

Proposed Final Budget Overview

2018-19 General Fund Budget

May 22, 2018

2018-19 Proposed Final Budget

- Updated revenues and expenses
 - Revenues increased by over \$111,000
 - Assessments increased by over \$4.4 million from the January 2018 template to the May 2018 template from Allegheny County
 - Due diligence on expenses conducted throughout the month
 - Expenses decreased by \$1,227,784
- Net result – a net decrease in the Budget Deficit of over \$1,338,804
 - April Preliminary Budget Deficit = \$3,042,614
 - May Budget Deficit = \$1,703,810

2018-19 Proposed Final Budget

	<i>Total Proposed Millage = 17.0710 (Act 1 Index increase of 2.4% or .3985 mills and Budget Exceptions of .0658 mills = Total Millage increase is .4643)</i>		Actual	Final Budget	Preliminary Budget	<i>Change from 2017-18 Final Budget</i>	
	2016-17	2017-18	2016-17	2017-18	2018-19	\$ Change	% Change
Revenue			\$60,500,916	\$62,103,457	\$65,090,934	\$2,987,477	4.8%
Expenses							
100 Salaries			\$29,985,115	\$30,449,964	\$31,753,929	\$1,303,965	4.3%
200 Benefits			\$17,377,635	\$17,401,052	\$19,270,979	\$1,869,927	10.7%
300 Contracted Services			\$2,699,658	\$2,077,691	\$2,969,186	\$891,495	42.9%
400 Purchased Services			\$940,246	\$629,535	\$342,942	(\$286,593)	-45.5%
500 Other Purchased Services			\$3,648,089	\$4,301,217	\$4,406,592	\$105,375	2.4%
600 Books and Supplies			\$1,136,343	\$1,295,737	\$1,692,415	\$396,678	30.6%
700 Equipment			\$161,392	\$202,146	\$344,990	\$142,844	70.7%
800 Miscellaneous Fees			\$3,210,279	\$4,321,115	\$4,573,710	\$252,595	5.8%
900 Other Uses			\$1,195,000	\$1,425,000	\$1,440,000	\$15,000	1.1%
Total Expenses			\$60,353,757	\$62,103,457	\$66,794,743	\$4,691,286	7.6%
Budget Outcome with Exceptions			\$147,159	\$0	(\$1,703,810)		
Budget Outcome without Exceptions					(\$1,854,450)		
Budget Outcome with No Tax Increase					(\$2,766,765)		

2018-19 Proposed Final Budget

Per \$100,000 of Assessment	2017-18 Millage	2018-19 Proposed Millage	<i>Increase</i>	<i>% Increase</i>
Millage	16.6067	17.0710	<i>0.4643</i>	<i>2.8%</i>
Taxes per \$100,000 of Assessment	\$1,661	\$1,707	\$46	<i>2.8%</i>
Taxes per Median Home Value (8,879 Homesteads) of \$128,800	\$2,139	\$2,199	\$60	<i>2.8%</i>

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<i>No Tax Increase</i>	Preliminary 2018-19	2019-20	2020-21	2021-22	2022-2023
Total Revenues	\$64,027,978	\$65,285,441	\$66,420,521	\$67,572,375	\$68,788,874
Total Expenditures	\$66,794,743	\$69,157,860	\$71,290,113	\$73,481,838	\$75,819,591
Budget Outcome	(\$2,766,765)	(\$3,872,419)	(\$4,869,592)	(\$5,909,464)	(\$7,030,717)
<i>Millage Increase</i>	0.0000	0.0000	0.0000	0.0000	0.0000

<i>Act 1 Increase of 2.4% or .3985 mills Only</i>	Preliminary 2018-19	2019-20	2020-21	2021-22	2022-2023
Total Revenues	\$64,940,293	\$67,150,571	\$69,280,308	\$71,470,183	\$73,769,646
Total Expenditures	\$66,794,743	\$69,157,860	\$71,290,113	\$73,481,838	\$75,819,591
Budget Outcome	(\$1,854,450)	(\$2,007,288)	(\$2,009,805)	(\$2,011,655)	(\$2,049,945)
<i>Millage Increase</i>	0.3985	0.4081	0.4179	0.4279	0.4382

<i>Total Proposed Millage = 17.0710 (Act 1 Index increase of 2.4% or .3985 mills and Budget Exceptions of .0658 mills = Total Millage increase is .4643)</i>	Preliminary 2018-19	2019-20	2020-21	2021-22	2022-2023
Total Revenues	\$65,090,934	\$67,306,370	\$69,441,441	\$71,636,833	\$73,942,003
Total Expenditures	\$66,794,743	\$69,157,860	\$71,290,113	\$73,481,838	\$75,819,591
Budget Outcome	(\$1,703,810)	(\$1,851,490)	(\$1,848,672)	(\$1,845,005)	(\$1,877,589)
<i>Millage Increase</i>	0.4643	0.4097	0.4195	0.4296	0.4399

2018-19 Proposed Final Budget

	BALANCED BUDGET SCENARIO				
Forecast Reflecting the most recent State-Mandated PSERS Projections	Preliminary 2018-19	2019-20	2020-21	2021-22	2022-2023
Total Revenues	\$65,090,934	\$67,306,370	\$69,441,441	\$71,636,833	\$73,942,003
Total Expenditures	\$64,994,743	\$67,303,860	\$69,380,493	\$71,514,930	\$73,793,676
Budget Outcome	\$96,190	\$2,510	\$60,948	\$121,903	\$148,327
<i>Millage Increase, Including Act 1 Index Increase of 2.4%</i>	0.4643	0.4097	0.4195	0.4296	0.4399

Fund Balance per Fund As of June 30, 2017

As of June 30, 2017	General Fund	Capital Improvement Fund (Bond Fund)	Debt Stabilization Fund	Capital Reserve Fund	Risk Management Fund	HS and MS Activity Funds	Non-Major Funds (District Activities, Restricted Grants)	Total	OPEB Fund (Irrevocable Trust)
Non-Spendable:									
Prepaid Expenditures	\$577,151							\$577,151	
Committed to:									
Capital Projects (for Construction Project)		\$25,763,732						\$25,763,732	
Debt Stabilization (Primarily for Construction Project)			\$26,462,959					\$26,462,959	
OPEB Obligations									\$2,995,366
Designated Purposes:									
Budget Deficit (PSERS and Benefit Increases)	\$570,694							\$570,694	
Capital Improvements for Buildings				\$2,754,953				\$2,754,953	
Vehicle Replacement(s)				\$1,936,364				\$1,936,364	
Risk Management					\$1,384,896			\$1,384,896	
Risk Management - Judgements (Restricted)					\$25,000			\$25,000	
District Activities and Restricted Grants							\$194,395	\$194,395	
Student Activities (Restricted)						\$109,143		\$109,143	
Assigned to:									
Athletics	\$40,681							\$40,681	
Unassigned:									
	\$1,244,911							\$1,244,911	
Total Fund Balance	\$2,433,437	\$25,763,732	\$26,462,959	\$4,691,317	\$1,409,896	\$109,143	\$194,395	\$61,064,878	\$2,995,366

Balancing the Budget Scenarios

Balance as of 4/30/18	Use of GF Balance	Use of Capital Reserve	Use of Risk Management Fund	Combination (Uses \$1 million from the Capital Reserve and \$700,000 from the Risk Management Fund)
Committed Fund Balance				
PSERS and Healthcare	\$570,694			
Capital Improvements		\$2,755,629		
Vehicles		\$1,703,964	←	\$1,000,000
Judgements			\$64,559	
Fiber-Optic Repair at HS			\$26,232	
Assigned Fund Balance				
Athletics	\$40,681			
Unassigned Fund Balance	\$1,264,911		\$1,211,411	← \$700,000
Budget Deficit	(\$1,703,810)	(\$1,703,810)	(\$1,703,810)	(\$1,703,810)
Remaining Balance	(\$1,133,116)	\$154	(\$492,399)	(\$3,810)

Considerations	One time solution that is not sustainable.			
	The Unassigned Fund Balance should not be decreased further.	Assumes that vehicle acquisitions will be financed with a lease.	Requires Board action to transfer the funds to the General Fund.	Maintains Fund Balances in the GF and utilizes cash in other funds.
	Assumes that the 2017-18 outcome does not require the use of any reserves.	PDE permits the Capital Reserve to be used for Debt Service Payments.		
		Requires Board action to re-designate a portion of the Capital Reserve Fund for Debt Service.		

2018-19 Proposed Capital Reserve Budget

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School	Capital Project List	Description	2018-19
DW	Concrete work throughout District	Sidewalks, curbs, stairs, etc. where needed.	\$30,000
HS	Tennis Courts (5)	Repair courts by milling, new binder and wearing surface, coatings with lines and fence removal and replacement.	Up to \$200,000
HS	Stadium Fence Repair	Stadium Fence Repair - Fence is leaning behind visitors bleachers on hillside.	\$5,000
HS	Pool	Repair the tile on the sides of the pool.	\$3,000
IS	Track Oval	Fill cracks and seal the entire track.	\$6,500
IS	Chorus Room 133.	Install carpet over VCT tile that is in need of repair.	\$3,000
IS	LED Lighting for Building Perimeter	Install LED light packs (including fixtures) on the outside of the building. Rebates from Duquesne Light may apply.	\$2,500
	Contingency	<i>To be allocated on an as needed bases for unforeseen situations. Superintendent and Board to review and approve any such expenditures.</i>	\$25,000
GRAND TOTAL			Up to \$275,000

Note: Competitive Bidding Requirements > \$20,100.

Capital Requirements Beyond 2018-19

Due Diligence Required

School	Capital Project List	Description
HS	Track	Preliminary proposals received ranging from a resurfacing to a complete replacement. Additional due diligence required.
HS/MS	Various improvements/additional requirements related to the HS/MS	Items include cooler at the HS Food Court, large-scale vacuums, floor scrubbers, replacement doors, lighting and cafeteria tables.
IS & PS	HVAC System	Replacement needed.
DW	Painting	Interior painting on a rotation basis.

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- Next Steps:
 - Continue due diligence for all accounts, revenues and expenses through the June adoption date
 - Continue to review scenarios to balance the 2018-19 budget including the use of reserves
 - Final Budget Adoption – June 26 Board meeting

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Q & A