



# 2012-2013 Budget Discussion

Northwestern Lehigh School  
District

April 11, 2012

# [ Agenda ]

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- Recap of Budget Process
- Tonight's discussion topics:
  - Diesel
  - Heating Oil
  - Electric
  - Capital Reserve
  - Food Service Contribution

# Budget Goals

- Maintain instructional programs with modifications, as necessary
- Provide appropriate class sizes
- Align the budget with strategic planning mission, vision, & goals
- Develop a budget with a long-term & short-term focus
- Continue to identify areas to maximize efficiencies and reduce costs without negatively impacting programs

**2012-2013**

# [ 2012-13 Budget Recap ]

## ■ February 8, 2012

- Budgeting Strategies
  - OPEB
  - Fleet Replacements
  - Diesel/Heating Oil
  - Capital Reserve
  - PSERS
  - Emmaus Bond Pool (EBP)  
Rate Stabilization
  - Budgetary Reserve

## ■ March 15, 2012

- Revenue Assumptions
- Expenditure Discussion
  - OPEB
    - Continue funding structure
  - Debt
    - Budget 4% for EBP
    - Use Refi savings for one-time purchases
  - Fleet Replacements
    - Fund all replacements through millage and Use of Fund Balance

# Budget Timeline

2012-2013 Budget Timeline	Dates	Estimated Revenue	Estimated Expenditures	Estimated Budget Shortfall w/ No Millage Increase	Estimated Budget Shortfall w/ 1.01 Millage Increase
Budget Overview	Dec 7, 2011	\$ 35,673,840	\$ 36,814,438	\$ (1,140,598)	\$ (702,631)
Budget Discussion *	March 15, 2012	\$ 35,945,144	\$ 36,947,684	\$ (1,002,540)	\$ (564,148)
Budget Discussion *	April 11, 2012	\$ 35,945,144	\$ 37,036,122	\$ (1,090,978)	\$ (652,586)
Budget Discussion (if needed)	April 18, 2012	TBD	TBD	TBD	TBD
Proposed Final Budget Adoption	May 9, 2012	TBD	TBD	TBD	TBD
Final Budget Adoption	June 13, 2012	TBD	TBD	TBD	TBD

\* No change to Salaries & Benefits from initial budget projections.

# 2012-13 Budget Summary

## April 11th

	Dec 7, 2011 Budget 2012-13	April 11, 2012 Budget 2012-13	Change From 12/7/11
Total Bldg & Dept	4,136,396	4,214,837	78,441
Total Salaries & Benefits	23,788,864	23,788,864	-
District Wide	8,676,036	8,812,421	136,385
Grants	213,142	220,000	6,858
Estimated Total Expenditures	36,814,438	37,036,122	221,684
Estimated Total Revenues	35,673,840	35,945,144	271,304
<b>Excess/(Shortfall)</b>	<b>(1,140,598)</b>	<b>(1,090,978)</b>	<b>49,620</b>
Estimated Millage Increase 1.01 Mills	437,964	437,964	-
<b>Excess/(Shortfall) to Balance Budget</b>	<b>(702,634)</b>	<b>(653,014)</b>	<b>49,620</b>

NOTE: No changes have been made to Salaries and Benefits from December 7, 2011.

# Budget Summary Changes

## April 11th

	Change From 12/7/11	
Total Bldg & Dept	78,441	Increase due to changes in diesel & heating oil
Total Salaries & Benefits	-	
District Wide	136,385	
Grants	6,858	Increase due to changes in special education services, textbooks estimates and additional funds for fleet replacement
Estimated Total Expenditures	221,684	
Estimated Total Revenues	271,304	Increase to grants to match grant revenues
<b>Excess/(Shortfall)</b>	<b>49,620</b>	
Estimated Millage Increase 1.01 Mills	-	Increase to revenues due to changes in assessed value and changes to state revenue estimates **
<b>Excess/(Shortfall) to Balance Budget</b>	<b>49,620</b>	

\*\* Changes to revenues were discussed in March 15<sup>th</sup> budget presentation in detail

# [ Salaries & Benefits ]

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- Meetings with Administrators to develop staffing plans for 12-13
- Goal- Maintain staffing levels district-wide to meet the needs of the educational programs
- Next Week- discuss staffing plan with board



# Staffing 2009-10 to Present

- Administration
  - Elimination of 3 positions
- Teachers
  - Elimination of 18 positions
- Support
  - Secretarial
    - Elimination of 2 positions
    - Savings on 2 benefited positions
  - Custodial
    - Elimination of 3 positions through retirements (Weisenberg Outsourcing)
    - Savings on 4 benefited positions

**28 STAFF  
ELIMINATED!**

# [ Annual Savings ]

(projected for 2012-13)

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- Administration \$215,000
- Teachers \$1,773,000
- Secretarial \$139,000
- Custodians \$84,000 (net of out-sourcing costs)

**Total Annual Savings**

**\$2,211,000**

**Equivalent of 5 mills**

# [ Tonight's Focus ]

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- Diesel Fuel
- Heating Oil
- Electric
- Capital Reserve
- Food Service Contribution

# Diesel Fuel

	Budgeted Gallons	Budgeted Price/Gallon	Budgeted Dollars	Actual Gallons	Average Price/Gallon	Actual Dollars
12-13	85,000	\$ 3.75	\$ 318,750	-	-	-
11-12 *	85,000	\$ 3.50	\$ 297,500	82,627	\$ 3.38	\$ 279,279
10-11	100,000	\$ 3.00	\$ 300,000	81,606	\$ 2.81	\$ 229,313
09-10	85,000	\$ 3.00	\$ 255,000	71,934	\$ 2.17	\$ 156,097
08-09	82,800	\$ 3.00	\$ 248,400	95,053	\$ 3.27	\$ 310,823

82,805 Average

\* Estimated total gallons. Actual data through March 2012.

	Total Budget	Millage	Fund Balance
Price/Gallon	\$ 3.75	\$ 3.25	\$ 0.50
Total	\$ 318,750	\$ 276,250	\$ 42,500

**RECOMMENDATION**

# [ Heating Oil ]

	Budgeted Gallons	Budgeted Price/Gallon	Budgeted Dollars	Actual Gallons	Average Price/Gallon	Actual Dollars
12-13	160,000	\$ 3.75	\$ 600,000	-	-	-
11-12 *	165,000	\$ 3.50	\$ 577,500	80,927	\$ 3.26	\$ 263,822
10-11	185,700	\$ 3.00	\$ 557,100	167,596	\$ 2.75	\$ 460,889
09-10	185,700	\$ 3.11	\$ 576,703	147,462	\$ 2.11	\$ 311,145
08-09	162,800	\$ 3.00	\$ 488,400	159,762	\$ 3.21	\$ 512,836

158,273 Average

\* Estimated total gallons. Actual data through March 2012.

	Total Budget	Millage	Fund Balance
Price/Gallon	\$ 3.75	\$ 3.25	\$ 0.50
Total	\$ 600,000	\$ 520,000	\$ 80,000

**RECOMMENDATION**

# [ Electric ]

- PPL & Exelon Energy

- Middle School
- Transportation
- Field House



- MetEd & Constellation Energy

- Weisenberg
- Northwestern
- High School



# [ Electric Purchasing ]

- Provident Energy Consultants
- Competitively bid Generation Rates (deregulation)
- Joint Bid with other districts across PA
- Local quasi-consortium efforts
  - NWLSD
  - Allentown
  - Pleasant Valley
  - Saucon Valley
  - Southern Lehigh
- Contracts through June 30, 2013
- Currently exploring bidding process for July 1, 2013 due to favorable market pricing

PROVIDENTENERGY The Power Of Ideas



# [ Electric ]

SOURCE	1213 Budget		1112 Budget		1011 Actual		
	KWH	Dollars (\$)	KWH	Dollars (\$)	KWH	Dollars (\$)	
Weisenberg	MetEd	924,000	\$ 101,176	911,230	\$ 91,852	919,040	\$ 108,144
Northwestern	MetEd	540,960	65,461	579,117	58,375	554,880	65,565
High School	MetEd	1,716,480	205,920	2,389,563	240,868	1,916,928	221,126
Middle School	PPL	968,550	97,359	1,000,437	100,844	1,058,100	114,633
Other*	PPL	70,690	8,314	85,933	8,662	89,967	12,573
Transportation	PPL	86,045	8,078	93,244	9,399	86,809	9,482
		4,306,725	\$ 486,308	5,059,524	\$ 510,000	4,625,724	\$ 531,523
Change from PY			\$ (23,692)				

\* Other includes field house, traffic lights, signs

Reduce KWH based on consultant recommendation, and energy saving initiatives (balanced systems, A/C shutdown after hours, etc)

**RECOMMENDATION**



# [ Capital Reserve ]

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- Currently \$0 budgeted for transfer
- Operations Committee evaluating Facilities Master Plan (FMP)
- Options:
  - A- Budget a transfer
  - B- Continue with \$0 and reevaluate in 2013-14 when FMP is complete

# [ Food Service Contribution ]

- Historically transferred \$10,000 annually
- 2011-12 \$0 budgeted for transfer
- 11-12 TBD
- 10-11 \$39,387
- 09-10 \$42,124
- 08-09 \$13,052
- 07-08 \$25,927

# Food Service Options

## ■ Option A

- Do nothing and let operations naturally increase/decrease the debt

## ■ Option B

- Through a General Fund contribution, eliminate the debt owed at June 30, 2012.
- Increase the total expenditures in the General Fund

Option A- Allow food service operations to naturally increase/decrease the debt owed to the general fund.

**RECOMMENDATION**

# Projected Use of Fund Balance

Estimated Shortfall-4/11/12	\$	1,090,978
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## Unassigned

Budgetary Reserve	\$	400,000
	\$	400,000

## Committed/Assigned

OPEB	\$	100,000	*
Rate Stabilization Fund		254,800	*
Fleet Replacements		12,500	
Diesel/Heating Oil		122,500	*
Textbooks		90,000	
PSERS Stabilization		111,178	*
	\$	690,978	

Total Use of Fund Balance	\$	1,090,978
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\* Amount requires board action for use in 2012-13

# [ What's Next... ]

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- April 18<sup>th</sup>- Staffing Discussions
- April-Staff Budget Meetings
- May 9<sup>th</sup>- Proposed Final Budget Adoption
- June 13<sup>th</sup>- Final Budget Adoption