

2021-2022 Budget Workshop
Monday, July 12, 2021 5:00 PM
Boardroom at 1700 14th Avenue
1700 14th Ave
Nebraska City, NE 68410

1. Call to Order
 - 1.1. Roll Call
2. Discussion/Comments/Questions-2021-2022 Budget
3. Adjournment

2021-2022 Budget Workshop Presentation

District Resources

5.2 - Resources; Create necessary plans that provide short-term and long-term benefits for the district's financial solvency.

Workshop Presentation (2021-2022 Budget, but 20-21 decisions impact)

- TAN
 - How much, when?
 - Must be this fiscal year

- GOB Refinance
 - Balance and revenue will not equal or exceed November payment (estimated \$90,000 short)

- How all this impacts the TAN

- 2021-2022 Budget
 - General Fund, Building Fund, GOB
 - Philosophy to meet 5.2
 - How each item impacts the other....

TAN

How much and when? (if later, perhaps more, but where? Depreciation fund? - NO)

Must be this fiscal year, why?

We have room in the 20-21 budget, must spend it or lose budget authority,
could “spend” it by moving to depreciation fund, but commitment to TAN/debt

How does lunch fund bill payment and activities fund transfer impact this?

\$75,000 - simply call notes, do not have to refinance,

perhaps as much as \$150,000, but not comfortable, anything left would be expensed to depreciation fund

Recommended \$125,000

GOB

Will be looking to refinance

1 - for overall savings

2 - adjust payment to accumulate positive balance

3 - reduce growth model

GOB - simple/sample explanation

Timeline

September 2021 Set Levy for 21-22

November 2021 make payment

January 2022 collect on levy set Sept 2021

May 2022 make payment

September 2022 Set Levy for 22-23

November 2022 make payment

January 2023 collect on Levy set Sept 2022

In Summary

Levy set in Sept of 2021 for

Funds needed for May 2022 and Nov 2022

(need to be looking on year ahead)

Also only 91.8% of taxes collected on time

GOB - aggregate debt service (payment schedule)

Aggregate Debt Service
 OTOE COUNTY SCHOOL DISTRICT 0111, NEBRASKA
 (NEBRASKA CITY PUBLIC SCHOOLS)
 GENERAL OBLIGATION BONDS

Date	Ser. 2016 Principal	Ser. 2016 Interest	Ser. 2016 Debt Service	Ser. 2017 Principal	Ser. 2017 Interest	Ser. 2017 Debt Service	Ser. 2020 Principal	Ser. 2020 Interest	Ser. 2020 Debt Service	Aggregate Debt Service	Annual Total	Actual Payment	Levied Amount
11/15/2020	120,000	124,098.00	244,098.00	95,000	95,392.50	190,392.50	620,000.00	8,641.67	628,641.67	1,063,132.17			
5/15/2021		122,550.00	122,550.00		94,466.25	94,466.25		29,560.00	29,560.00	246,576.25			
8/31/2021											1,309,708.42	1,363,152.50	1,370,287.00
11/15/2021	115,000	122,550.00	237,550.00	70,000	94,466.25	164,466.25	685,000.00	29,560.00	714,560.00	1,116,576.25			
5/15/2022		121,066.50	121,066.50		93,783.75	93,783.75		27,676.25	27,676.25	242,526.50			
8/31/2022											1,359,102.75	1,410,053.00	
11/15/2022	115,000	121,066.50	236,066.50	45,000	93,783.75	138,783.75	765,000.00	27,676.25	792,676.25	1,167,526.50			
5/15/2023		119,583.00	119,583.00		93,345.00	93,345.00		25,381.25	25,381.25	238,309.25			
8/31/2023											1,405,835.75	1,476,618.50	
11/15/2023	90,000	119,583.00	209,583.00	40,000	93,345.00	133,345.00	870,000.00	25,381.25	895,381.25	1,238,309.25			
5/15/2024		118,422.00	118,422.00		92,955.00	92,955.00		22,553.75	22,553.75	233,930.75			
8/31/2024											1,472,240.00	1,567,861.50	
11/15/2024	685,000	118,422.00	803,422.00	180,000	92,955.00	272,955.00	235,000.00	22,553.75	257,553.75	1,333,930.75			
5/15/2025		109,585.50	109,585.50		91,065.00	91,065.00		21,731.25	21,731.25	222,381.75			
8/31/2025											1,556,312.50	1,689,763.50	
11/15/2025	1,040,000	109,585.50	1,149,585.50	160,000	91,065.00	251,065.00	45,000.00	21,731.25	66,731.25	1,467,381.75			
5/15/2026		96,169.50	96,169.50		89,265.00	89,265.00		21,461.25	21,461.25	206,895.75			
8/31/2026											1,674,277.50	1,758,791.50	
11/15/2026	1,170,000	96,169.50	1,266,169.50	130,000	89,265.00	219,265.00	45,000.00	21,461.25	66,461.25	1,551,895.75			

GOB - projected levy

Current request with additional 8.2% for taxes not paid on time

Special Building Fund	\$ 134,343.00	\$ 980,000,000	0.013710
Bond Fund	\$ 1,540,404.00	\$ 980,000,000	0.157184

Current request

Special Building Fund	\$ 134,343.00	\$ 980,000,000	0.013710
Bond Fund	\$ 1,424,296.00	\$ 980,000,000	0.145336

GOB - Paul's presentation

Restructure some or all debt service due on 11/15/21 in bond fund

Possible shortfall anticipated (\$90,000) \$1,116,576 due on 11/15/21

Spread payments out over the aggregate payment schedule

Create small cash reserve in bond fund

Refinance 2016 Bonds

Creates annual savings

(overall savings estimated at \$620,000)

Back to TAN

Brenda and Mark comfortable with commitment to call NOTES knowing that November GOB payment has a plan to address shortage

LOC

Reminder

Estimate that will have to borrow ~~\$300,000 for August payrolls~~

Another ~~\$800,00~~ \$950,000 for September payrolls

(why? Remember this is not a budget issue, it is a cash flow issue -

if ESSERS II reimbursement arrive these numbers will be reduced,

SPEDFFRS 19-20 adjustment received June 2021)

History of LOC

2019-2020	\$2.1
2020-2021	\$1.625 plus \$300,000 during year
2021-2022	\$1.05 ??? (or less) \$950,000

2021-2022 Budget Workshop

Philosophy / Vision (Dream for 21-22, but not possible)

1.05 Levy

1.02 General Fund

(of which .01 for emergencies during year, or year end TAN payment or depreciation fund transfer)

0.03 Building Fund

Of which 0.02 to debt payment

Of which 0.01 to actual building expenses

2021-2022 Budget Workshop

Your needs should drive your budget NOT the levy?

Our needs exceed our ability to generate revenue

(deferred maintenance, technology, curriculum, etc)

We will have enough needs in the foreseeable future to expense the maximum amount we can levy. (unless major changes, state funding of public education, increase enrollment, increase in valuation, or major reductions)

2021-2022 Budget Workshop

Philosophy / Vision (Dream for future years)

1.05 Levy

~~1.02 General Fund~~ **1.03 (essentially operating budget at 1.02)**

(of which .01 for emergencies during year, or year end TAN payment or depreciation fund transfer)

~~0.03 Building Fund~~ **0.02**

~~Of which 0.02 to debt payment~~

~~Of which 0.01 to actual building expenses~~

2021-2022 Budget Expenditures

Budget Totals by Function	20-21 Budget	21-22 Draft Budget	Difference
TOTALS	21,852,701.00	20,491,598.00	-1,361,103.00

[expenditures by code](#)

Restructure debt (226,000 of which 160,000 p & i)

10 year payoff - fixed rate

Nebraska City Public Schools Schedule B - Levies

Levy Limit Compliance

NOTE: The Schedule portion below is to determine if the School District has met the levy limitations.

Levies Expected to be Set by County

NOTE: The Schedule portion below is to assist with the Levy setting process.

Line No.		General Fund (Column A)	Bond Funds (Column B)	Special Building Funds (Column C)	Qualified Capital Purpose Undertaking Funds (Column D)	Fund	Property Taxes	Valuation	Expected Levy
1	Total Personal and Real Property Taxes -Cover Page	10,208,120.00	-	226,879.00	-				
2	Exclusions:								
3	Bonded indebtedness secured by a levy on property (Includes Co. Treasurer Comm.)	-	-		-	General Fund	\$ 10,208,120.00	\$ 980,000,000	1.041645
4	Judgments not paid by liability insurance	-				Special Building Fund	\$ 226,879.00	\$ 980,000,000	0.023151
5	Voluntary termination agreements with certificated staff / employees occurring prior to 9/1/17	-				Bond Fund	\$ -	\$ 980,000,000	0.000000
6	Voluntary termination agreements with certificated Teachers 9/1/17 and after	145,000.00				Bond Fund	\$ -	\$ 980,000,000	0.000000
7						Bond Fund	\$ -	\$ 980,000,000	0.000000
8						QCPUF Fund	\$ -	\$ 980,000,000	0.000000
9						QCPUF Fund	\$ -	\$ 980,000,000	0.000000
10							\$ -	\$ 980,000,000	0.000000
11							\$ -	\$ 980,000,000	0.000000
12	Total Exclusions (Line 3 + Line 11)	145,000.00	-	-	-		\$ -	\$ 980,000,000	0.000000
13	Total Personal and Real Property Tax Requirement Subject to the Levy Limitation (Line 1 minus Line 12)	10,063,120.00	-	226,879.00	-		\$ -	\$ 980,000,000	0.000000
14	Assessed Valuation	980,000,000	980,000,000	980,000,000	980,000,000		\$ -	\$ 980,000,000	0.000000
15	Levy Subject to Limitation ((Line 13 / Line 14) x 100)	1.026849	0.000000	0.023151	0.000000		\$ -	\$ 980,000,000	0.000000
16	Total Levy for Compliance	1.050000				Total	\$ 10,434,999.00		\$ 1.064796

Must agree to Cover

2021-2022 Budget Workshop

Realistic for 2021-2022

Short Term 2021-2022 - We are going to make the math work

Long Term we still have a long ways to go

2021-2022 Budget Workshop

Long Term

LOC, buys time. Makes the numbers work so over time can address, but...

ESSERS buys time. But is not the long term solution.

Must reduce to operate the district within our means and address future needs of the district (deferred maintenance not covered by ESSERS, technology replacement, curriculum replacement, increase salaries and benefits)

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Long Term

How far?

Depending on commitment to debt. To simply get to proposal for 2022-2023.

1.01 - (because of debt payment, if no debt payment then 1.02)

at 1.026849

would need to reduce **0.017** (\$166,600) (if 1.02 then 0.007 or \$68,600)

Increase in expenditures, salaries and benefits without reductions

average increase (\$400,000) **0.408**

0.425 (\$566,000)

2021-2022 Budget Workshop

~~Long Term~~ Short term for 22-23

How far?

Reduce by 0.425 (\$566,000) for 2022-2023

Depending on valuation, state aid, debt payment (afraid state aid will decrease)

This has 0.02 committed to debt, 25 years to pay of CO/Impact

Earmarked for depreciation fund could be use for TAN

2021-2022 Budget Workshop

Long Term....How far? Every year/two years playing this game

8-10 year process; dependent on how you choose to address debt

21-22 to 22-23 \$566,000

22-23 to 23-24 minimum reduction would be salary/benefit increases and
any major expenditure / crises

This will be a 1 to 2 year process, making progress every year

The reductions we have made, the only place left is in personnel or major changes to structure of our district (other than debt payment / interest)

2021-2022 Budget Workshop

Short Term

21-22 Budget looks “pretty good”

Balanced, LOC reduced

Long Term

Every year will be a challenge, will have to reduce to balance

2021-2022 Budget Workshop Presentation

District Resources

5.2 - Resources; Create necessary plans that provide short-term and long-term benefits for the district's financial solvency.