

# Finance Committee Meeting

## November 1, 2018

# Meeting Agenda

1. Introductions and Community Representatives
2. L-S Debt Profile Review and Projections – Ken Phillips and Lauren Stadel (RBC Capital Markets)
3. 2017–18 Budget Outcome
4. 2018–19 Projected Budget Outcome
5. 2019–20 Budget
  - a) Schedule and Draft Act 1 Resolution
  - b) Preliminary Figures
  - c) Five-Year Projection
6. Items from the Committee

# Lampeter-Strasburg School District

## Debt Profile & Refinancing Review

November 1, 2018

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Ken Phillips  
Managing Director  
RBC Capital Markets  
2101 Oregon Pike  
Lancaster, PA 17601  
Tel: (717) 519-6001  
ken.phillips@rbccm.com

Lauren Stadel  
Director  
RBC Capital Markets  
2101 Oregon Pike  
Lancaster, PA 17601  
Tel: (717) 519-5925  
lauren.stadel@rbccm.com



**RBC Capital Markets**

## Outstanding Gross Debt

### Lampeter-Strasburg School District Gross Debt Outstanding As of July 1, 2018

As of Fiscal Year Ending June 30	(1) 2002 Fixed DelVal Loan	(2) 2002 Variable DelVal Loan	(3) 2012 G.O. Notes	(4) 2014 G.O. Bonds	(5) 2015 G.O. Notes	(6) 2017 G.O. Note	Total
2019	568,736	530,467	1,939,600	763,956	1,321,450	695,990	5,820,198
2020	579,947	530,515		4,223,656		698,337	6,032,456
2021	590,498	530,363		4,274,106		690,323	6,085,291
2022	601,382	531,004		1,096,750		2,687,189	4,916,325
2023						630,613	630,613
2024						632,117	632,117
2025						628,260	628,260
2026						629,161	629,161
2027						624,701	624,701
2028							0
<b>Total</b>	<b>2,340,563</b>	<b>2,122,349</b>	<b>1,939,600</b>	<b>10,358,469</b>	<b>1,321,450</b>	<b>7,916,690</b>	<b>25,999,121</b>

(1) 2002 DelVal Fixed Rate Conversion Portion @ 2.635% 1/15/09 (includes approximate 40bp annual fees)

(2) 2002 DelVal Fixed Rate Conversion Portion @ 2.005% 9/25/11

(3) Series 2012, non-callable, average coupon 3.89%, yield 1.57%.

(4) Series 2014, callable 8/15/19, average coupon 2.52%, yield 2.15%.

(5) Series of 2015 Notes (Susquehanna Bank Loan), fixed rate of 1.65%.

(6) Series of 2017 Notes (BB&T Bank Loan), fixed rate of 2.41%, callable 3/1/23.

**Lampeter-Strasburg School District**  
**Net Debt Outstanding**  
**As of July 1, 2018**

<b>As of Fiscal Year Ending June 30</b>	<b>2002 Fixed DeIVal Loan</b>	<b>2002 Variable DeIVal Loan</b>	<b>2012 G.O. Bonds</b>	<b>2014 G.O. Bonds</b>	<b>2015 G.O. Notes</b>	<b>2017 G.O. Note</b>	<b>Total</b>
<b>2019</b>	516,841	482,064	1,773,636	695,525	1,203,081	650,068	5,321,214
<b>2020</b>	527,029	482,108	0	3,845,321	0	652,260	5,506,719
<b>2021</b>	536,618	481,970	0	3,891,252	0	644,775	5,554,615
<b>2022</b>	546,509	482,552	0	998,508	0	2,509,886	4,537,455
<b>2023</b>	0	0	0	0	0	589,005	589,005
<b>2024</b>	0	0	0	0	0	590,409	590,409
<b>2025</b>	0	0	0	0	0	586,806	586,806
<b>2026</b>	0	0	0	0	0	587,648	587,648
<b>2027</b>	0	0	0	0	0	583,483	583,483
<b>2028</b>	0	0	0	0	0	0	0
<b>Total</b>	2,126,997	1,928,694	1,773,636	9,430,607	1,203,081	7,394,340	23,857,355

Local Effort	90.88%	90.88%	91.44%	91.04%	91.04%	93.40%
State Effort	9.12%	9.12%	8.56%	8.96%	8.96%	6.60%
CARF	41.76%	41.76%	41.76%	41.76%	41.76%	41.76%
Proj. Reimb.	21.85%	21.85%	20.49%	21.45%	21.45%	15.80%

## U.S. 10-Year Treasury in 2018



# Bond Buyer 20 General Obligation Bond Index

57 Year Historical Perspective

## Bond Buyer 20 GO Index since January 1961



## % of Time in Each Range Since 1961

Yield Range		
Less than 3.50%	10.10%	
3.50% - 4.00%	10.43%	
4.01% - 4.50%	10.80%	
4.51% - 5.00%	10.07%	
5.01% - 5.50%	14.03%	
5.51% - 6.00%	9.77%	
6.01% - 6.50%	7.57%	
6.51% - 7.00%	6.90%	
7.01% - 7.50%	6.23%	
7.51% - 8.00%	3.67%	
Greater than 8.00%	10.43%	
Total	100.00%	

Source: Bloomberg as of October 25, 2018  
Weekly yields and indexes released by the Bond Buyer. Updated every Thursday at approximately 6:00pm EST. 20 Bond General Obligation Yield with 20 year maturity, rated Aa2 by Moody's Arithmetic Average of 20 bonds' yield to maturity.

Today's 4.30% level is lower than 78.15% of historical rates since January 1961

## Hypothetical Future Max Borrowing at Current Budget Level

### Lampeter-Strasburg School District Proposed Series of 2021 - Max Borrow

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues
06/01/2022		1,297,229	4,537,455	5,834,684	5,554,000	-280,684
06/01/2023	2,085,000	4,679,458	589,005	5,268,462	5,554,000	285,538
06/01/2024	2,415,000	4,960,043	590,409	5,550,452	5,554,000	3,548
06/01/2025	2,485,000	4,968,702	586,806	5,555,508	5,554,000	-1,508
06/01/2026	2,550,000	4,967,353	587,648	5,555,001	5,554,000	-1,001
06/01/2027	2,625,000	4,969,933	583,483	5,553,415	5,554,000	585
06/01/2028	3,285,000	5,552,495		5,552,495	5,554,000	1,505
06/01/2029	3,390,000	5,556,646		5,556,646	5,554,000	-2,646
06/01/2030	3,495,000	5,554,183		5,554,183	5,554,000	-183
06/01/2031	3,610,000	5,554,547		5,554,547	5,554,000	-547
06/01/2032	3,730,000	5,552,890		5,552,890	5,554,000	1,111
06/01/2033	3,860,000	5,553,832		5,553,832	5,554,000	169
06/01/2034	3,995,000	5,552,574		5,552,574	5,554,000	1,427
06/01/2035	4,140,000	5,554,553		5,554,553	5,554,000	-553
06/01/2036	4,290,000	5,553,857		5,553,857	5,554,000	144
06/01/2037	4,450,000	5,555,985		5,555,985	5,554,000	-1,985
06/01/2038	4,610,000	5,550,000		5,550,000	5,554,000	4,001
06/01/2039	4,790,000	5,557,125		5,557,125	5,554,000	-3,125
06/01/2040	4,965,000	5,551,542		5,551,542	5,554,000	2,459
06/01/2041	5,155,000	5,553,865		5,553,865	5,554,000	136
06/01/2042	5,355,000	5,558,490		5,558,490	5,554,000	-4,490
	75,280,000	109,155,294	7,474,807	116,630,100	116,634,000	3,900



## Hypothetical Future Max Borrowing at Half of Current Budget Level

### Lampeter-Strasburg School District Proposed Series of 2021 - Half of Max Borrow

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues
06/01/2022		633,424	4,537,455	5,170,879	5,554,000	383,121
06/01/2023	925,000	2,191,848	589,005	2,780,853	5,554,000	2,773,147
06/01/2024	945,000	2,189,926	590,409	2,780,335	5,554,000	2,773,665
06/01/2025	975,000	2,195,923	586,806	2,782,729	5,554,000	2,771,271
06/01/2026	1,000,000	2,194,890	587,648	2,782,538	5,554,000	2,771,462
06/01/2027	1,030,000	2,196,490	583,483	2,779,973	5,554,000	2,774,027
06/01/2028	1,645,000	2,781,105		2,781,105	5,554,000	2,772,895
06/01/2029	1,695,000	2,780,604		2,780,604	5,554,000	2,773,397
06/01/2030	1,750,000	2,781,872		2,781,872	5,554,000	2,772,128
06/01/2031	1,810,000	2,784,472		2,784,472	5,554,000	2,769,528
06/01/2032	1,870,000	2,783,475		2,783,475	5,554,000	2,770,525
06/01/2033	1,935,000	2,783,773		2,783,773	5,554,000	2,770,227
06/01/2034	2,000,000	2,780,468		2,780,468	5,554,000	2,773,533
06/01/2035	2,075,000	2,783,868		2,783,868	5,554,000	2,770,133
06/01/2036	2,150,000	2,783,338		2,783,338	5,554,000	2,770,663
06/01/2037	2,230,000	2,784,218		2,784,218	5,554,000	2,769,783
06/01/2038	2,310,000	2,781,039		2,781,039	5,554,000	2,772,962
06/01/2039	2,400,000	2,784,414		2,784,414	5,554,000	2,769,587
06/01/2040	2,490,000	2,783,934		2,783,934	5,554,000	2,770,067
06/01/2041	2,585,000	2,784,812		2,784,812	5,554,000	2,769,189
06/01/2042	2,680,000	2,781,840		2,781,840	5,554,000	2,772,160
	36,500,000	53,345,728	7,474,807	60,820,534	116,634,000	55,813,466

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# 2017-18 Budget Outcome

- The General Fund had a positive change in fund balance in the amount of \$982,096 as of June 30, 2018.
  - The General Fund had an ending fund balance of \$7,218,564 as follows:

➤ Assigned for Retirement	\$1,300,000
➤ Assigned for Technology	\$ 554,000
➤ Assigned for Assessment Appeals	\$ 171,710
➤ Inventory	\$ 67,718
➤ Unassigned Fund Balance	\$5,125,136
  - The recommendation is to transfer an additional \$975,000 to the Capital Reserve Fund.
  - Capital Reserve Fund had a balance of \$4,118,705 as of June 30, 2018, so the resulting Capital Reserve fund balance would be \$5,093,705.
    - The Capital Reserve fund balance will be used for improvements approved by the Board and as dictated by a future facility master plan.
  - The Unassigned Fund Balance will drop to \$4,150,136 with this recommended transfer or 7.8% of the 2018-19 Budgeted Total Expenditures which is within the 8% guideline.
- The 2017-18 Financial Statements were presented at the Board Workshop on October 15, 2018 and will be recommended for acceptance at the Board Meeting on November 5, 2018.

# 2017-18 Budget Outcome – continued

	2017-18 Budget	2017-18 Actual	\$ Variance	% Variance
<b><u>Revenue:</u></b>				
Real Estate Taxes	33,748,120	33,889,125	141,005	0.42%
Earned Income Taxes	3,085,250	3,095,198	9,948	0.32%
Transfer Taxes	430,000	580,653	150,653	35.04%
Delinquent Taxes	550,000	506,979	(43,021)	-7.82%
Investment Earnings	65,000	233,083	168,083	258.59%
IDEA & Access Revenue	469,550	560,201	90,651	19.31%
Other Local Income	371,460	380,063	8,603	2.32%
Basic Education Subsidy	4,165,790	4,172,234	6,444	0.15%
Special Education Subsidy	1,429,870	1,407,476	(22,394)	-1.57%
State Share Soc Sec & Retirement	4,453,690	4,346,754	(106,936)	-2.40%
Other State Revenue	2,223,690	2,304,481	80,791	3.63%
Federal Revenue	470,890	503,639	32,749	6.95%
<b>Total Revenue</b>	<b>51,463,310</b>	<b>51,979,886</b>	<b>516,576</b>	<b>1.00%</b>
<b><u>Expenditures:</u></b>				
Salaries	22,223,190	22,125,442	(97,748)	-0.44%
Social Security & Retirement	8,933,030	8,719,638	(213,392)	-2.39%
Medical Insurance	5,257,000	4,662,737	(594,263)	-11.30%
Tuition Reimbursement	230,570	208,412	(22,158)	-9.61%
Employer Share 403(b) - retirements	48,500	159,669	111,169	229.21%
Workers' Comp	172,860	143,105	(29,755)	-17.21%
Special Education Contracts & Tuition	2,393,830	2,197,404	(196,426)	-8.21%
Charter School Tuition	666,750	738,721	71,971	10.79%
CTC Tuition	475,350	385,909	(89,441)	-18.82%
Electricity	408,770	364,568	(44,202)	-10.81%
Natural Gas	187,710	173,165	(14,545)	-7.75%
Debt Service	5,773,470	5,677,693	(95,777)	-1.66%
Capital Reserve Transfer	-	578,290	578,290	-
Refund of Prior Year Receipts	-	153,835	153,835	-
Budgetary Reserve	400,000	-	(400,000)	-100.00%
Balance of other Expenditures	4,671,010	4,709,202	38,192	0.82%
<b>Total Expenditures</b>	<b>51,842,040</b>	<b>50,997,790</b>	<b>(844,250)</b>	<b>-1.63%</b>
<b>Revenue Over (Under) Expenditures</b>		<b>982,096</b>		
<b>Recommending an additional transfer of \$975,000 to the Capital Reserve Fund</b>				

# 2018–19 Projected Budget Outcome

# 2018-19 Projected Budget Outcome

## Comparison of Budget to Projected

		2018-19 Budget	2018-19 Projected	Difference	% Variance to Budget
<b>Total Fund Balance - Beginning</b>		7,150,850	7,150,850		
<b>Revenue:</b>					
	Local	39,806,910	39,850,330	43,420	0.11%
	State	12,566,800	12,635,930	69,130	0.55%
	Federal	470,890	460,340	(10,550)	-2.24%
	Other Financing Sources	0	0	-	
	<b>Total:</b>	<b>52,844,600</b>	<b>52,946,600</b>	<b>102,000</b>	<b>0.19%</b>
<b>Expenditures</b>		53,349,470	53,091,260	(258,210)	-0.48%
<b>Transfer to Capital Reserve</b>		0	975,000		
<b>Total Expenditures and Transfers</b>		<b>53,349,470</b>	<b>54,066,260</b>	<b>716,790</b>	<b>1.34%</b>
<b>Operating Balance:</b>		<b>(504,870)</b>	<b>(1,119,660)</b>		
<b>Use of PSERS Stabilization Fund</b>		0	0		
<b>Net Operating Balance:</b>		<b>(504,870)</b>	<b>(1,119,660)</b>		
<b>Total Fund Balance - Ending</b>		<b>6,645,980</b>	<b>6,031,190</b>		
<b>Assigned for Retirement</b>		1,300,000	1,300,000		
<b>Assigned for Lost Appeals</b>		171,710	171,710		
<b>Assigned for Technology</b>		258,000	258,000		
<b>Unassigned Fund Balance</b>		4,916,270	4,301,480		
<b>Total Fund Balance</b>		<b>6,645,980</b>	<b>6,031,190</b>		

# 2018-19 Projected Budget Outcome – cont.

## Revenue Differences

2018-19 Budget to Projected			
		%	
		Variance	
Revenue Type	Amount	to Budget	Comments
Real Estate and Interim Taxes	112,210	0.33%	
Earned Income Taxes	(31,400)	-0.98%	based on information received from LCTCB
Delinquent Taxes	(143,900)	-22.48%	delinquent tax collection dropped in 2017-18
Transfer Taxes	40,000	8.70%	increased real estate sales
Interest Earnings	50,000	25.00%	rising interest rates
Other Local Revenue	16,510	1.90%	
Basic Education Subsidy	32,380	0.76%	Projected subsidy from PDE
Special Education	8,020	0.57%	Projected subsidy from PDE
Rental & Sinking Fund Subsidy	0	0.00%	
Other State Revenue	28,730	0.45%	
Federal Revenue	(10,550)	-2.24%	
<b>Total</b>	<b>102,000</b>	<b>0.19%</b>	

# 2018-19 Projected Budget Outcome – cont.

## Expenditure Differences

2018-19 Budget to Projected				
			%	
			Variance	
Account Type	Amount	to Budget		Comments
Salaries				
Professional	(105,620)	(0.55)		Administrative, Teaching, and Salary Exempt staff
Support	12,980	0.38		
Total Salaries:	(92,640)	(0.41)		
Benefits				
Social Security	(7,400)	(0.43)		
Retirement	(55,100)	(0.73)		
Unemployment	-	-		
Workers' Comp	(17,890)	(9.05)		
Tuition	-	-		
Health Insurance	-	-		
Employer Share TSA	-	-		
Total Benefits:	(80,390)	(0.53)		



# 2018-19 Projected Budget Outcome – cont.

## Expenditure Differences

2018-19 Budget to Projected			
		%	
		Variance	
Account Type	Amount	to Budget	Comments
Purchased Professional Services	(57,830)	(1.83)	Safe Schools Grant reduced SRO expense \$60,000
Purchased Property Services	17,070	1.92	Water/sewer \$10,000; CTC debt service \$7,000
Other Purchased Services	(44,420)	(1.41)	Savings: Charter/Special Ed tuition \$74,000; Increases: CTC tuition \$17,500, prop & liability insurance \$12,000
Supplies	-	-	
Equipment	-	-	
Dues & Memberships	-	-	
Debt - Interest & Principal	-	-	
Real Estate Tax Refunds - Prior Years	-	-	
Transfer to Capital Reserve	975,000	N/A	recommendation based on 2017-18 financial results
Budgetary Reserve	-	-	
<b>Total all Expenditures:</b>	<b>716,790</b>	<b>1.34</b>	

# 2019–20 General Fund Budget

# 2019–20 Budget Schedule

- The Pennsylvania Department of Education has calculated the index and set the budget timeline for the 2019-20 Fiscal Year.
- The Act 1 base index is set at 2.3%. The adjusted index for Lampeter-Strasburg School District is 2.7%.
- Important dates on the timeline are:
  - January 7, 2019: the deadline to adopt a resolution indicating that the district will not raise the rate of tax by more than its index OR date by which 2019-20 preliminary budget must be available for public inspection. This is the last scheduled Board Meeting date prior to Commonwealth deadline of January 31, 2019.
  - February 19, 2019: the deadline to adopt a 2019-20 preliminary budget (only if a resolution has not been adopted). This is the last scheduled Board Workshop date prior to Commonwealth deadline of February 20, 2019.

# Act 1 Resolution

# 2019–20 General Fund Budget –

## Act 1 Resolution Draft

### **A RESOLUTION OF THE LAMPETER-STRASBURG SCHOOL DISTRICT, COUNTY OF LANCASTER, COMMONWEALTH OF PENNSYLVANIA CERTIFYING THAT THE SCHOOL DISTRICT WILL NOT RAISE ANY TAX RATE BY MORE THAN 2.7%.**

WHEREAS, under Section 311(a) of the Taxpayer Relief Act of Special Session No. 1 of 2005 (“Act”), the Board of School Directors (“Board”) of the Lampeter-Strasburg School District (“School District”) is required to prepare and adopt a preliminary budget for the 2019-20 fiscal year of the School District on or before February 20, 2019;

WHEREAS, under Section 311(d) of the Act, the Board is not subject to Section 311(a) of the Act, provided that the Board adopts a resolution stating that the Board will not increase any tax rate by more than the Index for the School District, as defined under the Act and determined by the Pennsylvania Department of Education (“Department”);

WHEREAS, the Index for the School District for the 2019-20 fiscal year of the School District is 2.7%;

WHEREAS, the Board has determined that there will be no increase in the rate of any tax imposed by the School District in excess of the above Index for the 2019-20 fiscal year of the School District;

# 2019–20 General Fund Budget –

## Act 1 Resolution – continued

NOW THEREFORE BE IT RESOLVED as follows:

1. The Board certifies that it will not raise the rate of any tax for the support of the School District for the 2019-20 fiscal year of the School District by more than the Index of 2.7% established by the Department for the School District;
2. The Board certifies that the School District will comply with the procedures as set forth in Section 687 of the Public School Code of 1949 as it relates to the adoption of its proposed and final annual budgets for the 2019-20 fiscal year of the School District;
3. The Board certifies that increasing any tax at a rate less than or equal to the above Index of 2.7% will be sufficient to balance its final budget for the 2019-20 fiscal year of the School District;
4. The Board certifies that the School District will submit information on a proposed increase in the rate of any tax levied for the support of the School District to the Department on a uniform form prepared by the Department no later than five (5) days after the adoption of this Resolution;
5. The Board certifies that a copy of this Resolution will be sent to the Department no later than five (5) days after the adoption of this Resolution; and
6. The Board acknowledges that the School District shall not be eligible to seek referendum exceptions under Section 333(f) of the Act.

We hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Board at a meeting thereof duly and legally held on the 7<sup>th</sup> of January 2019.

# 2019–20 General Fund Budget – Assumptions

- Millage Increase - Act 1 index of 2.7%
  - Not taking available Act 1 Exceptions: Retirement 0.13% and Special Education 1.1%
- 0.75% growth in assessment
- 2.92% increase to Earned Income Tax (per Lancaster County Tax Collection Bureau est.)
- 2% increase to Basic Education Subsidy; 1% increase to Special Education Subsidy (pending Legislation, elections)
- Net 3.34% increase to total salaries
  - 3.3% regular salary increase; includes increases for educational attainment, teachers returning from leaves, current programs carried forward, and PSBA study \$25,000
- Retirement rate – 34.79% (4.07% increase from 2018-19 rate of 33.43%, as projected by PSERS 12/8/17)
- 8% increase to medical insurance
- No 2019-20 Capital Reserve transfer budgeted
- Band Uniforms estimated cost of \$70,000
- Transportation – 2 new vans to replace existing vans – estimated impact to lease schedule of \$6,000

# 2019-20 Budget

Index 2.7% Millage Increase

		2018-19 Budget	2018-19 Projected	2019-20 Proposed	Difference	% Change
<b>Total Fund Balance - Beginning</b>		7,150,850	7,150,850	6,031,190	(1,119,660)	-15.66
<b>Revenue:</b>						
	Local	39,806,910	39,850,330	41,180,900	1,330,570	3.34
	State	12,566,800	12,635,930	13,018,830	382,900	3.03
	Federal	470,890	460,340	462,650	2,310	0.50
	Other Financing Sources	0	0	0	0	
	<b>Total:</b>	<b>52,844,600</b>	<b>52,946,600</b>	<b>54,662,380</b>	<b>1,715,780</b>	<b>3.24</b>
<b>Expenditures</b>		<b>53,349,470</b>	<b>53,091,260</b>	<b>55,289,380</b>	<b>2,198,120</b>	<b>4.14</b>
<b>Transfer to Capital Reserve</b>		<b>0</b>	<b>975,000</b>	<b>0</b>		
<b>Total Expenditures and Transfers</b>		<b>53,349,470</b>	<b>54,066,260</b>	<b>55,289,380</b>	<b>1,223,120</b>	<b>2.26</b>
<b>Operating Balance:</b>		<b>(504,870)</b>	<b>(1,119,660)</b>	<b>(627,000)</b>		
<b>Total Fund Balance - Ending</b>		<b>6,645,980</b>	<b>6,031,190</b>	<b>5,404,190</b>		
<b>Assigned for Retirement</b>		<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>		
<b>Assigned for Lost Appeals</b>		<b>171,710</b>	<b>171,710</b>	<b>171,710</b>		
<b>Assigned for Technology</b>		<b>258,000</b>	<b>258,000</b>	<b>48,000</b>		
<b>Unassigned Fund Balance</b>		<b>4,916,270</b>	<b>4,301,480</b>	<b>3,884,480</b>		
<b>Total Fund Balance</b>		<b>6,645,980</b>	<b>6,031,190</b>	<b>5,404,190</b>		
<b>% of Unassigned Fund Balance to Total Expenditures</b>		<b>9.22%</b>	<b>7.96%</b>	<b>7.03%</b>		



# 2019-20 Budget – continued

## Revenue Differences – Index 2.7% Millage Increase

2018-19 Estimate to 2019-20 Budget			
		%	
Revenue Type	Amount	Increase	Comments
Real Estate and Interim Taxes	1,219,580	3.53%	net 0.75% assessment growth; 2.7% millage increase
Earned Income Taxes	92,600	2.92%	Lanc. Co. Tax Collection Bureau report
Delinquent Tax, Transfer Tax, Public Utility Tax	15,870	1.53%	
Other Local Income	2,520	0.23%	increase in tuition revenues
Basic Education Subsidy	85,760	2.00%	
Special Education	14,200	1.00%	
Social Security Reimbursement	30,660	3.61%	
Retirement Subsidy	281,790	7.50%	PSERS contribution rate increasing from 33.43% to 34.79%
Other State Revenue	(29,510)	-2.21%	Safe Schools Grant, Transportation and Voc Ed Subsidy
Federal Revenue	2,310	0.50%	Title 1 and Title II funding
<b>Total</b>	<b>1,715,780</b>	<b>3.24%</b>	

# 2019-20 Budget - continued

## Expenditure Differences – Index 2.7% Millage Increase

2018-19 Estimate to 2019-20 Budget				
			%	
Account Type		Amount	Change	Comments
Salaries				
	Professional	622,800	3.26	
	Support	130,890	3.80	
	Total:	753,690	3.34	Increases: 3.30% salary increase
Benefits				
	Social Security	61,300	3.56	
	Retirement	565,560	7.52	PSERS contribution rate increasing from 33.43% to 34.79%
	Unemployment	-	0.00	
	Worker's Comp	280	0.16	
	Tuition	-	0.00	
	Health Insurance	428,500	8.00	
	Employer's Share TSA	-	0.00	
	Total:	1,055,640	7.01	

# 2019-20 Budget - continued

## Expenditure Differences – Index 2.7% Millage Increase

2018-19 Estimate to 2019-20 Budget			
		%	
Account Type	Amount	Change	Comments
Purchased Professional Services	178,360	5.74	Increases: School Resource Officer (\$60,000) no Safe Schools Grant; Special Education Contract (\$113,000)
Purchased Property Services	7,880	0.87	Increases: water and sewer (\$2,100), add'l van lease (\$6,000)
Other Purchased Services	80,390	2.60	Increases: Transportation contract (\$26,000), CTC tuition (\$23,000), charter school & other tuition (\$25,000), property and liability insur. (\$6,000)
Supplies	(111,000)	(8.26)	Savings: Textbooks (2018-19 Algebra textbooks for \$25,000 vs. \$0 for 2019-20), Technology (2018-19 \$86,000 vs. \$0 for 2019-20)
Equipment	20,710	2.62	Music Department (instruments in 2018-19 \$49,290 vs. band uniforms \$70,000 for 2019-20)
Dues & Memberships	-	0.00	
Debt - Interest & Principal	212,450	3.68	known debt structure increase
Real Estate Tax Refunds - Prior Years	-	0.00	
Transfer to Capital Reserve	(975,000)	(100.00)	recommending \$975,000 transfer in 2018-19 and no budgeted transfer for 2019-20
Budgetary Reserve	-	0.00	Budgetary Reserve
<b>Total Budget Difference:</b>	<b>1,223,120</b>	<b>2.26</b>	

# Five-Year Budget Projection

# Five-Year Projection – Assumptions

	2019-20	2020-21	2021-22	2022-23	2023-24
Assessment Growth	0.75%	0.75%	0.75%	0.75%	0.75%
Tax Rate Increase	2.70%	2.80%	3.00%	3.00%	3.00%
EIT Growth	2.00%	2.00%	2.00%	2.00%	2.00%
Retirement Contribution Rate	34.79%	35.26%	35.68%	36.32%	37.00%
Wage Increases	3.30%	3.20%	3.00%	3.00%	3.00%
Medical Increase	8.00%	6.00%	6.00%	6.00%	6.00%
Basic Education Subsidy Increase	2.00%	2.00%	2.00%	2.00%	2.00%
Textbook Adoptions	0	0	75,000	0	0
Transfer to Capital Reserve Fund (Debt Service savings)	0	0	2,910,670	4,972,409	4,970,000

# Five-Year Budget Projection

	Estimated Actual	Projected Budgets				
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
TOTAL REVENUES	52,946,600	54,662,380	56,451,732	58,074,863	59,866,376	61,912,593
TOTAL EXPENDITURES & OTHER FINANCING USES	54,066,260	55,289,380	56,752,019	58,361,417	60,008,719	61,994,231
BASELINE OPERATING BALANCE	(1,119,660)	(627,000)	(300,286)	(286,554)	(142,344)	(81,639)
TOTAL FUND BALANCE (Beginning of Year)	7,150,850	6,031,190	5,404,190	5,103,904	4,817,350	4,675,006
TOTAL FUND BALANCE (End of Year)	6,031,190	5,404,190	5,103,904	4,817,350	4,675,006	4,593,368

## Notes

2018-19 expenditures include \$975,000 recommended transfer to Capital Reserve and \$210,000 one-time expense from the Assigned for Technology Fund Balance

Unspent budgetary reserve will improve the baseline operating balance. Budgetary reserve is projected at \$400,000 each year.

In addition to budgetary reserve, the conservative budget approach may also improve the projected baseline operating balance.

# Items from the Committee