices \$15,000  
Integrate Fire Doors into Fire Alarm System \$17,000

## District: \$102,798

SDA – State Debt Assessment: \$48,298  
Replace 1985 Kabota Tractor \$44,300  
Wing Fences at BC Field \$10,200

# Revenue Sources – 2 Yr. Period

	Current Budget 2016-2017	Tentative Budget 2017-2018	Change 2017-2018
Balances Appropriated + Reserves	\$950,000	\$700,000	-\$250,000
Capital Reserve	\$200,000	\$200,000	\$0
Boonton Twp Tuition (266 @ \$16,291 vs 263 @ \$15,972)	\$4,200,636	\$4,333,408	\$132,772
Tuition ( Non-res. = 15 - 11 HS, 1 BC, 3 WW; Faculty = 28)	\$207,100	\$243,700	\$36,600
Academy for Biotech (Non-res. = 15)	\$0	\$116,025	\$116,025
State Aid	\$787,376	\$787,376	\$0
Other Aid	\$287,737	\$288,000	\$263
Debt Service (1)	\$46,213	\$114,197	\$67,984
Miscellaneous	\$187,229	\$187,229	\$0
Sub Total	\$6,866,291	\$6,969,935	\$103,644
Local Taxes	\$20,922,591	\$21,344,117	\$421,526
<b>TOTAL REVENUE</b>	<b>\$27,788,882</b>	<b>\$28,314,052</b>	<b>\$525,170</b>
(1) 2017-2018 includes \$15,276 of debt service surplus from 2016-2017			

# Tax Impact for Mountain Lakes Homeowner

	2016-2017	2017-2018	Impact	% (+/-)
General Fund	\$19,810,179	20,320,489 <sup>(1)</sup>	\$510,310	2.58% <sup>(1)</sup>
Debt Service <sup>(2)</sup>	\$1,112,412	1,023,628	\$-88,784	-7.98%
<b>Total</b>	<b>\$20,922,591</b>	<b>\$21,344,117</b>	<b>\$421,526</b>	<b>2.01%</b>

- Tax increase of approximately \$257 on the average home assessed at \$783,584
  - Tax levy attributable to Schools represents ~68% of Homeowners' local taxes, with balance going to Borough, County, and Open Space
  - Refinancing of Serial Bonds in 5/2015 will reduce annual debt service by \$30 - \$35K per year through 2023
- (1) Tax levy cap including adjustment by NJDOE for increases in healthcare costs is \$20,380,351 or a 2.88% increase
- (2) Includes debt service aid of \$46,213 and \$98,921 respectively for 2016-17 and 2017-18 and an additional \$15,276 in debt service surplus for 2017-18



# Financial Management

## Financial Management



*Appropriations from 2010-11 through 2017-18 were \$2.37M below allowable cap*

# Our \$27.8 million budget is hard to find in state & news reporting

- **\$36.7 million overall 2017-18 school budget**
  - Per state reports and news reporting
  - Including debt service and all forms of federal/state aid
- **\$8.4 million attributable to Lake Drive**
  - Fully charged back to sending districts
  - Absorb some overhead/other expenses (Approx. \$1.0 million)
- **\$28.3 million “Mountain Lakes” 2017-18 budget**
  - **\$27.2 million projected spending**
  - **\$1.1 million debt service (previously approved via referendums)**

# Referendum - Exceptional Educational Programs Require Investment

## **Aging facilities, constrained instructional space and changing needs require capital investment**

- Infrastructure improvements and upgrades including enhanced security at all three schools
- Educational spaces at MLHS, Briarcliff and Wildwood:
  - MLHS – 12 new class rooms to mitigate capacity constraints, eliminate trailers, and facilitate innovation and expansion of academic programs
  - Briarcliff – Create maker space and renovate 6<sup>th</sup> grade science lab and multipurpose room
  - Wildwood – Renovate media center, create maker space / tech lab and new art room
- Create dedicated performing arts spaces at all three schools by renovating existing spaces and adding new spaces
- Renovate and expand kitchens and cafeterias at all three schools
- Health and Wellness center attached to MLHS with boys and girls locker rooms and fitness center

# Future Budget Considerations

- A \$20.0 million referendum bond issue will increase debt service by approximately \$1.12 million per annum, which equates to a tax increase of approximately \$733 on an average home assessed at \$783,584
- Increase in annual operating expenses incurred in conjunction with the referendum
- Ongoing efforts to find alternative revenue sources and/or operating expense savings